

**Open Report on behalf of David O'Connor,
Executive Director Performance and Governance**

Report to:	Audit Committee
Date:	28 January 2013
Subject:	Combined Assurance Status Reports

Summary:

The aim of this report is to provide the Audit Committee with an insight on the assurances across all the Councils critical services, key risks and projects.

Recommendation(s):

That the Committee:

Notes the current status of the Executive Directors' assurance regime and makes recommendations on any further scrutiny requirements or actions.

Background

1. This is the first combined assurance status report being presented to the Audit Committee by the Executive Directors' of Children's Services – Communities – Resources & Community Safety – Performance & Governance. Adult Social Care was discussed at the November 2012 Committee.
2. These reports aim to provide an insight (snapshot) on what assurances are currently in place on areas of the business that matter most ie.

'have a significant impact on the delivery of our priorities or whose failure could result in significant damage to our reputation, financial loss or impact on people'
3. Internal Audit have co-ordinated the assurance information available from management, our corporate functions / third parties and Internal Audit with the overall assurance opinion being determined by senior management.
4. The combined assurance gives an overview of assurance provided across the whole Council – not just those from Internal Audit – making it possible to identify where assurances are present, their source, and where there are potential assurance 'unknowns or gaps'.
5. Internal Audit have triangulated information to help ensure that it 'stacks up' and applied some constructive challenge on the assurance opinions being given **but**

as accountability rests with management it is senior managers views that have determined the overall assurance status. This is in line with a control environment that promotes a culture where we:

- take what we have been told on trust
 - encourages accountability with those responsible for managing the service
 - provide some independent challenge / insight where appropriate.
6. Directorates work well with Internal Audit, highlighting areas for review where independent challenge adds value and complements internal and external reviews.
 7. The detailed Combined Assurance Status Report for each Director can be found in the Appendices.
 8. As this was the first time we have undertaken this exercise we will obtain feedback on its usefulness from both the Board and the Audit Committee.
 9. We are suggesting that similar reports are produced on an annual basis – with assurance information being maintained / co-ordinated through Internal Audit client liaison arrangements.

Conclusion

10. Overall there is a high level of positive assurance on our critical systems, key risks and projects. There were no areas with low level of confidence on how we manage our risks and deliver our services.
11. We identified no significant gaps in our assurance arrangements - with most being provided by management. This is supported by a good level of corporate / third party and independent assurance by Internal Audit. This helps increase the level of confidence that our 'business as usual systems' are working effectively. This is encouraging given the potential difficulties ahead in responding to reduced public sector funding and increasing demand for services.
12. Where concerns have been raised these have been addressed within the suggested next steps section of the report.
13. The business intelligence obtained from the combined assurance model will:
 - inform the Council's Annual Governance Statement 2013
 - streamline and avoid duplication of effort where assurance can be drawn from a third party or other sources
 - inform the Internal Audit Strategy. The Management Board / Audit Committee will need to determine the level of assurance / frequency of assurance it requires on the Council's critical systems from Internal Audit
 - help focus the Internal Annual Audit Plan by identifying where more independent assurance is required based on significance and risk of the activity – leveraging assurance from other sources where they can. Internal

Audit continues to have the right to conduct its own assurance activity freely and independently in order to meet its role and remit. However, if they need to provide assurance through their work plans then the reasons will be clearly understood by the Management Board and Audit Committee.

- inform the Head of Audit annual audit opinion 2013.

Consultation

a) Policy Proofing Actions Required

N/A

Appendices

These are listed below and attached at the back of the report	
Appendix A	Combined Assurance Status Report - Children Services
Appendix B	Combined Assurance Status Report - Communities
Appendix C	Combined Assurance Status Report - Resources & Community Safety
Appendix D	Combined Assurance Status Report - Performance & Governance

Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

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