



Open Report on behalf of Andrew Crookham, Executive Director - Resources

Report to:	Audit Committee
Date:	09 February 2022
Subject:	Combined Assurance

Summary:

Provide the Audit Committee with insight on the assurances across all the Council's critical services, key risks, partnerships, and projects.

The Chief Executive, Executive Directors and the Assistant Chief Fire Officer will be present to respond to any questions the Committee may have on the assurance framework.

Recommendation(s):

That the Committee review the Combined Assurance Status Report 2021/22 seeking assurance over the adequacy of the Council's governance, risk, and control environment; and makes recommendations on any further scrutiny requirements or actions.

Background

1. The Council has produced its annual Combined Assurance Status Report with each Executive Director assessing information across:
 - critical service delivery activities
 - key risks
 - key projects
 - key partnerships, providing an overall assurance level.
2. Internal Audit have co-ordinated the overall assurance 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 the senior management's views that has 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 – giving a realistic and honest assessment, being open and transparent
 - encourage accountability with those responsible for managing the service and associated risks

- provide some independent challenge / oversight where it matters most.
3. The Covid-19 pandemic has continued to bring challenges to all aspects of life and this report rightly recognises the additional risks the pandemic places on the delivery of our services.

Overall Assurance Level 2021/22

4. Overall, there continues to be a good level of positive assurances in place, with increased Green and reduced Amber Assurances. There has been a slight increase in the Red assurance - as shown below: -

Overall assurance rating	Changes since 2020/21	
Red Assurance	↑	Up from 2% to 3%
Amber Assurance	↓	Down from 43% to 38%
Green Assurance	↑	Up from 55% to 59%

Transformation programme, Commercial, Place and Fire & Rescue have all shown reduced assurance level in comparison with the 2020/21 outcomes. Red assurance ratings have increased in all areas with Amber rating also increasing in all areas except Place directorate.

There is improved assurance rating in Adult Care and Community Wellbeing, Children's Services, Resources and Corporate services - with static and reducing Red assurances and reduced Amber assurance ratings.

5. There are several areas with lower levels of assurance shown on critical activities - these relate to:

Directorates	High critical activities
Transformation programme	<ul style="list-style-type: none"> • Business World redesign
Place	<ul style="list-style-type: none"> • Civil parking enforcement
Commercial	<ul style="list-style-type: none"> • Business World redesign and governance • ICT PSN Compliance • ICT Payment card industry data security standard (PCIDSS)
Fire and Rescue	<ul style="list-style-type: none"> • Prevention

Management action and / or appropriate governance oversight processes are in place to monitor improvements actions.

Conclusion

6. The report confirms that all key areas and risks have been subject to assurance procedures. Overall, there continues to be a good level of assurance, with increased areas of high assurance areas than 2020/21.
7. There are 'no surprises' and the assurance framework remains strong demonstrating appropriate management oversight and monitoring.

8. The combined assurance report provides the Committee with a good level of understanding about the level of assurances in place – supporting its ‘watchdog’ role and remit. In reviewing the Combined Assurance Status Report the Committee may wish to consider:
- whether the assurances given are reliable and adequately evidenced
 - seeking direct assurance from the Corporate Leadership Team on how they consider the results of the assurances given
 - if any specific issue / risk should be referred to the Governance Group for consideration in the Council's annual governance statement
 - whether the reports 'realistically' reflect the Audit Committee's knowledge and understanding of the Council's governance, risk and assurance arrangements.
9. The information obtained from the combined assurance model will:
- Inform the Internal Annual Audit Plan 2022/23 by identifying where more independent assurance is required based on significance and risk.
 - Help inform the Head of Audit annual audit opinion 2021/22.
 - Help inform the development of the Council's Annual Governance Statement

Consultation

a) Risks and Impact Analysis

None

Appendices

These are listed below and attached at the back of the report	
Appendix A	Internal Audit Combined Assurance Status Report 2021/22 – February 2022

Background Papers

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

This report was written by Lucy Pledge, Head of Audit and Risk Management, who can be contacted on 01522 553692 or lucy.pledge@lincolnshire.gov.uk.

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