

# Southend-on-Sea Borough Council

Agenda  
Item No.

Report of Chief Executive and Town Clerk

to

**Audit Committee**

on

**22 June 2011**

Report prepared by: Linda Everard, Head of Internal Audit

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**Manager Assurance Statements 2010/11**

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*A Part 1 Public Agenda Item*

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## **1. Purpose of Report**

1.1 To present to the Audit Committee:

- a summary of the annual assessments completed by senior management of how well key business management process have been applied in their service areas throughout 2010/11
- a view on the level of reliance that can be placed on these assessments in support of the Annual Governance Statement for 2010/11.

## **2. Recommendation**

**2.1 The Audit Committee notes the results of the Manager Assurance Statements review and takes this into account when considering the Annual Governance Statement.**

## **3. Background**

3.1 For some years there has been a requirement for local authorities to:

- set out their governance arrangements in a Local Code of Governance; and
- publish an annual statement on the effectiveness of the framework via an Annual Governance Statement.

- 3.2 Current good practice guidance, as set out in Chartered Institute of Public Finance and Accountancy (CIPFA) / Society of Local Authority Chief Executives and Senior Managers (SOLACE) publication: Delivering Good Governance in Local Government suggests that councils should:
- seek regular assurance that its systems of internal control are functioning effectively, which is achieved mainly through the work of the Audit Committee; and
  - undertake an annual assessment of performance. This requires consideration of annual reports from various sources including Heads of Service and Corporate Directors via their Manager Assurance Statements. A summary of their assessments is attached at **Appendix 1**.
- 3.3 The purpose of the Manager Assurance Statements work was to give a view on whether the self assessment completed by managers is a reasonable reflection of how the key corporate business management arrangements operated throughout 2010/11. This year, the approach adopted was to ask managers to assess whether they had fully met, substantially met or not met the **aim** of each key business management process. So the Manager Assurance Statement was designed so that it:
- set out the aim of the key business management process
  - the assurance required and
  - the types of evidence that provide the assurance the aim of the process has been met.
- 3.4 To assess how robust these assessments are, a sample of Manager Assurance Statements were reviewed from each directorate.
- 3.5 Responses were received from all services across all directorates.
- 3.6 ***From the work completed, there is reasonable evidence to support service managers' view that key corporate business management processes have been generally operating effectively throughout 2010/11.***
- 3.7 Some of the initial self assessments were amended as part of this review with the agreement of management. This is evidenced in Appendix 1 as 'UPDATED', accompanied by an arrow and in the main moved assessments from fully met to substantially met so they did not alter the overall assessment.
- 3.8 The main area identified by managers as requiring further work is **Business Continuity** where the Council needs to:
- update its business continuity plan to cover all service areas; and
  - clearly set out the services' roles and responsibilities in implementing the plan.

3.9 In some areas where plans had been prepared, they lacked detail, i.e. not specifying clear actions for the team, just stating the need for alternative action. This has led to an inconsistent:

- quality of robust business continuity plans across the Council; and
- self assessment of whether this business management process has been met or not.

3.10 **This should be highlighted in the Annual Governance Statement for 2010 / 11.**

3.11 The following are business management processes that could be improved upon, but were not identified as inherent problems that should be highlighted in the Annual Governance Statement:

- **Risk Management:** Where proportionate service level risk registers should be prepared in support of all service / team plans and then be reviewed regularly with timely implementation of actions required to further mitigate risks. Risk Management and Health and Safety should also be included as a standing item on all management / team meeting agendas.
- **Performance Management:** Where all service objectives should be supported by a set of balance performance measures covering economy, efficiency, effectiveness and people
- **Procurement:** Where there needs to be greater management oversight and control over procuring goods and services to ensure Contract Procedure Rules are followed.
- **Codes of Conduct:** Where declarations of interest (including nil returns signifying no known interests) should be obtained from senior staff and staff undertaking specific types of role. Management should review interests declared and take account of any potential issues when allocating work or coming to a decision.

#### **4. Corporate Implications**

4.1 Contribution to Council's Aims, Priorities and Outcomes

Operating robust governance arrangements contributes to the delivery of all Council aims, priorities and outcomes.

4.2 Financial Implications

None

4.3 Legal Implications

The Accounts and Audit Regulations 2003 require a review of the effectiveness of systems of internal control and a statement on internal control. A Code of Governance ensures that relevant and robust assurance measures are in place to deliver effective internal control.

#### 4.4 People and Property Implications, Consultation, Equalities Impact Assessment

None

#### 4.5 Risk Assessment

Failure to operate robust governance arrangements can potentially lead to poor management, performance, stewardship of public money, public engagement and ultimately, poor outcomes for citizens and service users. It increases the risk that corporate priorities will not be delivered.

#### 4.6 Value for Money

None, although Value for Money is identified as a key governance process

#### 4.7 Community Safety Implications and Environmental Impact

None

### 5. Background Papers

- Chartered Institute of Public Finance and Accountancy (CIPFA) / Society of Local Authority Chief Executives and Senior Managers (SOLACE) publication: Delivering Good Governance in Local Government - Framework.
- Chartered Institute of Public Finance and Accountancy (CIPFA) / Society of Local Authority Chief Executives and Senior Managers (SOLACE) publication: Guidance Note for English Authorities
- The CIPFA Finance Advisory Network, The Annual Governance Statement, meeting the requirements of the Accounts and Audit Regulations 2003, Incorporating Accounts and Audit (Amendment) (England) Regulation 2006, Rough Guide for Practitioners.
- The Accounts and Audit Regulations 2003
- The Accounts and Audit (Amendment) (England) Regulations 2006

### 6. Appendices:

- Appendix 1: Summary of Manager Assurance Statements 2010/11 self assessment