

GOVERNANCE & AUDIT COMMITTEE 25 January 2022

SENIOR MANAGEMENT ASSURANCE STATEMENT HALF YEAR 2021/22 REPORT OF CORPORATE DIRECTOR RESOURCES AGENDA ITEM: 10.3

Reason for Report

1. The Governance & Audit Committee's Terms of Reference requires Members to review the Annual Governance Statement prior to approval and consider whether it properly reflects the risk environment and supporting assurances, taking into account the internal audit opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and internal control.
2. Specific components of the AGS reported individually to the Governance & Audit Committee are the biannual Senior Management Assurance Statements (SMAS) and the AGS Action Plan of significant governance issues, following approval by the Senior Management Team. This report provides members of the Governance & Audit Committee with the full AGS for 2020/21 that will sit alongside the Council's Statement of Accounts.

Background

3. Senior Management Assurance Statements (SMAS) are used to assess governance maturity in application of the 'Delivering Good Governance in Local Government' framework, developed by CIPFA / SOLACE.
4. On the 20 July 2021, the Governance & Audit Committee received the draft Annual Governance Statement which contained the proposed action plan for significant governance issues to be carried forward into 2021/22. The report also stated that a progress report against the identified actions will be considered as part of the SMAS Half year report.
5. The Annual Governance Statement Action Plan for 2021/22 was as follows
 - Extend and deepen the areas of SMT investigation in respect to compliance, risk and outcomes.
 - Extend the assurance on the quality of performance reviews through evidence gathering at Directorate level
 - Embed into the self- assessment on Assurance the Five ways of Working in respect to the Future Generations Act.
6. The Action plan points were to be progressed during the year and considered alongside the self-assessment of the Senior Management Statements. In addition to the three actions taken forward by SMT, each directorate was directed to develop its own assurance action plan in order to capture opportunities for improvement at a directorate and / or service level.

7. Through the SMAS, each Director responds to 28 good governance statements using a 5-point maturity scale for their areas of responsibility ranging from 'not in place', 'limited application', 'mixed application', 'strong application' to 'embedded'. Prior to submitting their returns, each Director is required to obtain underlying assurances from their management teams to support a directorate-wide response to each statement.
8. Each of these 28 Statements are linked to 9 categories considered within Governance
 - Risk Management (5)
 - Future Generations (7)
 - Compliance (2)
 - Programme and Project Assurance (3)
 - Budget Monitoring (2)
 - Planning and Decision Making (2)
 - Internal Control Environment (3)
 - Fraud & Financial Impropriety (2)
 - Performance Measurement & Management (2)
9. The 28 Statements that are asked of each directorate can be found in Appendix A. The statements in respect to Future generations and Five Ways of Working have been significantly reviewed to ensure that all aspects are considered when determining assurance.
10. In November 2021, each Directorate SMAS return was considered at a Challenge session chaired by the Chief Executive and the collective set of returns presented to and discussed by Senior Management Team at their meeting of 18 January 2022. In the same meeting, a progress update was given on the action plan which covered significant issues arising from the Annual Governance Statement. It was also reported that 45 actions have been identified by Directorates and they will be collectively monitored by SMT and where applicable those actions will be carried forward into the next financial year.

Issues

Senior Management Assurance Statements

11. Each Directorate has self assessed themselves against each Assurance category against the 28 statements and the Mid-year statement is set out in the following two tables;

Directorate / Service	Self-Assurance Level
Adults, Housing & Communities	Strong (middle range of assessment)
Children's Services	Strong (lower range of assessment)
Economic Development	Strong (middle range of assessment)
Education	Mixed (lower range of assessment)
Governance and Legal Services	Strong (middle range of assessment)
Planning, Transport and Environment	Strong (middle range of assessment)
Resources	Strong (middle range of assessment)

Category	Assessments challenged
Risk Management	Strong (middle range of assessment)
Future Generations Act	Mixed (higher range of assessment)
Compliance	Strong (middle range of assessment)
Programme and Project Assurance	Strong (lower range of assessment)
Budget Monitoring	Strong (middle range of assessment)
Planning and Decision Making	Strong (lower range of assessment)
Internal Control Environment	Strong (middle range of assessment)
Fraud & Financial Impropriety	Strong (lower range of assessment)
Performance Measurement & Management	Mixed (higher range of assessment)

12. The following table sets out the actions and the progress to date made against each at the mid-point.

Actions	Half Year Position	Future Actions
Extend and deepen the areas of SMT investigation in respect to compliance, risk and outcomes.	Senior Management Team received reports on 1. Mandatory Training Module Compliance 2. Procurement rules compliance 3. Internal Audit Recommendations 4. Risk Management Q1 and Q2 5. Establishment Reviews	To progress further compliance reports for the rest of the year
Extend the assurance on the quality of performance reviews through evidence gathering at Directorate level.	Half Yearly Performance Reviews to be completed by end of November	Short, sharp report to be produced by Directors as to the evidence used to provide an assurance opinion on Performance Reviews.
Embed into the self-assessment on Assurance the Five ways of Working in respect to the Future Generations Act.	SMAS refreshed to include questions specifically on each of the Five Ways of Working. Questions to be answered as part of the Half yearly Review and follow up actions to be actioned once results are collated.	Actions in respect to Five Ways of Working have been factored into individual directorate Action Plans and outcomes will be reported as part of end of year.

Reason for Recommendation

13. To enable the Governance & Audit Committee to note the mid-year position in respect of self-assessments and action plan update

Legal Implications

14. There are no direct legal implications arising from this report.

Financial Implications

15. There are no direct financial implications arising from this report.

Recommendation

16. The Governance & Audit Committee to review and comment upon the self-assessed elements of Senior Management Assurance Statements, and Action Plan of Significant Governance Issues.

Christopher Lee
Corporate Director Resources
25 January 2022

The following Appendices are attached:

Appendix A – Senior Management Assurance Statements