

# Governance Assurance Framework

Achieving intended outcomes, while acting in the public interest at all times

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# 1 Introduction

- 1.1 This document details how the Council will obtain assurance regarding the extent to which the Council is adhering to its commitment to good governance as set out in the adopted Local Code of Governance.

## 2 What is Governance?

- 2.1 The Council is committed to ensuring good governance principles and management practices are adopted in all business activities to ensure public trust. Governance is a term used to describe the arrangements, including political, economic, social, environmental, administrative systems, policies and processes, legal and other arrangements put in place, to ensure that the intended outcomes for stakeholders are defined and achieved.

## 3 What is an Assurance Framework?

- 3.1 Assurance is defined as an “objective examination of evidence for the purpose of providing an independent assessment on governance, risk management and control processes for the organisation”. An assurance framework is a structured means of identifying and mapping the main sources of assurance in an organisation, and co-ordinating them to best effect.
- 3.2 There are many mechanisms within the Council that can help to provide information on how well the organisation is performing and how its governance arrangements are managed. An assurance framework is a good way of managing this in a structured, visible format, ensuring that the different assurance mechanisms are focused to provide the best results, in a proportionate and effective manner.

### Benefits

- 3.3 There are significant benefits in developing and maintaining an assurance framework:
- It provides an opportunity to identify gaps in assurance needs that are vital to the Council and to consider the most appropriate way to manage these; including the use of Internal Audit;
  - It provides timely and reliable information on the effectiveness of the management of the Council's Governance arrangements;
  - It facilitates the escalation of issues requiring visibility and attention by Senior Management;
  - It can raise organisational understanding of governance and strengthen accountability and clarity of ownership, avoiding duplication and overlap;
  - It clarifies, rationalises and consolidates assurance inputs;
  - It provides for a better use of assurance skills and resources; and
  - It provides critical supporting evidence for the production of the Annual Governance Statement.

## 4 Sources of Assurance

4.1 The Council has adopted the “The Three Lines Model” with assurances being taken from one or more of the three sources below:

Source of Assurance	Assurance Given
<p><b>First line role:</b></p> <p><b>Individual Service’s Leadership and Management</b></p> <p>Management in services have the day to day responsibility for managing and controlling activities and are accountable for successful delivery. They are responsible for adherence to internal controls and agreed policies and procedures.</p> <p>Service Management (including Directors) are the 1<sup>st</sup> line of defence and as such, are required to take overall responsibility for delivering their services in line with the Local Code of Governance.</p> <p>Service Management (including Directors) are not required to provide a positive formal assurance on each of the elements contained within the Assurance Framework but are required to escalate key governance concerns or weaknesses, as they occur.</p>	<p>It will be assumed that Service Management comply with the requirements of the Assurance Framework, unless any concerns or weaknesses have been escalated by themselves or identified by the Corporate Oversight Function (please refer to 2<sup>nd</sup> line)</p> <p>Where concerns are escalated Managers/ Directors are required to identify actions they will be taking or support required to increase the level of assurance.</p>
<p><b>Second line role:</b></p> <p><b>Corporate Oversight Functions</b></p> <p>This assurance is separate from those responsible for front line delivery.</p> <p>Corporate Assurers are responsible for developing and defining governance processes. There are three elements to corporate assurance:</p> <ol style="list-style-type: none"> <li>1) That the Council has put in place policies and procedures to guide/advise services on the Governance area. For example;</li> </ol>	<p>A ‘Fully’, ‘Partially’, ‘Limited’ or ‘None’ rating indicates the level of assurance given. Assurance may be requested at one or both levels as follows:</p> <p>Element 1 = Corporate process in place.</p> <ul style="list-style-type: none"> <li>▪ Fully Compliant = Corporate Oversight Function can give substantial assurance that policies and processes have been put in place, cover the requirements of the Local Code and are up to date.</li> <li>▪ Partially Compliant = Corporate Oversight Function can give adequate assurance that policies and processes have been put in place and cover the majority of the requirements of</li> </ul>

Source of Assurance	Assurance Given
<p>a Risk Management Policy and toolkit.</p> <p>2) That Services are compliant and are meeting defined organisational requirements. Corporate Oversight Functions have insight into how well activities are consistently being carried out across the organisation, against set expectations, policy or regulatory considerations.</p> <p>3) Statutory officers' opinions over the governance of the authority (To include Head of Paid Service, Section 151 Officer, Monitoring Officer, Chief Audit Executive and other statutory positions such as Data Protection Officer, Health and Safety Office and Designated Safeguarding Lead Officer)</p> <p>The second line of assurance is more objective.</p> <p>How assurances are obtained, and the frequency will vary depending on the level of risk and previous assurance ratings:</p> <p>1) For elements of the framework which received full assurance in the previous year and, in the main remain static and are subject to limited change (low risk), confirmation that arrangements remain in place will be obtained annually from the relevant Corporate Oversight Function.</p> <p>2) Specific assurances will be obtained in relation to higher risk areas, and areas subject to reduced assurance in the previous year.</p>	<p>the Local Code.</p> <ul style="list-style-type: none"> <li>▪ Non-Compliant = Corporate Oversight Function can only give limited or no assurance. Policies and processes may be considered to be insufficiently robust, effective, up-to-date or are not in place.</li> </ul> <p>Where the level of assurance is 'Partially' or "Non-Compliant", Corporate Assurers are required to identify actions they will take to increase the level of assurance. These elements will be highlighted to the Corporate Governance and Assurance Board Group for noting.</p> <p>Element 2/3 = Compliance.</p> <ul style="list-style-type: none"> <li>▪ Fully Compliant= Corporate Oversight Function / Statutory Officers can give substantial assurance that policies and processes are working effectively across the Council.</li> <li>▪ Partially Compliant = Corporate Oversight Function / Statutory Officers can give adequate assurance of compliance, there may be some lapses of compliance across the Council, but not significant.</li> <li>▪ Non-Compliant = Corporate Oversight Function/ Statutory Officers can only give limited or no assurance of compliance. There are significant lapses of compliance across the Council which represent a risk to the Council effectively meeting its objectives.</li> </ul> <p>Where the level of assurance is 'Partially' or "Non-Compliant", this will be escalated to the Corporate Governance and Assurance Board Group for action.</p>
<p><b>Third line role:</b></p> <p><b>Internal Audit</b> – provides <b>independent</b> and objective opinion/assurance on service delivery arrangements, management of risks, design and operation of controls, performance and governance arrangements.</p> <p>Internal Audit's work is scheduled on a risk assessment annually, and as such, may not cover all the areas requiring assurance in any one</p>	<p>Red – Amber – Green rating indicating the level of assurance that is given by Internal Audit (based on the levels currently used in the internal audit reports):</p> <ul style="list-style-type: none"> <li>▪ Red = Limited or No assurance</li> <li>▪ Amber = Adequate assurance</li> <li>▪ Green = Substantial assurance</li> </ul> <p>This assessment is based on the outcome of the Internal Audit work.</p>

Source of Assurance	Assurance Given
<p>year. However, they are likely to cover all areas during a three year cycle.</p> <p>Internal Audit will place reliance on the first and second lines, to enable it to direct resources most effectively on areas of highest risk or where there are gaps or weaknesses in other assurance arrangements.</p> <p>The Council may take assurance from other independent assurance providers operating in the third line, such as those provided by independent regulators, peer reviews.</p> <p>The external auditors are an additional line of assurance, sitting outside the internal assurance framework.</p> <p>This type of assurance is perceived as independent and objective.</p>	<p>Issues arising from Internal Audit assurance work will be included on the quarterly governance assurance reports to the Corporate Governance and Assurance Board.</p>

## 5 Key Governance Areas requiring Assurance

- 5.1 There are a number of key systems, processes and polices within the Council that provide a body of evidence required to support the continuous assessment of the effectiveness of the Council's Governance Arrangements.
- 5.2 The Council's Assurance Framework is structured to provide evidence to underpin the assessment of our Governance arrangements which support the production of the Annual Governance Statement.
- 5.3 Appendix A provides a summary of the key assurance areas and how these link to the Code of Governance. A more detailed document is maintained by Risk and Governance service of the key assurance areas and the Council's corporate risks and priorities as set out in the Corporate Plan.

## 6 Reporting Assurance

### General Reporting

- 6.1 Assurance providers under the three lines are required to provide assurances at defined frequencies, which will be informed based on the governance area and the level of assurance required. This will be dictated by an assessment of the risk and the processes in place that are reflected in the most recent Annual Governance Statement.
- 6.2 Assurances will be reported to the Corporate Governance and Assurance Board. These will form the basis of the Chief Audit Executive opinion on the governance, risk and control environment and the Annual Governance Statement.
- 6.3 A key component of reporting includes regular assurance reports to the organisation's Audit and Risk Committee.

### Annual Governance Statement

- 6.4 The Annual Governance Statement is a key feature of the Council's annual reporting and Accounts. It covers the organisation's corporate governance, risk management and internal control arrangements. The AGS incorporates an evaluation on how well the arrangements have operated in practice, based on the on-going assessment process detailed within this Framework.

### Alternative Delivery Arrangements

- 6.5 Similar and proportionate oversight and assurance reporting arrangements should also be put in place in respect of services outsourced to external suppliers, trading partnerships, shared service arrangements and arm's length bodies.
- 6.6 Such arrangements are the responsibility of the contracting manager.

APPENDIX A Summary of the key assurance areas and how these link to the Code of Governance

GOVERNANCE AREA	DEFINITION	PRINCIPLE IN LOCAL CODE
<b>Roles and Responsibilities</b>	The Council is clear about the roles and responsibility of Members to plan, run, monitor and develop Council business, and Officers to effectively deliver Council Services and optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders.	Dominant in Principle(s) A3, E2
<b>ICT Infrastructure and Strategy</b>	The Council has an ICT transformation programme, and will develop efficient, effective systems and technology to support delivery of services.	Dominant in Principle E2
<b>Legal Framework</b>	The Council has a legal framework (Constitution, Policy & Procedures) which sets out the rules and procedures that are to be followed by Members and Officers. This details how the Council will utilise its powers to the benefit of the community, whilst observing the requirements of legislation and general responsibilities placed on it.	Dominant in Principle(s) A3
<b>Shared Values</b>	The Council will ensure that its values are embedded within Council Policies and Procedures and that there is an expectation that those who work with the Council will respect these.	Dominant in Principle(s) A1, A2
<b>Effective Policies, Strategies and Procedures</b>	The Council will maintain an effective Policy Framework and identify the key policies to ensure effective delivery of the Councils objectives.	Dominant in Principle(s) A1 Has an impact in these principles A2, C2, E2, F2
<b>Decision Making and Evidence and Delegations of Duties</b>	The Council will effectively evidence and record decisions made in connection with the discharge of its functions and publish those appropriately.	Dominant in Principle(s) B1 Has an impact in these principles A1, C2, D1, F2
<b>Scrutiny Arrangements</b>	The Council will maintain Scrutiny arrangements as part of its system of governance to ensure constructive challenge and debate on policies, performance and decision making	Dominant in Principle(s) G2 Has an impact in these principles A2
<b>Internal Audit</b>	The Council will maintain an effective internal audit function in line with the Public Sector Internal Audit Standards	Dominant in Principle(s) F3, F4 Has an impact in these principles G3
<b>Audit Committee</b>	The Council will maintain an effective Audit and Risk Committee that reflects the political composition of the council, which operates in compliance with CIFPA guidance	Dominant in Principle(s) F3, G3

GOVERNANCE AREA	DEFINITION	PRINCIPLE IN LOCAL CODE
<b>Conduct</b>	Officers and members will behave in line with the Nolan principles and lead a culture of acting in the public interest	Dominant in Principle(s) A1 Has an impact in these principles A2
<b>Declaration of Interests</b>	The Council will maintain registers of interests for both members and officers. The register documents interests which may be seen to potentially unethically or unlawfully influence individual's duties.	Dominant in Principle(s) A1
<b>Member &amp; Officer Induction, Training &amp; Development</b>	The Council will ensure that Members and Officers receive induction training to assist them in effectively executing their duties. The Council will ensure that members are offered, and officers receive continued professional development and other appropriate training to ensure they maintain their skills and knowledge.	Dominant in Principle(s) A1 Has an impact in these principles A2, E2
<b>Risk Management</b>	The Council will ensure that effective risk management is embedded across the council and its decision-making processes.	Dominant in Principle(s) F1 Has an impact in these principles C1, D1, D2, F2, F3
<b>Developing and Maintaining the Corporate Programme and Service Plans (Performance Management)</b>	The Council will develop and produce its Corporate and Service Plans. The Council will ensure that effective performance management arrangements are embedded across the council and will report our performance publicly.	Dominant in Principle(s) C1, F2, G2 Has an impact in these principles D2, E1, F1, F4
<b>Individual Performance Management Arrangements</b>	The Council will hold individuals to account for their performance	Dominant in Principle(s) E2 Has an impact in these principles A1
<b>Annual Report</b>	The Council will publish an annual report communicating the Council's activities, achievement and performance	Dominant in Principle(s) G1, G2 Has an impact in these principles B1,
<b>Counter Fraud &amp; Corruption Arrangements</b>	The Council will ensure that effective Counter Fraud and corruption arrangements are embedded across the council and will investigate suspected or identified fraud.	Dominant in Principle(s) F3 Has an impact in these principles A3



GOVERNANCE AREA	DEFINITION	PRINCIPLE IN LOCAL CODE
<b>Whistleblowing Arrangements</b>	The Council will maintain arrangements for individuals to raise concerns and will ensure that these are acted upon	Dominant in Principle(s) A1
<b>Effective Governance Framework</b>	The Council will maintain a Local Code of Corporate Governance and associated Assurance Framework and will review its governance arrangements periodically.	Dominant in Principle(s) G2 Has an impact in these principles F3, G3
<b>Effective Information Governance</b>	The Council will ensure that effective information governance arrangements are embedded across the council and will investigate suspected or identified breaches.	Dominant in Principle(s) F4
<b>Access to Information</b>	The Council will ensure transparency by providing access to information	Dominant in Principle(s) G1 Has an impact in these principles B1
<b>Financial Management</b>	The Council will ensure that effective financial management arrangements are embedded across the council, which supports short, medium and long term achievement of the Councils ambitions and service provision	Dominant in Principle(s) F5, G3 Has an impact in these principles A3, C1, C2, D1, D3
<b>Partnership Working and Shared Services</b>	The Council is committed to effectively working in partnership to deliver outcomes as it recognises the benefits of partnership and collaborative working.	Dominant in Principle(s) B2 Has an impact in these principles A2, B3, E1, F1, G3
<b>Consultation and Engagement</b>	The Council will have clear channels of communication in place with the community and other stakeholders and will define the types of issues it will consult and engage on and how we will use the feedback received.	Dominant in Principle(s) B3, Has an impact in these principles B1, B2, C1, C2, D1, D2, E2
<b>Asset Management</b>	The Council has an Asset Management Framework that ensures all of the Council's assets are compliant, sustainable, fit for purpose and support the delivery of Council services and strategic objectives.	Dominant in Principle(s) E1

GOVERNANCE AREA	DEFINITION	PRINCIPLE IN LOCAL CODE
<b>Comments, Compliments and Complaints</b>	The Council recognises feedback as an incredibly valuable resource for improving the experiences of our customers and shaping the design and delivery of our services for the future.	Dominant in Principle(s) A3
<b>Development Plan</b>	The Council will prepare and maintain Development Plans in accordance with legislation and national policy that sets the overall strategic direction for the Borough for up to the next 15 years.	Dominant in Principle(s) C2
<b>Inclusion and Diversity</b>	The Council recognises and values the diversity of all people and communities in the borough and in our workforce, and is committed to providing efficient, effective and relevant services to our residents and to ensuring that we are a good employer.	Dominant in Principle(s) B3 Has an impact in these principles C2
<b>Programme and Project Management Methodology</b>	The Council's Programme and Project Management methodology defines and maintains standards for project management within the organisation to provide decision-making capacity to ensure the program objectives are met	Dominant in Principle(s) F2 Has an impact in these principles B1, D2, F1
<b>Health &amp; Safety</b>	The Council has a Health and Safety Policy with proactive goals, which is supported by a strategy and management framework. This seeks to ensure the risks associated with the health and safety of those engaging in Council activities are appropriately managed, regularly reviewed and investigations completed where incidents occur.	Dominant in Principle(s) F1 Has an impact in these principles A3, G3
<b>Business Continuity and Emergency Planning</b>	The Council has Business Continuity and Emergency Planning processes in place to continue to provide services and respond to an emergency or incident.	Dominant in Principle(s) F1 Has an impact in these principles A3, B2, D2
<b>Safeguarding</b>	The Council actively promotes safeguarding to prevent harm and reduce the risk of abuse or neglect to adults with care and support needs and children	Dominant in Principle(s) F1 Has an impact in these principles G3
<b>Procurement</b>	The Council will ensure that effective procurement arrangements are embedded to enable the Council to demonstrate good practise, compliance with legislation, realise value for money and public accountability.	Dominant in Principle(s) A2 Has an impact in these principles A3, B1, D3
<b>Gifts and Hospitality</b>	The Council will maintain registers of gifts and hospitality for Members and Officers to ensure that appropriate safeguards are in place.	Dominant in Principle(s) A1 Has an impact in these principles A2
<b>Workforce</b>	The Council manages its workforce to ensure that the organisation has an adequate supply	Dominant in Principle(s) E1

GOVERNANCE AREA	DEFINITION	PRINCIPLE IN LOCAL CODE
Planning/Strategy	of people with the skills, knowledge and experience required to achieve its strategic objectives efficiently and effectively, both in the short and long term.	
Shared Services	The council will look for new ways to deliver the best possible services to residents, and realising the potential gains to be made through collaborative working	Dominant in Principle(s) E1
Investment Asset Acquisition Strategy	The Council will seek to offset funding reductions by generating new income through a range of investment strategies.	Dominant in Principle(s) A2 Has an impact in these principles B1, C2
Company Structures	The Council has appropriate company structures to maximise opportunities and effectively manage risk.	Dominant in Principle(s) A2