

## TO HELP YOU

## APPENDIX A

This note is to help to ensure a clear understanding of the purpose of a Director's Assurance Statement and what's required. This Statement will be used to draw up actions to improve our governance arrangements across the Council. In the last 4 years we've required each manager to draw up their Assurance Statement. This year we are streamlining the process by having one for all of the services within each Directorate. You should draw the Statement up with your team. This will enable the development of mutual support and share learning and good practice.

### A REMINDER.....WHY THIS IS IMPORTANT.....

Governance is about how local government bodies ensure that they do the right things, in the right way, for the right people in a timely, inclusive, open, honest and accountable manner. Governance comprises the systems, processes, culture, and values by which local government bodies are directed and controlled and through which they account to, engage with and lead their communities. Governance concerns everybody and covers the whole authority.

Each authority is required to publish an Annual Governance Statement, describing its governance arrangements and encompassing such items as the policies, procedures, tasks, behaviours and other aspects of the organisation that together facilitate its operation. The Annual Governance Statement is a key corporate document describing the Council's control framework, the process for evaluating business risk and the procedures and processes applied to manage those risks. It is the culmination of the Authority's continuous review of its systems, policies and procedures and the process of compiling it is more important than the document itself.

One of the sources of assurance for the Statement should come from Directors and managers responsible for the operation, management and monitoring of the controls within their sphere of responsibility. Each Executive Director should consider the areas of risk and control and state the level of assurance which can be provided for the operation of the relevant internal controls in 2009/2010 financial year. These Statements will be incorporated with other assurance sources (e.g. Internal / External audit opinions) into the corporate Annual Governance Statement. The purpose of this Statement is therefore your chance as Executive Director to review with your managers the systems, processes and behaviours that are operating within your services in the last year. It's a chance to take stock and identify where you need to tighten up.

There may be areas which you consider controls are not to the level to which you aspire, and therefore you will be signing the statement subject to these. The areas for development will be included as part of your planning for the coming year. Your Assurance Statement will be brought together with others to give an overall view of the adequacy of the control environment within the organisation. The final Annual Governance Statement is reviewed by external auditors as part of the Statement of Accounts, but will only reflect those areas where there is a material weakness or lack of control. The process of compiling the Governance Statement is more important than the Statement itself. Doing the Statement is not only good management practice and a requirement of evidencing good corporate governance, but it also demonstrates our compliance.

### WHAT DOES SIGNING THE DOCUMENT MEAN?

Your Assurance Statement relates to fundamental management processes. Subject to those areas you have decided need to be improved, you would be stating that appropriate controls were in place. You're only expected to give reasonable assurance for your area of activity, not to totally guarantee that everything is perfect.

**EXECUTIVE DIRECTORS / HEADS OF SERVICE ASSURANCE STATEMENT FOR 2009 / 2010**

**Statement made by:**

**Responsible for Service Areas/Functions:**

AREA OF ASSURANCE		Compliant?		If YES-How is this demonstrated / evidenced to support this? If NO-describe the issue
		Yes	No	
1	<p>Controls are in place to ensure that the services can demonstrate compliance with legal requirements, including taking any necessary steps during the year to identify, evaluate, communicate, implement and monitor any legislative changes, specific to your service</p> <p>The services recognise the need to operate within the legal constraints and don't act unlawfully and make decisions based on principles of good administrative law - rationality, legality and fairness</p>			
2	<p>Controls are in place to ensure there is compliance with the Council's constitution, including schemes of delegation, Financial Regulations and Contract Regulations and effective action is taken where you find areas of non compliance</p>			
3	<p>There are processes in place to plan the delivery of and implement the plans for the priorities of the Strategic Plan, from Director to services</p>			
4	<p>There are processes in place to ensure that the Council's policies and procedures are operated within the services including health and safety, codes of conduct etc.</p>			
5	<p>There are processes in place to ensure that risks are identified and managed effectively</p>			
6	<p>There is effective service / business planning with resource planning, including adequate stakeholder involvement and customer feedback sought and acted upon as appropriate</p>			

**EXECUTIVE DIRECTORS / HEADS OF SERVICE ASSURANCE STATEMENT FOR 2009 / 2010**

AREA OF ASSURANCE		Compliant?		If YES-How is this demonstrated / evidenced to support this? If NO-describe the issue
		Yes	No	
7	There are effective performance management processes with accurate and adequate performance information generated, reported to relevant parties on a timely basis, with appropriate action taken to address performance issues			
8	There are well defined reporting arrangements to Members and senior management, including a clear reporting structure with adequate, accurate and timely information provided, to enable effective decision taking, including seeking appropriate professional advice on legal and financial matters			
9	<p>Management and staffing structures are clearly defined, responsibilities including job descriptions are clearly established and there is a workforce of adequate competence and number to deliver the service.</p> <p>New staff have been properly inducted, and have been introduced to the ambitions, focus and priorities of the Council, and understand their role as part of the team.</p> <p>Performance Development Reviews are conducted effectively and on time and the results provided to Human Resources to develop the corporate training needs analysis.</p> <p>Employees receive face to face briefings and team meetings are planned, well organised and effectively managed</p>			
10	Standards of conduct within the services are in accordance with written codes and controls are in place to deter, prevent, detect, and therefore reduce the risk, of fraud and corruption.			
11	There are effective financial planning and budgetary control procedures in place.			

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AREA OF ASSURANCE		Compliant?		If YES-How is this demonstrated / evidenced to support this? If NO-describe the issue
		Yes	No	
12	All expenditure transactions by the services are properly authorised and properly and accurately recorded on a timely basis.			
13	The services can demonstrate that value for money in the use of resources has been pursued			
14	All income is properly collected, recorded, banked and monitored, with fees and charges etc. reviewed for appropriateness on a regular basis with levels properly approved			
15	Assets are adequately recorded and safeguarded to protect against loss or unauthorised use  Inventories are properly maintained and stock is adequately recorded.			
16	Partnership arrangements are strategically justified, well founded, clearly defined and adequately monitored for effectiveness			
17	ICT systems used by the service are secure and satisfactory for their purpose and adequate business continuity arrangements are in place  Information is appropriately secured			
18	Recommendations from relevant external Inspectorate or Internal Audit Reports are reviewed and acted upon			

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AREA OF ASSURANCE		Compliant?		If YES-How is this demonstrated / evidenced to support this? If NO-describe the issue
		Yes	No	
19	Decisions are taken with due regard to insurance, health and safety, community safety, sustainability, human rights and other risk implications			
20	There are business / service continuity plans, which are subject to regular testing and review			

**Action Planning**

Those areas which I consider are not adequately controlled and the reasons for this view and risks involved are:-

Area Assurance	Area(s) for development	Proposed Action	Implementation by whom & date

**Executive Director Statement:**

I consider that to the best of my knowledge there were adequate controls in place in the functions/services for which I am responsible for the relevant risks / controls for the financial year 2009/2010.

This Assurance Statement has been drawn up with the managers for the service areas for which I am responsible and the statements made are to the best of my knowledge accurate.

I will support the managers in addressing any shortfall in assurance and will seek to improve the overall levels of control through balancing the strategic / operational priorities against the perceived risk.

SIGNED: ..... Date.....

**Next steps:**

Please return this form to **Steve Crabtree, Chief Internal Auditor by 16<sup>th</sup> April 2010**, or sooner if you have it ready.

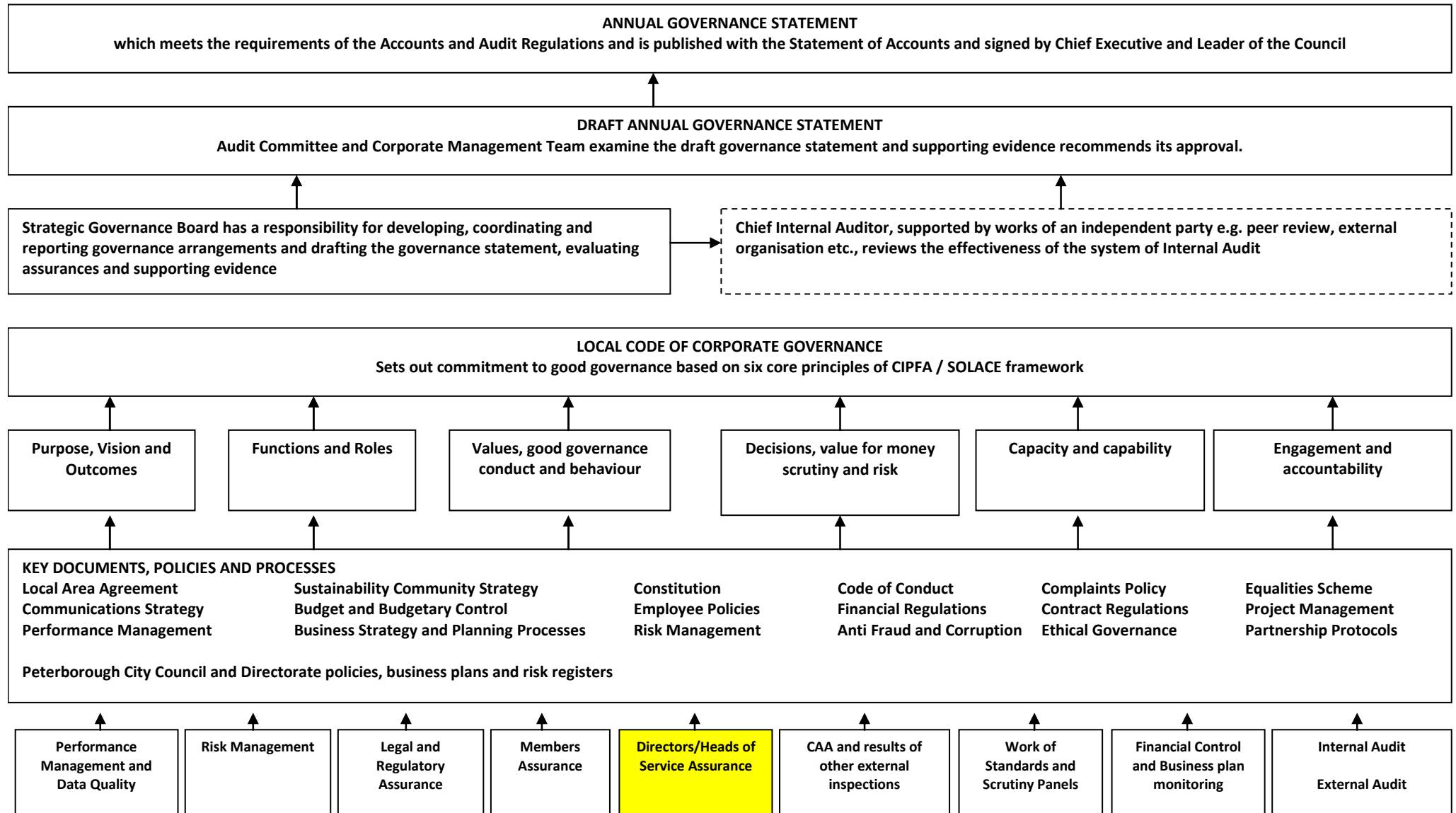
**Tell Us!**

If you have any comments on the process, questions and the guidance then please do include them here, so that we can improve the process for next time.

<b>My comments or suggestions for improvement are:-</b>

EXECUTIVE DIRECTORS / HEADS OF SERVICE ASSURANCE STATEMENT FOR 2009 / 2010

PETERBOROUGH CITY COUNCIL FRAMEWORK FOR THE ANNUAL GOVERNANCE STATEMENT



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