

<b>AUDIT COMMITTEE</b>	<b>AGENDA ITEM No. 5</b>
<b>30 MARCH 2009</b>	<b>PUBLIC REPORT</b>

Committee Member(s) responsible:	Councillor Hiller, Chair of Audit Committee	
Contact Officer(s):	Steve Crabtree, Chief Internal Auditor	☎ 384 557

## ASSURANCE FRAMEWORK

<b>R E C O M M E N D A T I O N S</b>	
<b>FROM : John Harrison, Director of Strategic Resources</b>	<b>Deadline date : N/A</b>
1. The Committee is asked to: <ul style="list-style-type: none"> <li>a) Approve the Assurance Framework which forms part of the Annual Governance Statement;</li> <li>b) Consider whether additional areas of assurance are required;</li> <li>c) Note the proposed future reporting timetable.</li> </ul>	

### 1. ORIGIN OF REPORT

This report is submitted to the Audit Committee in line with its agreed Work Programme for 2008 / 2009.

### 2. PURPOSE AND REASON FOR REPORT

2.1 The report is to inform members of the Assurance Framework which is an initiative designed to further consolidate the Council's Risk Management framework. The Assurance Framework is laid out in sections according to the objectives / priorities specified in the Corporate Plan.

### 3. TIMESCALE

Is this a Major Policy Item / Statutory Plan?	NO	If Yes, date for relevant Cabinet Meeting	N/A
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### 4. BACKGROUND

4.1 The Council's Assurance Framework provides a simple but comprehensive method to implement effective and focused management on obtaining assurance relating to the achievement of key council priorities, its Partners, and Stakeholders, and the inherent risks to achieving this.

4.2 The Framework provides a structure and reporting process which will assist the Audit Committee carry out its duties of:

- a) Considering the effectiveness of the Council risk management arrangements, the control environment and associated anti-fraud and anti-corruption arrangements;
- b) Seeking assurances that action is being taken on risk related issues identified by Auditors and Inspectors;

- c) Seeking assurance that action has been taken to implement the recommendations arising from the findings of significant audit work; and
- d) Ensuring that the Council's assurance statements, including the Annual Governance Statement, properly reflect the risk environment and any actions required to improve it. This helps facilitate effective performance management by simplified reporting and enables prioritisation of actions to maximise opportunities and ensure effective management of risks.

## 5. CURRENT POSITION

5.1 The key priorities and key risks where assurance is required has been identified from the Strategic Risk Register (last update January/February 2009), the Annual Governance Statement (June 2008) together with the 2008 Framework. The sources of assurance have been obtained from internal and external sources. Internal sources included Directors and Heads of Service self assessments, committee and scrutiny panel reports together with Internal Audit work. External sources of assurance have been obtained from External Audit activity and Inspection reports.

5.2 The Assurance Framework references the documented evidence that identifies the key risks areas, the current position of these and the actions being implemented, and the mechanisms for reporting on progress (detailed in **Appendix A**).

5.3 65 areas of assurance have been sought from across the Council, which covers all service areas and activities. This represents an increase on last year (42), when the onus was purely on the strategic risk elements. Subject to the availability of information, an assessment has been made against these activity areas, these being **FULL Assurance**, **MODERATE Assurance** or **MORE WORK REQUIRED**. This judgement has been used to establish future audit activity areas for 2009 / 2010 (see separate report on Audit Committee agenda). Current levels show that of the 65 areas, the profile is:

- Full Assurance: **15**
- Moderate Assurance: **40**
- More Work Required: **8**

(NB: 2 further items on the Strategic Risk Register have been deleted)

5.4 The Assurance Framework is not a static document, and will be updated throughout the year as the needs and assurances across Peterborough change. A further update is proposed to be submitted to Audit Committee on a half yearly basis, and has been factored in to the Draft Work Programme for 2009 / 2010.

## 6. CONSULTATION

The Assurance Framework has been compiled after discussions with Risk Management, together with analysis of committee reports, internal and external audit reviews and other council publications. It has been circulated to senior management for comment and observation.

## 7. ANTICIPATED OUTCOMES

Inform Audit Committee of the processes in place to mitigate risks for the delivery of the council's objectives and to inform the production of the Annual Governance Statement.

**8. REASONS FOR RECOMMENDATIONS**

In accordance with best practice within the Use of Resources remit, Audit Committee are expected to be informed in the preparation of the Annual Governance Statement.

**9. ALTERNATIVE OPTIONS CONSIDERED**

None

**10. IMPLICATIONS**

None

**BACKGROUND DOCUMENTS**

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985)

Accounts and Audit Regulations

Use of Resources / Key Lines of Enquiry

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