

## REPORT PRESENTED TO THE DELIVERY BOARD 9 DECEMBER 2015

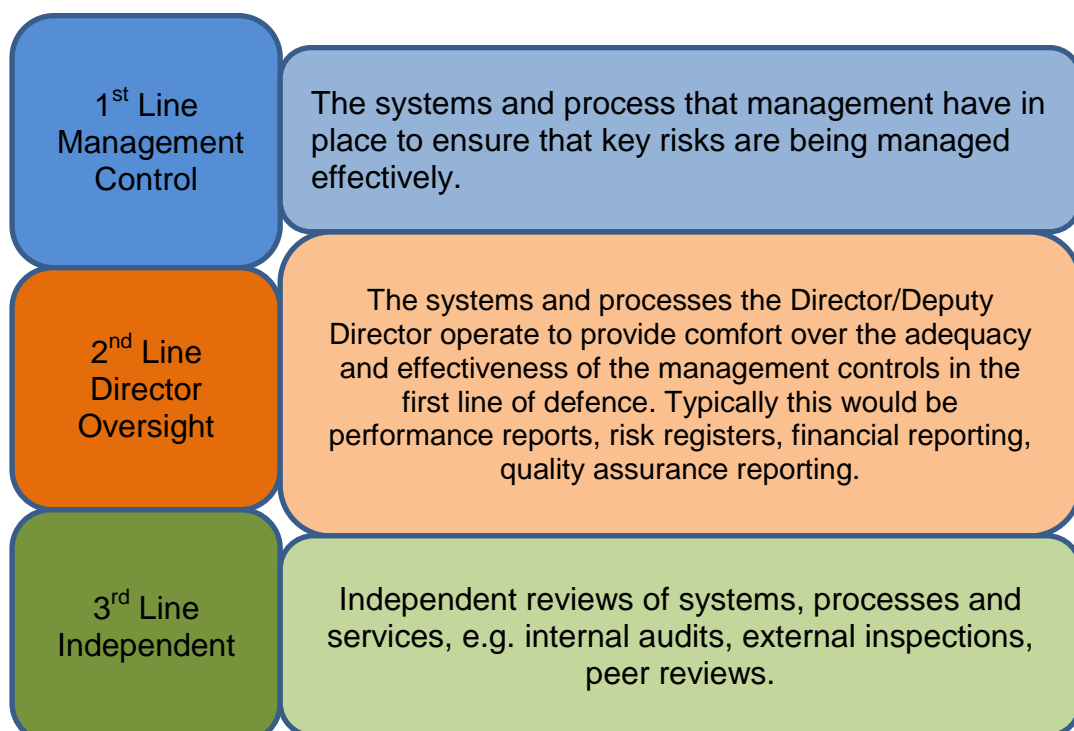
### ASSURANCE FRAMEWORK AND ASSURANCE MAPPING

#### 1. Introduction

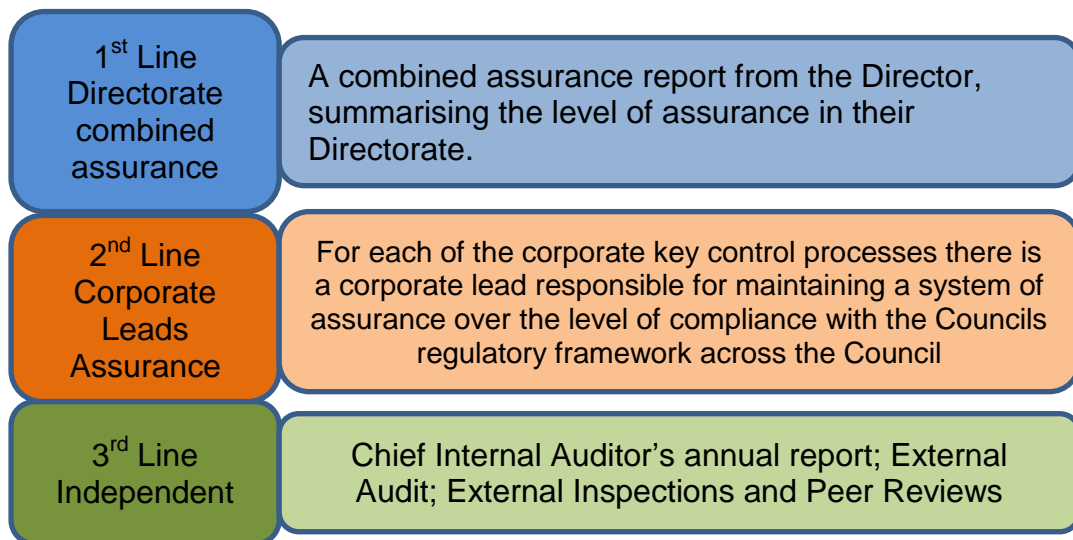
- 1.1. This report follows on from the paper on the overview of the Business Monitoring Process presented to the Delivery Board on 9 September 2015. It sets out the purpose and strategy for the development of an Assurance Framework; how it can be used to enhance governance and the business monitoring process; and, provide a broader evidence base to the Delivery Board, and the Audit and Governance Committee over the management of the key services that are critical to the delivery of key business priorities and achievement of successful outcomes.

#### 2. Three Lines of Assurance

- 2.1 The outcome of good corporate governance is an organisation that is able to manage risk effectively at all levels across the organisation, exploiting opportunities to change, improve and to tackle the challenges it faces; and, can safeguard against potential threats to the delivery of aims and objectives.
- 2.2 The purpose of this Assurance Framework is to create a clear view of the level of comfort each source of assurance provides on the delivery of key services, systems, processes and controls that are fundamental to achieving successful outcomes to the Councils aims and priorities. It is proposed that this method is used at two levels in the governance reporting; to inform the quarterly Business Management reporting to DLT's, and the Delivery Board; and, at least annually to the Audit & Governance Committee.
- 2.3 The good practice model for an organisation wide assurance framework is the Three Lines of Defence, also referred to as Three Lines of Assurance.
- 2.4 At a DLT level the three lines of assurance can be defined as follows:



- 2.5 The outcome would be a combined management assurance statement for all critical services to be reported quarterly to the Delivery Board, alongside the existing business management information contained in the Business Management Report. This will provide an evidenced based view from the Director on their services on a quarterly basis.
- 2.6 The Audit Working Group, acting under the direction of the Audit and Governance Committee currently receives the risk elements of the business management report; but in future this would be extended to include the Directors quarterly combined assurance opinion.
- 2.7 For the Audit and Governance Committee, on an annual basis, the three lines of assurance can be defined as follows:



### 3. Methodology

- 3.1 The first stage of developing the framework is to map the current sources of assurance for the critical services in each of the Directorates and Corporate Services. The critical services will be defined by the respective DLT's, validated by CCMT.
- 3.2 The Business Assurance Team will then work with each DLT to establish the key risk areas within each of the critical services, and the responsible manager; and facilitate through discussion with the managers the sources of assurance for each key risk area.
- 3.3 The sources of assurance will be mapped out for validation by the DLT, and to identify any potential gaps where action is required.
- 3.4 The validated assurance map will become the template for recording the first line of assurance.
- 3.5 The Business Assurance Team will then work with the DLT to map the second line of assurance, i.e. the management information they receive regarding the critical services.
- 3.6 The third line of assurance will be directed by the Chief Internal Auditor. Going forward the Directorate Assurance Map will be used to inform the Internal Audit Plan.

**4. Timescale**

- 4.1 The assurance mapping will be completed by 31 March 2016, in order to inform the 2015/16 Annual Governance Statement, and in preparation for including in the business management reporting from 1 April 2016.
- 4.2 The mapping exercise will be undertaken on a phased basis as directed by CCMT, commencing November 2015.

**5. Resources**

- 5.1 The development of the Assurance Framework and Assurance Mapping is sponsored by Lorna Baxter. Ian Dyson, Chief Internal Auditor is the Senior Manager leading the process, and the Business Assurance Team, Neil Shovell and David Penter will be managing the activity.
- 5.2 The support of management within Directorates is required to complete the mapping exercise, but input should be kept to a minimum. It is not expected this will cause them any material disruption.

Ian Dyson  
Chief Internal Auditor  
December 2015