

Report

Report subject: Assurance Framework and Assurance Plan 2007/8

Report to: Audit Committee

Date: 4th April 2007

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1 Background

- 1.1 Annually the council must publish the Statement on Internal Control following a review of the systems of risk management and internal control. The council has developed an effective process to ensure that assurance is provided from a number of sources on the operation of those systems during the year.
- 1.2 The report sets out the current arrangements for providing assurance, an assurance framework, and also sets out proposals for new areas for assurance. An assurance plan for 2007/8 has been developed to demonstrate how assurance is provide against the key objectives of the council.

2 The Assurance Framework

- 2.1 The council's assurance framework is set out as a diagram in Appendix A. The diagram sets out the control environment and the principal elements within it. It then identifies the sources of assurance on the operation of the control environment to support the SIC. The diagram also looks ahead to the forthcoming corporate governance framework and the integration of the SIC into a wider governance statement.
- 2.2 The Audit Committee forms part of the system of internal control of the council. It has responsibilities for reviewing the other sources of assurance as part of the approval of the Statement on Internal Control. Were the council not to have an Audit Committee or were that Audit Committee to be ineffective then the overall effectiveness of the system of internal control would be reduced. It is now recommended best practice that the Audit Committee should itself be periodically reviewed and an annual report made to Full Council.
- 2.3 As this is a new process Members are asked to consider the most appropriate way for the self-assessment and annual report to be produced. Guidance on self-assessments is provided in the 'Toolkit for Local Authority Audit Committees' published by the CIPFA Better Governance Forum.

Another option for producing the self-assessment might be to agree a peer review with another council audit committee.

3 Assurance Plan for 2007/8

- 3.1 Appendix B sets out the Assurance Plan for the forthcoming financial year. This is the first time that the sources of assurance have been set out in this way, although elements of it have been presented as separate plans, for example the Internal Audit Plan and the External Audit Plan.
- 3.2 The objective of the plan is to allow the Audit Committee and senior managers to identify the key sources of assurance for the forthcoming year, to identify any areas of duplication or of significant gaps. Specific plans, such as that from Internal Audit will set out in greater detail the volume of work planned for the year.

4 Recommendations:

- 4.1 **To recommend that the Assurance Framework, as set out in the report is adopted.**
- 4.2 **To consider the proposal to produce an annual report for Full Council and agree the process for doing this.**
- 4.3 **To approve the Assurance Plan for 2007/8.**

Implications

Financial: None

Legal: None

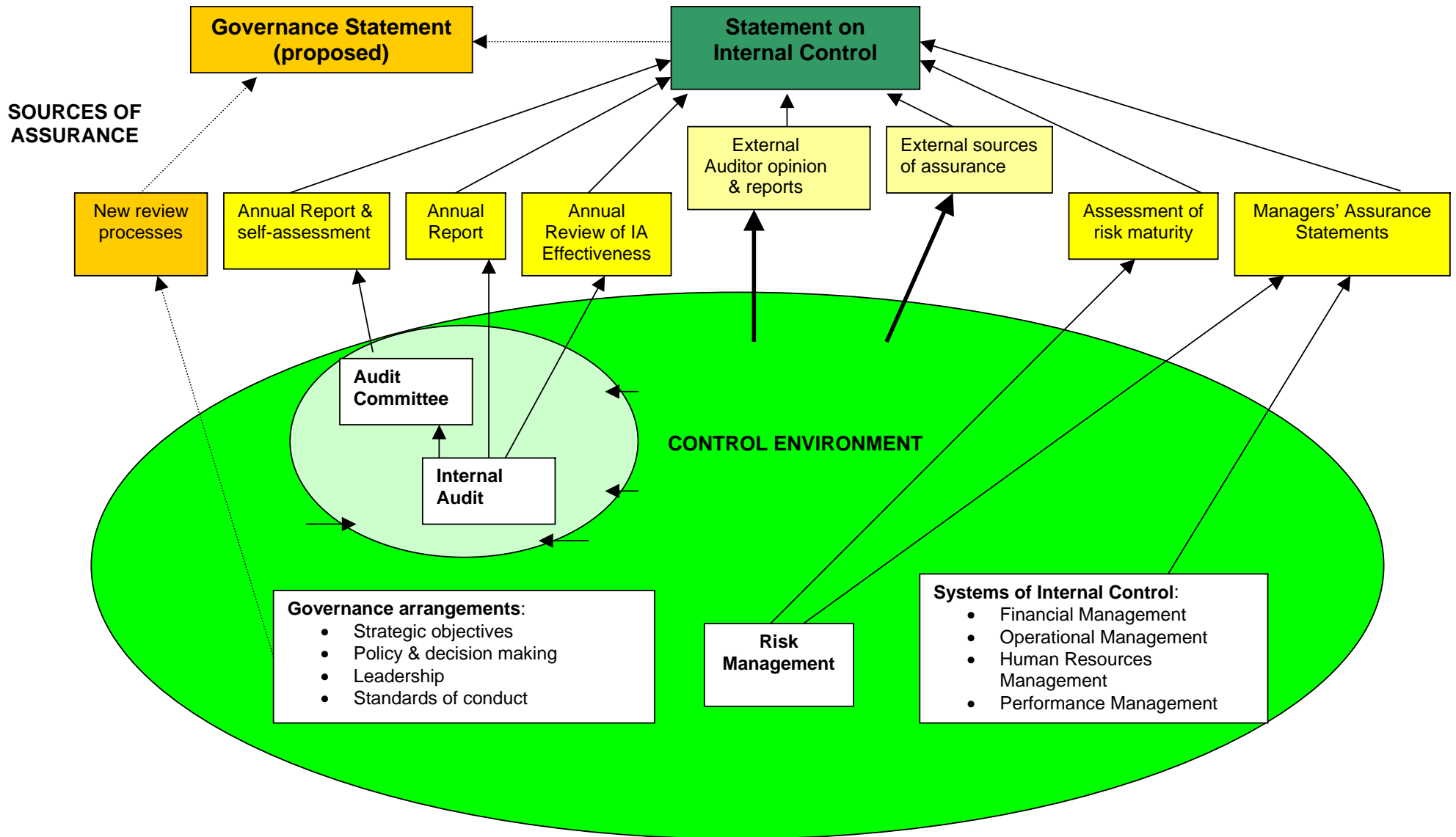
Human Rights: None

Community Safety: None

Environmental Impact: None

Council's Core Values: All

Salisbury District Council Assurance Framework



**Salisbury District Council
2007/2008 Assurance Plan**

	External Sources of Assurance		Internal Sources of Assurance			Managers' Assurance Statements
	Audit Commission	Other	Management Reporting Processes	Internal Audit	Risk Management Group	
Governance, risk management arrangements						
Corporate governance	Financial aspects of corporate governance under the Code of Practice Ethical Governance review			Annual Review		
Risk management	Use of Resources		Quarterly risk registers reported to Cabinet	Annual Review	Assessment of risk maturity	Annual review
Statement on Internal Control	Use of Resources		Annual Review	Annual Review		Annual review
Objectives of the council						
Specific Objectives						
Creating more affordable housing	Direction of Travel		Project Board	Audit of affordable housing		Annual review
Maintaining council housing to a high standard	Direction of Travel		Project Board	Housing repairs and maintenance Service charges		Annual review
Reducing household waste and improving recycling	Direction of Travel		Project Board			Annual review
Making the district safer and reducing the fear of crime	Direction of Travel	Partners	Community Safety Partnership	CCTV follow up review		Annual review
Reducing traffic congestion and improving public transport	Direction of Travel		Project Board			Annual review

Improving services for our customers	Direction of Travel	4Ps review of office project	Project Board	Implementation of CRM and IT controls Review of efficiency savings	Annual review
Creating better places to live	Direction of Travel		Project Board	Project management of the Vision project	Annual review
Meeting the financial challenge	Audit of the 2006/7 Financial Statements		Project Board	Audit of fundamental financial systems, including main accounting system, income, purchasing, creditors, debtors, council tax, benefits and rents	Annual review
	Use of Resources			Arrangements for securing Value for Money and Efficiency	
	Direction of Travel				
Improving the performance of the council	Data Quality (Best Value Performance Plan and BVPIs)		Quarterly Performance reports to Cabinet	Corporate procurement	Annual review
	Direction of Travel		Local Performance Indicators		
	Use of Resources		Project Board	Sustainability	
Partnership working and community engagement	Direction of Travel	Partners	South Wiltshire Strategic Alliance	Risk and control issues from partnerships (shared services)	Annual review
Building the capacity of the organisation	Direction of Travel		Project Board	Equality & diversity	Annual review

Operational Risk				
		Operational Risk Management Group	Various audits detailed in the audit plan.	Receive reports from Operational Risk Management Group Annual review
Fraud Risk				
	National Fraud Initiative		National Fraud Initiative Review of CIPFA counter fraud standards	Review of fraud risk assessments