

Senior Management Assurance Guidance

Background

1. The City & County of Swansea has approved and adopted a Code of Corporate Governance, which is consistent with the principles of the new CIPFA/SOLACE Framework “Delivering Good Governance in Local Government 2016”. The Annual Governance Statement (AGS) is prepared on an annual basis and sets out how the Authority has complied with the Code and meets the requirements of the Accounts and Audit (Wales) Regulations 2014 in reviewing the effectiveness of its internal control systems.
2. Good Governance is about enabling the Authority to pursue its vision/objectives as well as underpinning that vision with control and management of risk. Swansea Council is introducing a revised system of senior management assurance to feed into the authority’s Annual Governance Statement (AGS).
3. CIPFA’s ‘proper practice’ requires the Chief Executive and the Leader to sign the AGS, after approval by Council. They must be satisfied that the document is supported by reliable evidence and accurately reflects the internal control environment and demonstrates that governance arrangements are in place. This emphasises that the document is about all corporate controls and governance and is not confined to financial issues. The AGS reflects the review of internal control, including the process of risk management, that should be embedded throughout the activities of the authority. Thus the AGS is a broad reflection of the whole governance of the authority although it is published with the financial statements.
4. The AGS is a corporate document involving a variety of people charged with delivering governance. This includes the following:
 - The Annual Governance Statement Group who oversee governance arrangements and provide feedback to CMT;
 - CMT who are assigned with ownership of risks, governance and service delivery;
 - Heads of Service who are assigned with service delivery and risk management and internal controls;
 - The S 151 Officer who is responsible for the accounting control systems and the preparation of the statement of accounts;
 - The Monitoring Officer in meeting statutory obligations and preparation of the AGS;
 - Internal Audit team who are responsible for auditing internal controls;
 - External auditors;
 - Audit committee who consider audit reports and the Statement of Accounts and Annual Governance Statement
5. As a corporate document the AGS should be owned by all senior officers and members of the authority. A shared approach should be taken to compiling the AGS as it is a corporate responsibility.

6. The annual review of the effectiveness of the system of internal control involves obtaining assurance on the effective operation of key controls in place to mitigate significant risks to the achievement of the Council's principal objectives and identifying areas where improvements are needed. CIPFA guidance recommends that in part this assurance should be obtained from Departmental management.

6. Assurance by management will feed into the Annual Governance Statement Group who have responsibility for drafting the AGS along with input from the performance management system, Internal Audit, External Audit, CMT, Audit Committee and any other sources of assurance e.g. reports from inspectors.

The Senior Management Assurance System

7. The Senior Management Assurance statements have been re-drafted but remain as a self-assessment document. Each Director will ensure that each Head of Service for whom they have responsibility completes an Assurance Statement. These statements will feed into a high-level assurance statement for each directorate signed off by the relevant Director and reported to CMT and Audit Committee.

8. The Annual Governance Statement Group will evaluate assurance statements from Directors. The evaluation process will include 'reality checking' of a sample of assurance statements with the assistance of Internal Audit.

Procedure

9. The self-assessment documents will be issued to all Directors twice a year in October and April. Heads of Service will have 4 weeks to complete their assurance statement and gather the appropriate evidence. The assurance document and evidence must then be passed to the relevant Director to enable them to complete the high-level assurance statement for the whole directorate.

10. Directors will have 2 weeks thereafter to review the Heads of Service assurance statements and to complete the directorate assurance statement. The directorate assurance statement, plus all the departmental assurance statements and related evidence must then be passed to the Annual Governance Statement Group via Internal Audit.