

REPORT TO:	GENERAL PURPOSES AND AUDIT COMMITTEE 21 April 2022
SUBJECT:	ASSURANCE MAPPING: NEXT STEPS
LEAD OFFICER:	STEPHEN ROWAN, HEAD OF DEMOCRATIC SERVICES AND SCRUTINY
ORIGIN OF ITEM:	The Chair has requested an update on next steps to the introduction of assurance mapping as part of the work of the Committee.
BRIEF FOR THE COMMITTEE:	To consider the proposed approach to assurance mapping as set out in the report.

1. EXECUTIVE SUMMARY

- 1.1 Assurance mapping is recognised as a good tool to support Audit Committees in their role of providing independent assurance of the organisation's internal controls and risk management. It is proposed to use this technique to plan and prioritise the Committee's work programme for 2022/23 so that the Committee fulfils its terms of reference.

2. ASSURANCE MAPPING

- 2.1 In March 2022, Full Council agreed changes to the Constitution to take effect from the date that the elected Mayor comes into office as follows:
- General Purposes and Audit Committee will be separated into:
 - Audit and Governance Committee
 - General Purposes Committee
 - The terms of reference of Audit and Governance Committee (listed at Appendix 1) more closely reflect the CIPFA model terms of reference for local authority audit committees than the current Committee's terms of reference.
- 2.2 Assurance mapping is a structured means of identifying and mapping the main sources and types of assurance in an organisation and the relevant evidence for that assurance. An organisational assurance map can assist in identifying any areas of concern, and hence where the Committee's attention should be focused to enable it to fulfil its terms of reference. It will therefore be a useful tool to inform the development and prioritisation of the Committee's work programme for 2022/23.
- 2.4 Following the confirmation of Committee membership at Annual Council in May 2022, an induction session for members of the Committee (and reserves) will be held on 1st June. Once members have a shared understanding of the Committee's role and responsibilities, it will be appropriate for the Committee to plan and prioritise the work programme for the coming year.

- 2.5 The Local Government Association (LGA) has offered to support work with the Committee to develop and review the Council's assurance map. The Chair of the Committee and relevant officers will work with the LGA to plan a session for the Committee in June/ July which will develop an assurance map and plan a work programme in light of that map and the Committee's terms of reference.
- 2.6 This work will be carried out within existing resources.

3. RECOMMENDATIONS

- 3.1 The Committee is recommended to agree to use assurance mapping to inform the planning of its work programme for 2022/3.

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BACKGROUND DOCUMENTS: None.

APPENDICES: 1 – Audit and Governance Committee terms of reference

APPENDIX 1: Audit and Governance Committee terms of reference

Audit and Governance Committee

(Membership 7 including independent, suitably qualified Chair who may not be a Member or officer of the Council and one independent, suitably qualified co-optee)

Purpose

The Audit and Governance Committee provides an independent and high level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards. The Committee's purpose is to:

1. provide independent assurance to the Council of the adequacy of the risk management framework and the internal control environment;
2. oversee internal and external audit, helping to ensure that efficient and effective assurance arrangements are in place;
3. provide independent review of the Council's governance, risk management and control frameworks
4. oversee the financial reporting and annual governance processes and
5. provide independent scrutiny of the Council's financial and non-financial performance to the extent that it affects the Council's exposure to risk and weakens the control environment.

Governance, risk and control

1. To monitor the effective development and operation of the Council's risk management arrangements, the control environment and associated anti-fraud, whistleblowing and anti-corruption, strategies, actions and resources. To consider a quarterly report on whistleblowing activity in the Council.
2. To monitor progress in addressing risk-related issues reported to the committee. To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
3. To consider the Council's framework of assurance,—including the Statement on Internal Control, and ensure that it adequately addresses the risks and priorities of the Council. To review the Council's corporate governance arrangements against the good governance framework and consider the local code of governance. To review the Annual Governance Statement prior to approval and consider whether it properly reflects the risk environment and supporting assurances.
4. To review the governance and assurance arrangements for significant partnerships or collaborations. To ensure appropriate arrangements are in place in relation to any subsidiary bodies controlled by the Council.

5. To consider the effectiveness of the Council's policies, standards and processes for transparency, ensuring that they meet Government requirements and take into account best practice.
6. To consider the Council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
7. To approve the internal audit charter.

Internal audit

8. To review proposals made in relation to the appointment of external providers of internal audit services and to make recommendations. To consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the head of internal audit. To periodically review safeguards to limit such impairments.
9. To review (but not direct) internal audit's risk-based strategy, plan and resource requirements, the approach to using other sources of assurance and any work required to place reliance on those other sources. To approve significant interim changes to the risk-based internal audit plan and resource requirements.
10. To review summary internal audit reports and the main issues arising and seek assurance that action has been taken where necessary. To receive reports outlining the action taken where the head of internal audit has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions.
11. To receive the annual report of the Head of Internal Audit and make recommendations as appropriate to management, Cabinet and/or Full Council. To consider reports from the head of internal audit on internal audit's performance during the year, including the performance of external providers of internal audit services and make recommendations as appropriate to management, Cabinet and/or Full Council.
12. To advise and recommend on effective relationships between external and internal audit, inspection agencies and other relevant bodies, and that the value of the audit process is actively promoted.
13. To contribute to the Quality Assurance Improvement Programme and in particular to the external quality assessment of internal audit.
14. To provide free and unfettered access to the Committee Chair for the head of internal audit, including the opportunity for a private meeting with the Committee.

External audit

15. To consider the external auditor's annual assessment of its independence and

review any issues raised by Public Sector Audit Appointments Ltd.

16. To make recommendations to Council relating to the appointment of the external auditor.
17. To consider the reports of external audit and inspection agencies and make recommendations as appropriate to management, Cabinet and/or Full Council. To review the external auditor's opinion and reports to Members, and monitor management action in response to the issues raised by external audit.
18. To comment on the scope and depth of external audit work and ensure it gives value for money.

Financial reporting

19. To review the annual statement of accounts and specifically to consider whether appropriate accounting policies and the CIPFA Financial Management Code have been followed, and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.

Accountability and escalation

20. To report to the full Council on the Committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of the Council's governance, risk management and internal control frameworks, financial reporting arrangements and internal and external audit functions.
21. To make an annual report to the full Council on the Committee's performance in relation to its terms of reference and the effectiveness of the Committee in meeting its purpose.