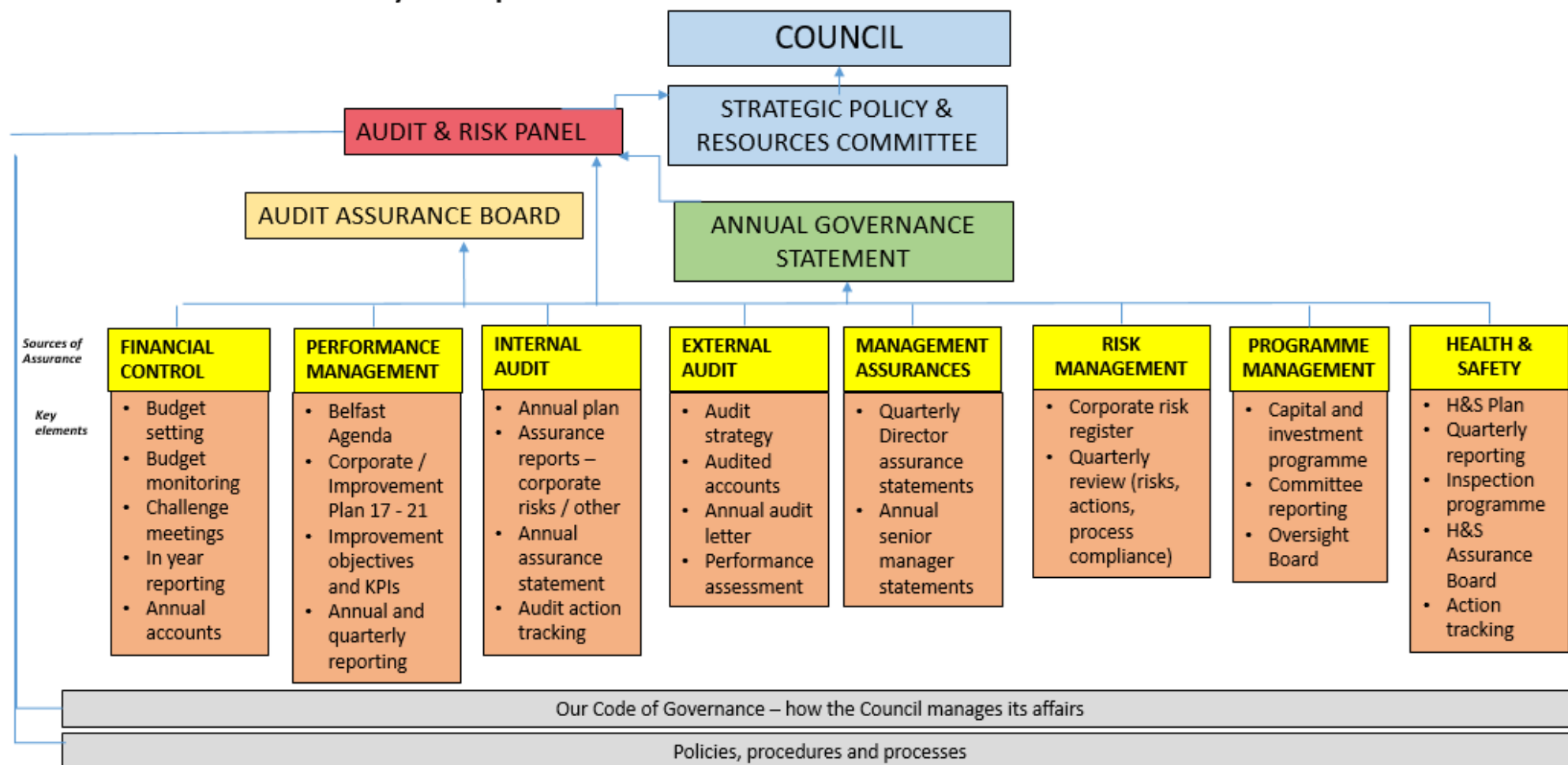


Appendix 1 – Belfast City Council Assurance Framework

Key Components of the Council’s Assurance Framework



Appendix 1 (continued) - Assurance Framework – Description of Key Elements

The Council's Assurance Framework (see diagram) shows how different sources of assurance and related key elements / control measures combine to enable the Council to monitor its governance arrangements and produce the information which enables the Council to prepare their Annual Governance Statement. The diagram also shows how the Council's Audit & Risk Panel, the Strategic Policy and Resources Committee and Council provide oversight of these governance arrangements. The key elements of the framework are described below.

Financial Control

A Financial Report for the y/e 31 March is prepared annually and submitted to the Department for Communities by 30 June. The report is then audited by the NIAO and published by 30 September each year (after approval by Committee). There is a budgetary control process including budget setting, budget monitoring and budget reporting. Corporate Management Team (CMT) and Strategic Policy and Resources (SP&R) Committee challenge the process corporately when budgets are approved annually and performance is reported quarterly. Standing Committees are also responsible for challenging and approving their annual budget and subsequently scrutinizing their budget performance at the end of each quarter in the following financial year.

Performance Management

The Council's performance management framework supports the implementation of the corporate, departmental and service plans through regular monitoring, reporting and review and, in future, will support monitoring / reporting on Community Planning / Belfast Agenda outcomes. These plans set out what the Council intends to deliver over the course of the year and through the performance framework regular performance reports are produced detailing progress against key milestones and targets. These reports are considered by Departmental Management Teams (DMTs) and the Corporate Management Team (CMT) and actions for improvement are agreed. These arrangements are also designed to ensure that the Council meets its statutory duties in relation to performance improvement and our performance and related plans are subject to annual NIAO audit.

Internal Audit

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. The Council has an Audit Governance and Risk Services (AGRS) section, which prepares an annual Strategy and Plan of work designed to ensure that:

- there is a robust system of internal audit of key Council activities and processes through a plan of work which affords suitable priority to the Council's objectives and risks
- there is a process of ensuring improvements to the Council's control environment, by providing management with advice, training and recommendations to improve risk management, governance and control arrangements, including the formal monitoring of the implementation of audit recommendations
- the Head of AGRS will be in a position to provide, at the end of each year, a professional, evidence-based opinion on the adequacy of the Council's risk management, control and governance arrangements which, in turn, will support the preparation of the Council's Annual Governance Statement
- the Council meets its legislative responsibilities for internal control, risk management and internal audit.

External Audit

Each year, the Local Government Auditor (LGA) (the Northern Ireland Audit Office) (NIAO), completes an audit of the Council's accounts in accordance with legislation and the Local Government Code of Audit Practice issued by the Chief LGA. The LGA Annual Report sets out their opinion on the Council's financial statements and is included within the annual Financial Report. The NIAO also examines annually whether the Council has proper arrangements in place to secure economy, efficiency and effectiveness in the use of resources and that public money is properly accounted for and undertakes an annual audit and assessment of the Council's performance improvement arrangements. Their findings are summarised in an Annual Audit Letter, a Performance audit report and a Report to those Charged with Governance.

Assurances from Management & Governance Statement

Each quarter, each Chief Officer, signs a Quarterly Assurance Statement confirming:

- Their responsibility for ensuring that there is a sound risk management and internal control system which supports the achievement of the corporate, departmental and service plans.
- compliance with the risk review process and outlining progress to manage key risks

In addition, at the year-end, the quarterly process is extended to all Senior Managers who are required to complete an Annual Assurance Statement and to highlight any significant governance issues that should be considered by the Chief Officers for inclusion within the Council's Annual Governance Statement.

Risk Management

There is an agreed risk management strategy which sets out the processes the Council has put in place to manage risk. Risk registers and risk action plans are in place at corporate, departmental, service and, where appropriate, unit level and are recorded on the corporate risk management system, MK Insight. There is reporting to CMT, the Assurance Board, the Audit & Risk Panel and relevant Committees on risk management.

Programme Management

A team of Programme and Project Managers support and provide assurance over the delivery of the Council's Capital and Investment programmes and other projects and regular reports on the progress and future delivery plans are taken to a senior management Oversight Board and the SP&R Committee. This process is being enhanced through the implementation of a Strategic Hub with dedicated Portfolio Management.

Health and Safety (H&S)

The Council has an H&S Policy in place with an associated Organisation Structure and Arrangements to deliver on the Policy. The Corporate Health and Safety Unit reports on a quarterly basis to a senior management H&S Assurance Board and then on to the Audit Assurance Board and Audit & Risk Panel on compliance and strategic matters regarding the Council's health and safety management system. Operational matters are dealt with through the quarterly H&S Committee structure. Routine reports include information on performance against health and safety targets, accident statistics, policy changes, legislative changes and emerging health and safety issues. The Corporate H&S Unit deliver an annual programme of health and safety inspections, audits and training to monitor and support the management

system. Risk assessments are in place at an operational level to identify and manage health and safety risks.

Code of Governance

Underlying our Assurance Framework is our Code of Governance. The Council is committed to the principles of good governance and our Code of Governance is a public statement of that commitment. Our Code has been prepared in line with best practice and a summary is contained in the Annual Governance Statement (para 3.15).

Policies, procedures and processes

Policies, procedures and processes are designed to underpin day-to-day operations. A new policy management and compliance process is currently being developed.

Audit Assurance Board

The Assurance Board is a mechanism established by the Chief Executive to ensure senior corporate management oversight of risk, control and governance issues arising from AGRS and other sources. The Board comprises the Chief Executive, Deputy Chief Executive & Director of Finance and Resources and the City Solicitor.

Audit and Risk Panel

The Audit and Risk Panel in Belfast City Council is established as a working group reporting to the Council's SP&R Committee. It undertakes the functions of an Audit Committee. Its purpose is to provide an independent assurance on the adequacy of the Council's risk management framework and associated control environment. It may also report, with the approval of the SP&R Committee, to other standing committees on matters that are of direct relevance to the responsibilities of these committees.

Strategic Policy & Resources Committee (SP&R) reporting

An accompanying report and the minutes of the Audit and Risk Panel are approved by the SP&R Committee. The SP&R Committee also oversees directly the financial management / stewardship of the Council.