

Assurance in local government – the priorities

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About CIPFA

- The global professional accountancy body for people in public finance
- Only professional accountancy body focused on public services
- Partner with government bodies and professional accountancy organisations to improve PFM and Governance

Today's UK local government sector

- Austerity
- Future uncertainty
- Increased service demand
- Cost pressures
- Structural turbulence
- Partnership working
- Greater transparency and accountability

Why the need for local government assurance?

- Assurance for the public and the Government that money is being spent effectively and efficiently
- It supports management of risk and ensuring robust corporate governance
- Provides information on performance and associated risks
- Delivering improved cost effective public services

Concepts behind the assurance function

- Assurance framework
- Assurance mapping
- Sources of assurance:
 - Business operations – meeting objectives and managing risk
 - Management oversight
 - Internal assurance
 - External assurance

The benefits of an assurance framework

- Reliable information on the effectiveness of managing risks and control issues
- Greater visibility of risk and control issues by providing view of assurance across risk environment
- Identify gaps in assurance needs
- Raise organisational understanding of risk profile, strengthen accountability, clarify ownership
- Support production of the **Governance Statement**
- Provide greater oversight on assurance activity
- Better use of assurance skills and resources

A governance statement

- 2016: CIPFA and Solace published a new edition of *Delivering Good Governance in Local Government: Framework*
- Local authorities must publish an annual governance statement to report on the effectiveness of their governance and internal control arrangements. This can be informed by:
 - Business and operational management delivering objectives, identifying risks and improvement actions, implementing controls, progress reporting, provides management assurance, ensuring compliance
 - Oversight and support, strategy / policy / direction setting, decision-making, assurance oversight
 - Independent assurance, independent challenge and audit, reporting assurance, audit opinion, assurance levels

Professional assurance

- Statutory roles:
 - Director of finance
 - Monitoring officer
 - Head of paid services
 - Public Sector Internal Audit Standards

CIPFA's role

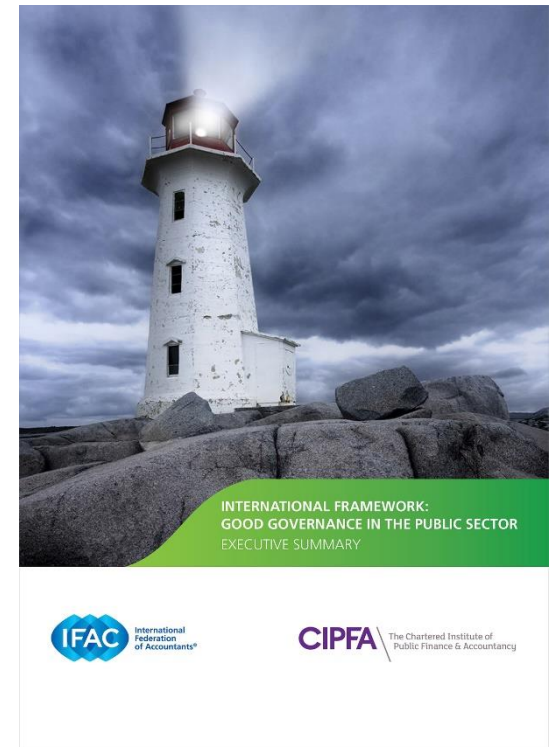
- Code of Practice Local Authority Accounting
- Prudential Code
- CIPFA Code of Practice on Managing the Risk of Fraud and Corruption

Is local government assurance working?

- Northamptonshire County Council – apparent financial failings but the regulatory system was triggered:
 - The type of authority
 - What was missed?
 - External challenge – auditors / inspectors
 - Section 114 notice

Assurance, the bigger picture

- CIPFA IFAC International Framework of Good Governance in the Public Sector



Questions and discussion



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