

# The local government improvement & assurance framework

Heather Wills

(Principal Adviser, Finance & Governance)

17 May 2024

[www.local.gov.uk](http://www.local.gov.uk)

# Background

- Aims:
  - support councils to understand/ use assurance
  - increase effectiveness of local government assurance
  - help residents/ businesses to hold councils to account
- Focus on corporate (service failure can lead to/ be symptomatic of corporate failure)
- Not previously mapped; multiple systems; uncoordinated support and guidance
- 2 rounds of extensive engagement; informed by sounding board (CIPFA, Solace, LLG)
- Coordination with wider LGA programmes/ activities by partners
- Revised version due to be considered by LGA Improvement & Innovation Board 24.5.24

# What we've learnt

- Culture, behaviours, tone, emphasis, relationships are crucial
- Assurance = systems-wide, continuous activity
- Framework = diagrams + good practice/ guidance/ tools + support offers
- Acknowledge elements which are not working well (e.g. internal as well as external audit, officer capacity)
- Professional bodies' key roles in support for/ accountability of officers
- The framework must be iterative and frequently reviewed
- **Clarity required on relationship between Corporate Peer Challenge / Best Value standards / Oflog / interventions**

# From the framework (1)

*At any one time, each local authority will be at a point on a continuum. At one end are authorities which have a strong awareness of their strengths and areas for development, are proactive in seeking opportunities for improvement and delivering best value (even where performance is strong) and elected members and officers take appropriate actions to assure themselves in relation to their performance and governance.*

*The characteristics of a well-functioning authority set out in the [draft] best value standards include effective use of many of the framework's components: equally, the standards' indicators of potential failure may arise where assurance activity is not effective. A failure to deliver best value is, essentially, a failure of governance. Achieving continuous improvement requires an ongoing drive to move from 'good' to 'great'...*

## From the framework (2)

*...At the other end, a small minority of authorities are not sufficiently self-aware, do not take effective action to achieve continuous improvement, do not have effective assurance arrangements and consequently have entered statutory intervention. Local authorities can and do move between points on this continuum over time.*

*The LGA works with professional bodies, regional groupings of councils and others to support as many local authorities as possible to stay at the positive end of the continuum, aiming to prevent authorities from moving towards the 'intervention' end, so that they continue their improvement journey even further. The LGA's corporate peer challenge is one of the improvement tools that councils can use as part of their assurance of their own performance and governance, so that they can address their own challenges where possible without central government (including Oflog) needing to become involved.*

# What else is in the framework?

- What do we mean by assurance?
- How does accountability work?
- Components and descriptions
- ‘Three lines’
- Key principles
- What does ‘good’ look like

*+ links to guidance/ tools/ support throughout*

## What we've done already

- Strengthened CPC
- Chief executives' leadership development programme
- Training for senior members
- Good practice case studies
- Tools and guidance

## What's underway

- Enhancements to s151/ MO leadership development programmes
- LLG/ Solace/ CIPFA consultation on code of practice for Golden Triangle
- CIPFA review of guidance on annual governance statements
- CIPFA guidance on Public Sector Internal Audit Standards

# What we'll do

- Publish revised version of framework and promote
- Produce versions suitable for members and public
- Continue to develop supporting tools and offers, in discussion with partners and promote existing support offers
- Plenary session at LGA conference on actions councils can take to assure themselves/ seek to avoid failure
- Closed CEx session at conference on the role of the 'golden triangle'
- Contribution to CSPL inquiry on accountability within public bodies



# Some points to consider

- How meaningful is the annual review of the effectiveness of internal controls? Is the AGS robust/ open and honest?
- How effective/ strategic is risk management? Is there a robust/ shared understanding of the authority's levels of risk?
- How well does the authority use and understand data about its performance?
- Do the leader and CEX lead a culture of good governance across the authority?
- How well is internal audit used as a source of advice and challenge?
- Do audit and scrutiny members understand their respective roles/ deliver effectively?
- How transparent is the authority? How effective is community/ service user engagement?