

Appendix 6 – General Management and Assurance Structure

Day to day administration of all ILF business is delegated to ILF staff by the Trustees under TD Clause 9(1) and by the Chief Executive under the TD 4th Schedule para 18 or Management Statement para 3.9.1. This document explains how the day to day responsibilities are distributed through the ILF organisation and how assurance is provided back up to the Chief Executive.

Directors' responsibilities

The Chief Executive formally assigns key task areas to Directors each year and these are set out in a formal document which forms the basis for monthly review meetings and annual performance appraisal. The Chief Executive and Directors collectively operate as the Strategic Management Team (SMT) which meets at least twice a month to review progress across the full range of work and delegated responsibilities. SMT Minutes are available in a shared folder and a staff briefing document is provided after each meeting. Agreed action is tracked through to completion and reviewed at each meeting.

Directors' key task areas will include a specific written delegation for financial expenditure using the format provided by DWP from time to time. The current format is included as an Annexe to this document and was issued for 2008-09 ILF Budget Allocations. The annexe will be updated only if there are significant changes before the next review of the Scheme of Delegation.

The Chief Executive and Directors' main areas of responsibility are provided on the ILF website, and appropriate salaries and benefits disclosures are provided in the published annual Reports and Accounts (in the Remuneration Report).

Directorate structure and delegations

The Delegation Scheme in Appendix 2 shows the full extent of delegation which is generally to Manager or Senior Manager level. Directorates vary in size and structure, and each Director produces a delegation document which shows the main responsibilities delegated to each Manager in the team. A Directorate Business Plan is drawn up and used to track progress on the main areas of delegated responsibility.

The Directorate structure is supported by regular one-to-one meetings at all levels, and by team meetings relevant to the structure (eg small Directorates may have full team meetings, whilst larger Directorates may have various

levels of team meeting). Two-way feedback is encouraged at these meetings and “staff feedback” is a standing item on SMT Meeting agenda.

It is generally provided that where activity is delegated within Directorates, the line managers and line Directors retain an overall responsibility for the proper exercise of powers and duties, and have appropriate monitoring in place.

Support and Assurance

Support for staff management is provided to Managers via the HR Structure (see Appendix 5). Managers have various responsibilities and expert advice is provided via professional networks, ILF management development activity, line managers and external service providers.

The ILF Governance arrangements include reviews of Risk Management, Control Checks, internal and external audit, Performance Dashboard reports and Business Plan activity. These reviews include Directorate discussions, SMT meetings, reports to Trustees Sub Committees and reports to the full Board of Trustees. Action points at Trustees and Committee meetings are tracked through to eventual clearance and included as standing agenda.

Directors provide annual written assurance reports to the Chief Executive on the performance of their Directorate and the exercise of delegated powers and responsibilities. These reports inform the annual Statement of Internal Control provided with the published annual Reports and Accounts.

Statement of Internal Control (SIC)

The Chief Executive as Accounting Officer is responsible for the overall system of internal control. Her responsibilities are set out in greater detail in the ILF Management Statement (par 3.7). The system is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The Chief Executive provides an annual governance report to Trustees stating how well the system of delegated authority and internal control has operated in the business year. This is a precursor to the SIC for the annual Accounts.

The draft SIC is submitted to the Audit Committee as part of the annual audit programme for the ILF Reports and Accounts, and is also reviewed by NAO in

their role as external auditor. The format and some wording is stipulated in the HM Treasury guidance (currently Financial Reporting Manual).

The SIC is the formal mechanism for Trustees and the Chief Executive to give an account of the management of the ILF during the business year.

Annexe – current format of sub-delegation to Directors

This wording was provided by the Director General of the Work Welfare and Equality Group, DWP in a letter dated 21 February 2008.

You should further sub-delegate your authority to your Directors and Heads of Units. This should be done in writing to the named individuals or when that is not appropriate specific post holders

The following objective should be included in the Annual Performance Management Contract with each delegated holder at Director level:

- *Deliver your objectives within the budget delegated to you for the purpose;*
- *Manage that budget with regularity and propriety and in such a way as to achieve maximum value for money across the whole range of your objectives;*
- *Respond to any new pressures by finding savings, by re-prioritising within your existing resources or by finding alternative means of researching the objective before seeking an increase in your budget; and*
- *Avoid entering into any commitments without first establishing that the resources are available within your delegated budget.*