
Report to: **Audit Committee**
Agenda item: **8**
Date: **20 March 2012**
Subject: **Management Assurance**
Sponsor: **Deputy Chief Constable (Presented by C/Supt Brogden)**
For: **Information**

1. PURPOSE OF PAPER

1.1 This paper presents the draft Management Assurance Return (MAR) for the period 1 April 2011 to 31 March 2012 ahead of finalisation and submission to the Department for Transport (DfT) in April 2012. The MAR is attached as Appendix A and has been reviewed by BTP Strategic Command Team.

2. BACKGROUND

2.1 The MAR was developed by the DfT in 2009-10 as a tool for gaining assurance from all of its agencies and departments including Non-Departmental Public Bodies (NDPBs) on specific issues of internal governance and internal control. The half-year return for 2011-12 was submitted to the DfT in October 2011 and was the subject of an audit by the National Audit Office (NAO). The outcome of this audit is attached as Appendix B and notes the process by which the MAR is compiled is robust and that the evidence was broadly consistent with the assurance statements provided by BTP/A. The NAO also noted that in some cases the evidence suggested that the assurance rating claimed could be higher.

2.2 The format of the MAR has been updated and a number of the questions reframed since the last submission of the MAR to Audit Committee in September 2011. The new format was received from the DfT on 7 February 2012.

2.3 The March 2011 meeting of BTPA's Audit Committee noted that a number of the questions would not be relevant to a police force and that respondents should note

where a question did not apply to their business area. This approach has been adopted throughout the MAR where it is relevant.

- 2.4 The Corporate Risk Team (CRT) has agreed an approach with the Finance Director of the BTPA (FD) to updating the MAR for 2011-12 which focuses on what assurance BTPA can provide to DfT for each business area, what arrangements for oversight of BTP activity does BTPA have in place, and finally where relevant, what BTP's arrangements are. This approach allows both BTP and BTPA to provide appropriate management responses to DfT highlighting instances where the special requirements of BTPA as a police authority and BTP as a police force apply.
- 2.5 As Accounting Officers, the Chief Executive and Chair of the BTPA need to be aware of areas of weakness and management action planned or taken to rectify them. Consideration of the content of the MAR gives an opportunity for these to be reflected in BTPA's Annual Governance Statement.
- 2.6 There is no requirement for BTP/A to provide 'Full' or 'Substantial' Assurance across all areas of the return. Indeed to do so could indicate that BTP/A has a lack of understanding of its own business. It is however important to provide an accurate response that is capable of scrutiny and supported by evidence. Where 'Full' or 'Substantial' assurance cannot be given, details of action plans are required for the final submission of the MAR to DfT. In addition, the FD to the BTPA has requested action plans for all assurance levels less than Full.
- 2.7 The levels of assurance are defined by DfT as:



None	Control arrangements are poorly developed or non-existent, or major levels of non-compliance or non-conformance have been identified. Control arrangements are not adequately documented, or evidence does not exist to demonstrate effective operation of the majority of the year.
Partial	Control arrangements are operating effectively, except for some areas where material weaknesses or significant deficiencies have been identified, aspects of the control arrangements need documenting, or evidence does not exist to demonstrate effective operation for parts of the year.
Reasonable	Control arrangements are generally established and effective, with some minor weaknesses or gaps (which have action plans to resolve), or minor exceptions exist in the evidence available to demonstrate effective operation of the controls for the year.
Substantial	Control arrangements are well established and working effectively. Very minor control weaknesses have been identified in a maximum of one or two discrete areas, and were promptly addressed (i.e. lasted no longer than a month). Control arrangements are supported with clear and sufficient evidence, with any gaps rectified promptly.
Full	Control arrangements are fully established, documented and working effectively, have operated throughout the whole year and in all areas, and are supported with clear and comprehensive evidence of operation.

3. ASSURANCE STATEMENTS

3.1 All BTP departments with a requirement to provide responses to the MAR have reviewed and updated their sections. In all cases this is supported by evidence which is available for review by Audit Committee members on a CD-ROM.

3.2 Reasonable Assurance

3.2.1 The following business areas are considered as providing Reasonable Assurance against the questions in the MAR:

- Equality Duties – BTP is in the process of reviewing and amending its processes in relation to Equality Impact Assessments (EIAs). The aim of this work will be to enhance and refine existing processes while meeting the requirements of the new Public Sector Equality Duties. Delivery of updated processes is expected in 2012-13.
- Business Continuity – The assurance level remains at Reasonable for BTP given the number and complexity of BTP Business Continuity Plans. Actions to improve



the assurance level are detailed within the Business Continuity Programme which is updated each year in line with the Business Continuity Cycle. BTP also undertakes a significant amount of work to comply with the provisions of the Civil Contingencies Act (2004) including contributing to multi-agency contingency planning via Local Resilience Forums. Following publication of the Major Incident Manual during 2011-12, work to review the extent of existing site-specific contingency plans and update or establish these as required has started and will continue through 2012-13.

3.3 **Substantial Assurance**

3.3.1 The following business areas are considered as providing Substantial Assurance against the questions in the MAR:

- Implementation of Audit Recommendations
- Regularity, Propriety and Conduct
- Fraud and Bribery
- Impact Assessments
- Risk Identification & Management
- Use of ICT
- Communications
- Records Management (BTPA only)
- Information Assurance (BTPA only)
- Security
- Succession Planning
- Procurement and Contract Management
- Human Resources
- Programme and Project Management
- Financial Controls

3.4 **Full Assurance**

3.4.1 The following business areas are considered as providing Full assurance during 2011-12:

- Delegated Authority
- Longer Term Planning
- Annual Budget
- Risk Management Policies
- Achievement of Business Objectives



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- ICT Policy and Strategy
 - Investment Appraisal
 - Financial Performance Management
 - Health and Safety

3. OPTIONS

3.1 No options are identified in this paper which is provided for information.

4. FINANCIAL IMPLICATIONS

4.1 The requirement to complete the MAR does not have any financial implications; it is a commentary on the efficacy of systems of internal control within and between BTP and BTPA.

5. DIVERSITY ISSUES

5.1 The requirement to complete the MAR does not raise any new issues related to diversity and equality as its focus.

6. RECOMMENDATIONS

6.1 It is recommended that members:

- note the content of the draft MAR
- comment for agreement on the assurance levels that are planned to be achieved during 2011-12 and the adequacy of action plans described
- direct any changes required in the MAR.