

**Report to:** Audit and Risk Committee  
**Agenda item:** 14  
**Date:** 30 May 2014  
**Subject:** End of year Management Assurance Return  
**Sponsor:** Interim Finance Director  
**For:** Noting

---

The Forum  
5th Floor North  
74-80 Camden Street  
London NW1 0EG  
T: 020 7383 0259  
F: 020 7383 2655  
[www.btpa.police.uk](http://www.btpa.police.uk)

## 1. Purpose of Paper

1.1 This paper presents the end of year Management Assurance Return (MAR) for the period up to 31 March 2014. This is for noting only as the submission has already been made to DfT in accordance with their deadline of 30 April 2014. An earlier version of the MAR was circulated to members of the Committee for comment and the comments received have been incorporated. The submission made was approved by both the Force and the Authority Chief Executive.

## 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.
- 2.2 The assurance rating given for any particular statement is dependant on the Yes / No responses given to the relevant questions. On a number of the questions the Authority over-rode the formatting so that the assurance level being reported was more accurate than the one being generated by the template.
- 2.3 The Authority was required to make an end of year submission highlighting the areas that have changed since the nine month submission.

- 2.4 It was agreed that the approach used for 2011-12 which focuses on what assurance the Authority can provide to DfT for each business area, what arrangements for oversight of BTP activity does the Authority have in place, and finally where relevant, what BTPs arrangements are; would continue to be used for 2013-14. This approach allows the Authority to provide appropriate management responses to DfT highlighting instances where the special requirements of the Authority as a police authority and BTP as a police force apply.
- 2.5 As Accounting Officer, the Chief Executive needs 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 the Authority's Annual Governance Statement.
- 2.6 There is no requirement for the Authority to provide 'Full' or 'Substantial' assurance across all areas of the return. Indeed to do so could indicate that the Authority 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. On the revised template any assurance statement that has a rating of below substantial has to submit an action plan as part of the MAR return. Due to the significant changes between the latest template and previous ones it is not possible to compare the assurance ratings given.
- 2.7 The levels of assurance are defined by DfT and are as follows:

Low	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 The Force carried out a light touch review of the nine month MAR and as a result of the review and the results of the Internal Audit review four assurance ratings were amended. These all resulted in a lower assurance rating being assigned. Appendix A shows the nine monthly MAR ratings and the end of year ratings including the reasons for the changes made.

#### 3.2 Changes to Assurance levels

The below sets out the reasons for the changes in ratings on the following four areas Access to Systems, Financial Controls, Our People and Information Assurance.

- Access to Systems (1.2) - The assurance level has been lowered from Full to Substantial as a result of the results of the 2013/14 Physical & IT Security Internal Audit Report (BTPA 13/06). The report identified a 20% non compliance rate in respect of ensuring access rights are removed when individuals leave the organisation.
- Financial Controls (4.3) - The assurance level has been lowered from Full to Substantial as a result of the 2013/14 - Core Financial Controls Internal Audit - Phase Two (BTPA 13/04). Weaknesses were reported in relation to cash and

banking along with non compliance with policy and procedures.

- Our People (5.2) - The assurance level has been lowered from Full to Substantial as a result of the HR Core Controls Audit report - Phase Two (BTPA 13/05). This reduction was as a result of the review of objectives that took place. The results of which was that approximately a third (total sample size of fifteen) were not fully in the SMART format.
- Information Assurance (7.1) - The assurance level has been lowered from Full to Reasonable as a result of the Information Commissioner's Office (ICO) audit and an internal audit of Physical & IT security (BTPA 13/06). From these two audits a few areas of improvement were identified such as the processing of personal data, the need for mandatory security training to ensure compliance with the HMG Security Policy Framework and additional training required of Information Asset Owners. The Force has action plans in place with these being monitored by the Information Assurance Board.

## 4. Recommendation

It is recommended that the Audit Committee:

- 4.1 Note the changes to the MAR ratings.