

Report to: Audit and Risk Committee
Agenda item: 6
Date: 4 March 2014
Subject: Management Assurance Return for DfT
Sponsor: Authority Finance Director
For: Noting

1. Purpose of Paper

1.1 This paper presents the Management Assurance Return (MAR) for the period from 1 April 2013 to 31 December 2013. This is for noting only as the submission has already been made to DfT in accordance with their deadline of 7 February. An earlier version of the MAR was circulated to members of the Committee for comment and the comments received have been incorporated. The submitted MAR is attached as Appendix A. 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 MAR in Appendix A is based the new template and assurance questions. The assurance rating given for any particular statement is dependant on the Yes / No responses given to the relevant questions. The Authority will be required to make an end of year submission highlighting any areas that have changed since the nine monthly submission.

2.3 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.

2.4 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.

2.5 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.

2.6 The levels of assurance are defined by DfT, and have been amended since the submission of the half-yearly submission. The assurance levels are now as follows:

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|---------|--|
| 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 All of the Force's departments who have a requirement to provide responses to the MAR have reviewed and updated their sections. All responses have been signed off by Strategic Command Team leads and the MAR was reviewed by the T/Deputy Chief Constable. Evidence supporting the content of responses is available for scrutiny on a CD-ROM if required and has been reviewed by the Integrity and Compliance Board on the 17 February.
- 3.2 Internal Audit have also started their review of the MAR and the evidence that supports the responses to them. Internal Audit will be reporting back to the Authority before the end of year MAR is due to submit to DfT.

3.3 Reasonable Assurance

- 3.3.1 The following business areas are considered as providing reasonable assurance against the questions in the MAR:
- Equality Obligations
 - Health and safety – embedding H&S
 - Operational H&S and Performance

For all of these above areas, action plans have been put in place to improve the assurance rating.

3.4 Substantial Assurance

3.4.1 The following business areas are considered as providing substantial assurance against the questions in the MAR:

- Treasury and Cabinet Office controls
- Procurement and contract management - Contract Management
- Paying our suppliers - P2P
- Fraud and bribery

3.5 Full Assurance

3.5.1 The following business areas are considered as providing Full Assurance during 2013-14 nine monthly submission:

- Delegated Authority
- Access to systems
- Programme and project management
- Risk identification and risk management
- Procurement and contract management - Procurement
- Business continuity
- Budget setting and corporate plans
- Investment appraisal
- Financial controls
- Financial performance and management
- VAT
- Paying our suppliers - manual payments
- Paying our suppliers - GPC Card process
- Succession planning
- Our people
- Health and Safety: Responsibility for H&S
- Regularity, propriety and conduct
- Information Assurance
- Protective Security
- Audit recommendations

4. Recommendation

It is recommended that the Audit Committee:

- 4.1 Note the content of the MAR