Committee report

SPT

Assurance framework update

Committee   Audit and Standards

Date of meeting 18 March 2016   **Date of report** 7 March 2016

Report by Assistant Chief Executive (Business Support)

1. Object of report

To provide the committee with an update report on the assurance framework within SPT from internal and external sources.

2. Background

Assurance framework

The assurance framework was last presented to the Audit & Standards committee at its meeting of 27 March 2015.

Assurance requirements

SPT is subject to statute, standards, regulations, governance codes, and statements of best practice and must have effective arrangements in place for demonstrating adherence.

The provision of assurance is an essential element of the SPT's accountability.

The 'three lines of defence'

Assurance is provided through the 'three lines of defence':

First line: assurances from management designed controls and that these controls are being implemented on a day-to-day basis, including the framework of policies, procedures, processes and controls in place (i.e. system of internal controls);

Second line: assurances from the risk management arrangements and compliance functions, including oversight functions (e.g. Health & Safety) within SPT that co-ordinate, facilitate and provide assurance over the risk and control environment;

Third line: assurance from Internal Audit, which provides independent assurance in respect of the effectiveness of governance, management controls and risk management arrangements, including activities carried out by the first and second lines.

SPT also receives assurance from external bodies, including the external auditors, and health and safety regulators. Internal assurance functions may draw on the work of external assurers in determining the level of assurance work that is required.

Conversely, external assurance providers are encouraged to place reliance on the work of SPT's internal assurance providers, where appropriate, in order to ensure that assurance is provided efficiently.

Assurance mapping

Assurance mapping uses visual representation of assurance activities to demonstrate how they apply to a specific risk or set of compliance requirements.

The assurance map incorporates the following risk areas:

- the corporate/strategic risks of the organisation;

- sub-sets of these risks (e.g. health and safety risks);

- compliance requirements (with statute or regulations).

Assurance mapping takes the 'risk-set' or 'compliance-set' identified and details:

- the assurance for each of the risks or compliance requirements can be obtained;

- the last time an independent review on these assurances was carried out.

Assurance mapping identifies key areas of service delivery, assurance providers, and review dates.

3. Outline of proposals

Assurance framework map

The assurance framework map, as at March 2016, can be found at Appendix 1.

4. Conclusions

SPT seeks and receives assurance from internal and external sources. The assurance framework map outlines the key risk areas and mitigation, assurance provider(s) and the date of the last review.

5. Committee action

The committee is asked to note the contents of this report and the assurance framework map, as at March 2016.

6. Consequences

Policy consequences	*None*
Legal consequences	*None*
Financial consequences	*None*
Personnel consequences	*None*
Social Inclusion consequences	*None*
Risk consequences	*The assurance framework mitigates risk by mapping the sources of assurance for each risk area and by focusing resource allocation.*

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SPT

Risk and Mitigation			Assurance provider				Assessment		
Risk Area	Service Delivery Objective	Controls	Management (First line)	Oversight function (Second line)	Independent assurance (Third line)	External Sources	Date of Last review	Assurance sufficient (Yes/ requires review)	Assessment Actions
Budget	Deliver value for money services	Financial Regulations, Standing Orders Relating to Contracts, Budget Monitoring, Financial Statements, Treasury Management Strategy.	Systems of internal control (i.e. segration of duties, authorisation levels, etc.)	Finance Management controls	Internal Audit plan	External Auditors	Sep-15	On-going	Internal Audit plan 2015/16
Fraud and Error	Deliver value for money services	Financial Regulations, Standing Orders Relating to Contracts, Operational Procedures, Training, Counter Fraud Strategy.	Systems of internal control (i.e. segration of duties, authorisation levels, etc.)	Financial Management controls, Counter Fraud Strategy	Internal Audit plan	NFI	Sep-15	On-going	Internal Audit plan 2015/16
Governance	Principles of Good Governance	Governance manual, Service standards, Policy, Procedures, Training, Line Management.	Systems of internal control (i.e. segration of duties, authorisation levels, etc.)	Local Code of Corporate Governance	Internal Audit plan	External Auditors	Mar-16	On-going	Internal Audit plan 2015/16
Information Security	Deliver high standards of data integrity and reliability	Policies and procedures, Training, incident reporting systems.	Systems of internal control (i.e. segration of duties, authorisation levels, etc.)	IT management overview of applications, networks, processes and systems	Internal Audit plan	External IT service providers	Mar-16	On-going	Internal Audit plan 2015/16
Customer Service	Excellent level of service to our customers	Service standards, Procedures, Training, Line Management.	Processes and procedures	Surveys and Complaints Handling Procedure			Mar-16	On-going	
Strathclyde Concessionary Travel Scheme (SCTS)	Deliver value for money services	Notes and guidance to operators on the SCTS	Strathclyde Concessionary Travel Scheme Joint Committee (SCTSJC)	Surveys and Complaints Handling Procedure	Internal Audit plan	Certificates of Assurance from operators	Nov-15	On-going	Internal Audit plan 2015/16
Bus Services	Provide accessible public transport to communities	Service standards, Policy, Procedures, Training, Line Management.	Systems of internal control (i.e. segration of duties, authorisation levels, etc.)	Vehicle Examiners, Health & Safety		DVLA, Traffic Commissioner	Jan-16	On-going	
Project delivery	Improve transport connections	Project management processes, Project board, Stakeholder reporting.	Project management reporting	Annual report and Transport Outome Reports			Dec-15	On-going	
Subway service	Provide Subway service to the public	Service standards, Policy, Procedures, Training, Line Management.	Systems of internal control (i.e. segration of duties, authorisation levels, etc.)	Engineering Assurance, Health & Safety, Independent Competent Person		Office of Rail Regulation (ORR)	Dec-15	On-going	

Note: the risk areas are identified in Risk Registers