



Assurance framework update

Committee Audit and Standards

Date of meeting 22 February 2019

Date of report 4 February 2019

Report by Assistant Chief Executive

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 9 February 2018.

Assurance requirements

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

The provision of assurance is an essential element of 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 provision for each of the risks or compliance requirements;
- the date of the most recent independent review on these assurances.

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 February 2019, 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 February 2019.

6. Consequences

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

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