

Meeting	Audit, Risk and Assurance Committee
Date	16 September 2021
Location	MS Teams
Title of Paper	SPA Assurance Mapping
Presented By	John McNellis Head of Finance, Audit and Risk
<b>Recommendation to Members</b>	<b>For Consultation</b>
Appendix Attached	Appendix A – strategic assurance map

**PURPOSE**

To provide the Audit Risk and Assurance Committee (ARAC) with detail of the Authority's strategic assurance map and plans to further develop an annual integrated assurance statement.

*The paper is presented in line with the corporate governance framework of the Scottish Police Authority (SPA) and Audit, Risk and Assurance Committee (ARAC) terms of reference and is submitted for consultation.*

## **1. BACKGROUND**

- 1.1 The Audit, Risk and Assurance Committee (ARAC) previously considered assurance mapping reports including work from internal audit.
- 1.2 Earlier reports provided welcome albeit granular detail of sources of assurance. In contrast, this report is tailored to provide a strategic assurance map at a higher level for the benefit of Board members.
- 1.3 This work is a development outlined in the current SPA corporate business plan.

## **2. FURTHER DETAIL ON THE REPORT TOPIC**

- 2.1 The report at **appendix A** outlines:
  - key definitions of different types of audit and assurance activities;
  - background to sources of assurance and the Authority's four lines of defence model;
  - proposed way forward for assurance mapping; and
  - Authority's planned strategic assurance maps.

## **3. FINANCIAL IMPLICATIONS**

- 3.1 There are financial implications associated with this paper. To achieve the sources of assurance outlined in the report requires resources both internal and external. Each has a financial implication eg internal staff pay or payment to providers such as internal and external audit. The costs for 2021/22 are within approved budgets, however, the Authority must also ensure Best Value in the use of resources.

## **4. PERSONNEL IMPLICATIONS**

- 4.1 There are no specific personnel implications associated with this paper.

## **5. LEGAL IMPLICATIONS**

- 5.1 There are no specific legal implications associated with this paper.

**6. REPUTATIONAL IMPLICATIONS**

- 6.1 There may be reputational implications associated with this paper, if the Authority is not able to demonstrate good stewardship of public money and appropriate oversight / assurance on the systems of internal controls.

**7. SOCIAL IMPLICATIONS**

- 7.1 There are no specific social implications associated with this paper.

**8. COMMUNITY IMPACT**

- 8.1 There are no specific community impact implications associated with this paper.

**9. EQUALITIES IMPLICATIONS**

- 9.1 There are no specific equalities implications associated with this paper.

**10. ENVIRONMENT IMPLICATIONS**

- 10.1 There are no specific environmental implications associated with this paper.

**RECOMMENDATIONS**

Members are requested to note the assurance mapping report.

SCOTTISH POLICE  

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AUTHORITY

# Appendix A

Authority's strategic assurance map

**SEPTEMBER 2021**

# Executive Summary

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01

## Background

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- Earlier reports provided welcome albeit granular detail of sources of assurance. In contrast, this report is tailored to provide a strategic assurance map at a higher level for the benefit of Board members.
- This work is a development outlined in the current SPA corporate business plan.

02

## Authority's strategic assurance map

- This report shows the Authority's strategic assurance map based on the SPA excellence frameworks four lines of defence model.
- The assurance map is replicated three times with each showing at a high level, the map through a different lense (ie strategic risk; strategic objectives and strategic business areas).
- The puporse of this is to show ARAC members the planned assurance activities being conducted during 2021/22 across all four lines of defence. This approach is proposed to be used as a tool to inform future planning and co-ordination of assurance activities/ work and the strategic assurance maps will continue to be developed over time.

03

## Integrated assurance statement

- As a concluding step to the strategic assurance map it is proposed that the SPA prepares an annual integrated assurance statement.
- This is new development for the Authority and is an annual statement at the end of the financial year which brings together a single summary of the key assurance work undertaken over the year and their high level findings.
- This will provide ARAC Members with a single summary report to inform their overall conclusion on the Authority's systems of internal control as well as drawing together findings from multiple sources of assurance with similar themes.

# Background / definitions

## Audit

'Audit' is an umbrella term generally used to describe a **systematic and independent review and investigation** on a certain subject matter.

There are many types of audit including: financial audit, operational audit, statutory audit, compliance audit and so on, the majority of which follow a set of agreed standards.

### Audit universe

- This is a record of all services of the Authority that could be examined from an audit perspective. It is not an audit plan but can be used to aid audit planning showing previous work.
- In addition, there will be issues that sit outside of the audit universe that don't neatly fall into a service / structure eg Brexit.

### Internal audit

- Internal auditing is an **independent, objective assurance and consulting activity** designed to **add value and improve an organisation's operations**.
- It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. *Source: public sector internal audit standards*

### External audit

- Statutory external audit is an **independent examination** to enable the auditor to **express an opinion on the financial statements**.
- In addition, the **wider scope of public audit** includes assessments and conclusions on: financial management, financial sustainability, governance and transparency and value for money / Best Value.

### HMICS work:

- A broader range of work including elements of both audit and assurance in addition to other scrutiny reviews (ie inspections, thematic reviews, continuous improvement reviews, professional advice notes, etc).

## Assurance

Assurance is an **objective examination of evidence** for the purpose of providing an **independent assessment** on governance, risk management and control processes for the organisation.

*Source: Institute of Internal Auditors*

### Integrated assurance

- A **single organisation wide view of risk and control** derived from assurance activity undertaken across the lines of defence.
- ARAC require a view on the adequacy of controls across the organisation. Complex organisations like the Authority commission and receive assurance from a wide number of activities. Integrated assurance aims to take a step back and draw together the outcome from all activities over the year to assist the ARAC.

# Sources of assurance *(4 lines of defence model)*

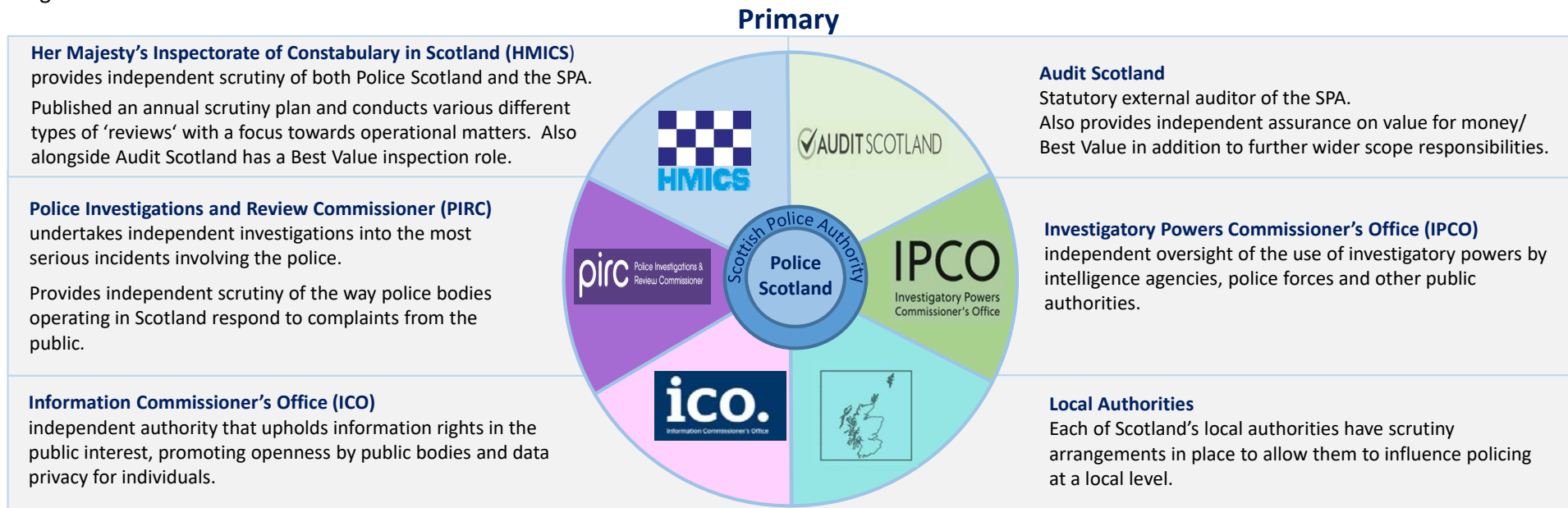
The Authority's excellence framework outlines the sources of assurance using the four lines of defence model.

The SPA's line of defence model and sources of assurance are summarised below. The Authority commissions internal audit to provide specific assurance through its annual plan and in addition can influence other external scrutiny.



# External scrutiny

The Authority draws on a range of evidence and on independent, expert opinion from a number of bodies, including inspectorates, auditors and similar organisations classified as our **4<sup>th</sup> line of defence**.





# Way forward

## Strategic assurance map

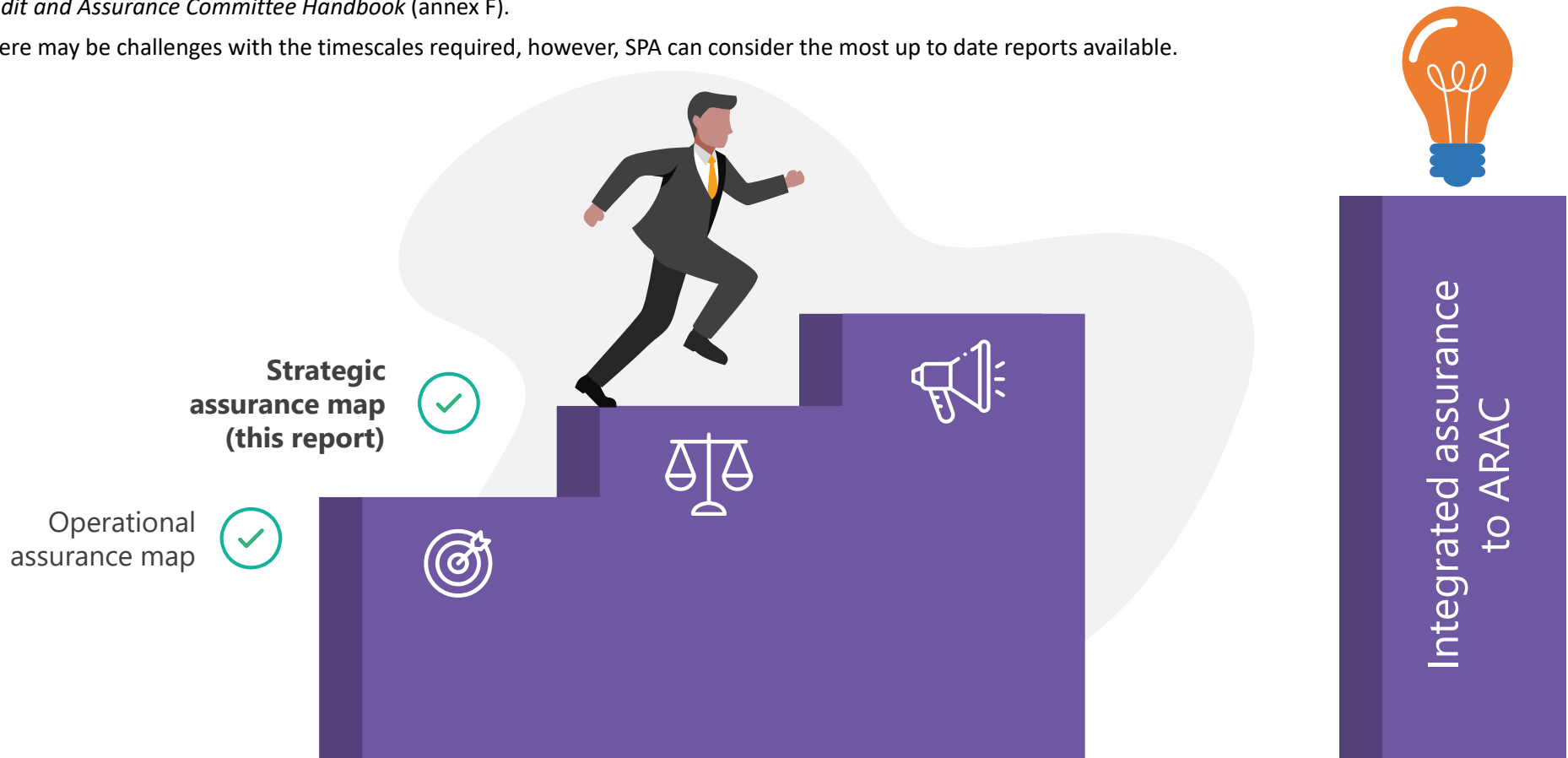
This report provides a strategic assurance map of the planned assurance activities expected to be undertaken during 2021/22, focused on the **strategic objectives and risks** of the Authority. In the future this work will be used to readily aid planning and coordination of assurance activities for the year ahead.

## Integrated assurance

The aim of the strategic assurance map exercise is to ultimately provide integrated assurance by bringing together the **outcomes from all assurances providers** to provide ARAC with a **combined view** of the outcome/ findings of assurance activity across the Authority.

At the end of the financial year the SPA will prepare a report that seeks to **draw together** the annual report and findings / conclusions from assurance providers in a single document prepared by SPA officials. This will aid ARAC and the Accountable Officer in reaching conclusion on the adequacy of risk management and systems of internal control required for the annual report and accounts including meeting the requirements of the Scottish Governments *Audit and Assurance Committee Handbook* (annex F).

There may be challenges with the timescales required, however, SPA can consider the most up to date reports available.



# Assurance maps

## Background

An assurance map is a structured means of **identifying and mapping** the **main sources and types of assurance** in an organisation, **across the four lines of defence**. They can be a powerful tool providing great insights for ARAC and management on the effectiveness of organisation wide controls.

In July 2019 internal audit prepared a comprehensive operational assurance map. This was largely based on detailed operational business areas both processes and objectives. Whilst a valuable and detailed piece of work ARAC require **a strategic focus appropriate for a non-executive audience and the committees responsibilities**.

## Strategic assurance maps

The SPA has prepared a strategic assurance maps in the following pages that shows the planned assurance activities anticipated to be conducted during 2021/22.

Using the four lines of defence method the planned assurance that will be received has been summarised from three different perspectives or lenses. During future planning it will be important for the Authority to consider the target level of assurance required for each area to inform planning. This will allow an informed consideration if there is sufficient assurance planned or too much which could be an indication of an inefficient use of resources.

After the end of the financial year and in line with the timeline for the annual report and accounts, SPA officials will evaluate the actual levels of assurance received and bring together in a single report the findings from all key assurance sources (ie integrated assurance statement) .

## Operational assurance maps

In addition to this report which shows the Authority's strategic assurance map, Police Scotland have developed and have begun implementing an operational assurance mapping approach.

This is based on reviewing specific business areas or activities in detail by the PS Risk, Assurance & Inspection team. The SPA welcomes this approach as a valuable control within the second line of defence. The overall summary findings from this work are proposed to be incorporated in the integrated assurance report to ARAC.

## Benefits of assurance maps:

- *During planning*
  - Key elements over which assurance is required..
  - The assurance activity that is being undertaken across the organisation (quantum not quality);
  - The 'four lines of defence' - detail of who provides assurance;
  - Gaps in that assurance (risks and controls not covered) that need to be either filled or accepted; and
  - Overlaps in assurance (where efficiency gains could be made).
- *During follow up:*
  - Evidence of management confidence in their assertions;
  - Evidence of the quality and outcome of assurance activity;
  - Allows ARAC to provide a view on the state of internal controls;

## Strategic assurance maps: *three lenses*



# Authority's strategic assurance map *(strategic risk)*

This summarises the planned assurance activities for 2021/21 relative to the **Board strategic risks**.

- ✔ High assurance planned
- ✔ Moderate assurance planned
- ✔ Low assurance planned
- Limited / no assurance activity planned

Risk		1 Management	2 Oversight function*	3 Internal audit		4 External audit, inspection & review							
		Current risk score	Target risk score	Business as usual activity	PS risk, assurance & inspection team	Internal audit plan (2021/22)		HMICS scrutiny plan (2021/22)		Audit Scotland	PIRC		
				<ul style="list-style-type: none"> <li>Risk register</li> <li>Policies / SOPS</li> <li>Performance management</li> <li>Internal governance</li> <li>SPA oversight</li> <li>Annual assurance statements</li> <li>Annual / local policing plan</li> <li>BCP</li> </ul>	<ul style="list-style-type: none"> <li>Conduct assurance reviews of business areas.</li> <li>Detailed follow up and monitoring of all audit and assurance activities.</li> </ul>	<ul style="list-style-type: none"> <li>ICT service delivery</li> <li>Data quality &amp; integrity</li> <li>Strategic planning</li> <li>Health &amp; safety</li> <li>Environmental impact</li> </ul>	<ul style="list-style-type: none"> <li>Core financial controls</li> <li>Payroll</li> <li>SPRM</li> <li>Legal claims handling</li> <li>Estates management</li> </ul>	<ul style="list-style-type: none"> <li>Hate crime</li> <li>Domestic abuse</li> <li>CAM</li> <li>Training &amp; development</li> <li>COP26</li> <li>Community justice</li> <li>Adult support &amp; protection</li> <li>Services for children</li> <li>Custody</li> </ul>	<ul style="list-style-type: none"> <li>Demand analysis &amp; management</li> <li>Benefits realisation</li> </ul>	<ul style="list-style-type: none"> <li>Statutory external audit</li> <li><i>Wider scope:</i></li> <li>Vision, leadership &amp; governance</li> <li>Financial management / sustainability</li> <li>Use of resources to improve outcomes</li> </ul>	<ul style="list-style-type: none"> <li>Investigations &amp; complaints handling as required.</li> </ul>		
Board strategic risks	SPA Leadership role in continuous improvement.	Change	15	10	<span style="color: orange;">✔</span>	○	○	○	○	○	○	<span style="color: yellow;">✔</span>	○
	SPA accountability for Police Scotland	Service delivery	20	10	<span style="color: green;">✔</span>	<span style="color: green;">✔</span>	<span style="color: green;">✔</span>	<span style="color: green;">✔</span>	<span style="color: green;">✔</span>	<span style="color: green;">✔</span>	○	○	○
	SPA accountability for Forensic Services	Service delivery	12	8	<span style="color: green;">✔</span>	○	<span style="color: green;">✔</span>	<span style="color: green;">✔</span>	○	<span style="color: yellow;">✔</span>	<span style="color: orange;">✔</span>	<span style="color: green;">✔</span>	○
	SPA Financial	Finance	20	10	<span style="color: green;">✔</span>	<span style="color: yellow;">✔</span>	○	<span style="color: green;">✔</span>	○	<span style="color: yellow;">✔</span>	<span style="color: green;">✔</span>	○	○
	SPA Governance	Service delivery	12	8	<span style="color: green;">✔</span>	○	○	○	○	○	<span style="color: orange;">✔</span>	○	○

\*SPA committees and the Board provide a second line of defence oversight role for all areas.

\*\*All levels of assurance grading represent SPA officials professional judgement of the overall level of assurance planned, recognising that assurance work will consider specific aspects of each risk.

# Authority's strategic assurance map *(strategic priority / outcomes)*

This summarises the planned assurance activities for 2021/21 relative to the **strategic police priorities and strategic outcomes**.

- ✔ High assurance planned
- ✔ Moderate assurance planned
- ✔ Low assurance planned
- Limited / no assurance activity planned

**Strategic police priorities**      **Strategic outcomes (Joint strategy for policing)**





		1 Management	2 Oversight function*	3 Internal audit		4 External audit, inspection & review			
		Business as usual activity	PS risk, assurance & inspection team	Internal audit plan (2021/22)		HMICS scrutiny plan (2021/22)		Audit Scotland	PIRC
		<ul style="list-style-type: none"> <li>Risk register</li> <li>Policies / SOPS</li> <li>Performance management</li> <li>Internal governance</li> <li>SPA oversight</li> <li>Annual assurance statements</li> <li>Annual / local policing plan</li> <li>BCP</li> </ul>	<ul style="list-style-type: none"> <li>Conduct assurance reviews of business areas.</li> <li>Detailed follow up and monitoring of all audit and assurance activities.</li> </ul>	<ul style="list-style-type: none"> <li>SPRM</li> <li>Health &amp; safety</li> <li>Core financial controls</li> <li>Payroll</li> <li>Legal claims handling</li> <li>Environmental impact</li> <li>Estates management</li> </ul>	<ul style="list-style-type: none"> <li>ICT service delivery</li> <li>Data quality &amp; integrity</li> <li>Strategic planning</li> </ul>	<ul style="list-style-type: none"> <li>Hate crime</li> <li>Domestic abuse</li> <li>CAM</li> <li>COP26</li> <li>Training &amp; development</li> <li>Community justice</li> <li>Adult support &amp; protection</li> <li>Services for children</li> <li>Custody</li> </ul>	<ul style="list-style-type: none"> <li>Demand analysis &amp; management</li> <li>Benefits realisation</li> </ul>	<ul style="list-style-type: none"> <li>Statutory external audit</li> <li><i>Wider scope:</i></li> <li>Vision, leadership &amp; governance</li> <li>Financial management / sustainability</li> <li>Use of resources to improve outcomes</li> </ul>	<ul style="list-style-type: none"> <li>Investigations &amp; complaints handling as required.</li> </ul>
<ul style="list-style-type: none"> <li>Crime &amp; security</li> <li>Evidence</li> </ul>	1. Threats to public safety and wellbeing are resolved by a proactive and responsive police service.	<span style="color: green;">✔</span>	<span style="color: green;">✔</span>	<span style="color: grey;">○</span>	<span style="color: orange;">✔</span>	<span style="color: green;">✔</span>	<span style="color: orange;">✔</span>	<span style="color: grey;">○</span>	<span style="color: grey;">○</span>
	2. The needs of local communities are addressed through effective service delivery.	<span style="color: green;">✔</span>	<span style="color: green;">✔</span>	<span style="color: grey;">○</span>	<span style="color: orange;">✔</span>	<span style="color: green;">✔</span>	<span style="color: orange;">✔</span>	<span style="color: yellow;">✔</span>	<span style="color: grey;">○</span>
<ul style="list-style-type: none"> <li>Confidence</li> <li>Partnerships</li> </ul>	3. The public, communities and partners are engaged, involved and have confidence in policing.	<span style="color: green;">✔</span>	<span style="color: green;">✔</span>	<span style="color: grey;">○</span>	<span style="color: yellow;">✔</span>	<span style="color: orange;">✔</span>	<span style="color: yellow;">✔</span>	<span style="color: yellow;">✔</span>	<span style="color: green;">✔</span>
	4. Our people are supported through a positive working environment, enabling them to serve the public.	<span style="color: green;">✔</span>	<span style="color: green;">✔</span>	<span style="color: green;">✔</span>	<span style="color: green;">✔</span>	<span style="color: green;">✔</span>	<span style="color: orange;">✔</span>	<span style="color: yellow;">✔</span>	<span style="color: grey;">○</span>
<ul style="list-style-type: none"> <li>Sustainability</li> </ul>	5. Police Scotland is sustainable, adaptable and prepared for future challenges.	<span style="color: green;">✔</span>	<span style="color: green;">✔</span>	<span style="color: green;">✔</span>	<span style="color: green;">✔</span>	<span style="color: orange;">✔</span>	<span style="color: green;">✔</span>	<span style="color: green;">✔</span>	<span style="color: grey;">○</span>









































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\*\*All levels of assurance grading represent SPA officials professional judgement of the overall level of assurance planned, recognising that assurance work will consider specific aspects of each priority.

# Authority's strategic assurance map *(business area)*

This summarises the planned assurance activities for 2021/21 relative to the high level business areas.

-  High assurance planned
-  Moderate assurance planned
-  Low assurance planned
-  Limited / no assurance activity planned

	1 Management	2 Oversight function*	3 Internal audit		4 External audit, inspection & review			
	Business as usual activity	PS risk, assurance & inspection team	Internal audit plan (2021/22)		HMICS scrutiny plan (2021/22)		Audit Scotland	PIRC
	<ul style="list-style-type: none"> <li>• Risk register</li> <li>• Policies / SOPS</li> <li>• Performance management</li> <li>Internal governance</li> <li>SPA oversight</li> <li>• Annual assurance statements</li> <li>• Annual / local policing plan</li> <li>• BCP</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct assurance reviews of business areas.</li> <li>• Detailed follow up and monitoring of all audit and assurance activities.</li> </ul>	<ul style="list-style-type: none"> <li>• Core financial controls</li> <li>• Payroll</li> <li>• Legal claims handling</li> <li>• Environmental impact</li> <li>• SPRM</li> <li>• Health &amp; safety</li> <li>• Estates management</li> </ul>	<ul style="list-style-type: none"> <li>• Data quality &amp; integrity</li> <li>• Strategic planning</li> </ul>	<ul style="list-style-type: none"> <li>• Hate crime</li> <li>• Domestic abuse</li> <li>• CAM</li> <li>• COP26</li> <li>• Training &amp; development</li> <li>• Community justice</li> <li>• Adult support &amp; protection</li> <li>• Services for children</li> <li>• Custody</li> </ul>	<ul style="list-style-type: none"> <li>• Demand analysis &amp; management</li> <li>• Benefits realisation</li> <li>• Training &amp; development</li> </ul>	<ul style="list-style-type: none"> <li>• Statutory external audit</li> <li><i>Wider scope:</i></li> <li>• Vision, leadership &amp; governance</li> <li>• Financial management / sustainability</li> <li>• Use of resources to improve outcomes</li> </ul>	<ul style="list-style-type: none"> <li>Investigations &amp; complaints handling as required.</li> </ul>
SPA corporate								
SPA Forensic Services								
PS: Local Policing								
PS: Crime & Operational Support								
PS: People & Professionalism								
PS: Corporate Services, Strategy & Change								

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