

# DE&S FINANCIAL ASSURANCE



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MINISTRY OF DEFENCE

# AIMS

## PROVIDE OVERVIEW OF DE&S PROCEDURE

- **ASSURANCE & SCRUTINY**
- **FINANCIAL ASSURANCE**
- **INVESTMENT APPRAISAL ASSURANCE**



# THROUGH-LIFE ASSURANCE IN DE&S

## PURPOSE:

- TO GIVE CONFIDENCE IN THE MATURITY OF PROJECTS
- PROVIDE REQUIRED LEVEL OF FUNCTIONAL ASSURANCE EVIDENCE
- CONTRIBUTE TO DE-RISKING DELIVERY OF PROJECTS
- PROVIDE A RISK-BASED, ONGOING PROCESS OF REVIEW FEEDBACK AND REPORTING
- PROVIDES AN AUTHORITATIVE ASSESSMENT OF MATURITY OF A PROJECT AND COMPLIANCE WITH PROCEDURES AND MANDATED POLICIES
- PROPORTIONATE TO PROJECT SIZE, VALUE & RISKS



# DEFINITIONS

- **ENSURANCE**

- Through-life activity by DGs and IPTLs to ensure delivery of outputs to user that demands early engagement with assurance community & SME.

- **ASSURANCE**

- Through-life and evidence-based activity based on early engagement and tailored assurance plan between IPT and functional experts.

- **SCRUTINY**

- Point in Time activity seeking to confirm integrity of business case based on certified evidence.



# PRINCIPLES & BEHAVIOURS

- **THROUGH-LIFE**
- **GETTING IT RIGHT**
- **ASSURANCE PLANNING**
  - EARLY ENGAGEMENT
  - TAILORING
  - DOCUMENTED
- **SIMPLICITY**
- **CONSULTATION**
- **RESOURCING**
- **SCRUTINY**



# EXPECTED OUTCOMES

- **IPTLs & CLUSTER DGs RESPONSIBLE FOR PRODUCING RIGHT FIRST TIME ASSURED CASE**
- **LICENSED FUNCTIONAL EXPERTISE LIES WITHIN IPTS/CLUSTERS**
- **LEAN CENTRAL FUNCTION WILL HAVE DEEP EXPERTS TO ASSIST & ADVISE AND SUPPORT FUNCTIONAL DG**
- **FUNCTIONAL DG ASSURANCE TEAM CONFIRM INTEGRITY OF PORTFOLIO OF EVIDENCE AND PROVIDE HELP & GUIDANCE TO CLUSTER/IPT ASSURORS**
- **ALL EVIDENCE OPENLY AVIALABLE**
- **FULLY ASSURED CASES TAKEN BY DESIB**



# DE&S INVESTMENT BOARD

- **OVERSEES ALL DE&S INVESTMENT DECISION-MAKING**
- **CHECKS THAT INVESTMENT PROPOSALS HAVE APPROPRIATELY MATURE ASSURANCE**
- **ENSURES EFFECTIVE MANAGEMENT AND MITIGATION OF RISK**
- **CONSIDERS MAJOR CASES IMMEDIATELY BEFORE SUBMISSION FOR APPROVAL**



# FINANCIAL ASSURANCE

- **THROUGH-LIFE ACTIVITY**
- **REQUIRES EARLY ENGAGEMENT**
- **SUPPORTED BY PORTFOLIO OF EVIDENCE**
- **RIGHT FIRST-TIME**



# PRINCIPLES

- **FINANCIAL CONTROLLERS LEAD**
- **EARLY ENGAGEMENT AND AGREEMENT OF ASSURANCE PLAN WITH CENTRAL TEAM**
- **PRODUCTION OF PORTFOLIO OF EVIDENCE**
- **EARLY RESOLUTION OF ISSUES WITH ASSISTANCE OF SUBJECT MATTER EXPERTS**



# ROLES & RESPONSIBILITIES

- **FINANCIAL CONTROLLER**
- **DG FINANCE ASSURANCE TEAM**
- **DG FINANCE**
- **FUNCTIONAL SUBJECT MATTER EXPERTS**



# EVIDENCE

- Statement from the IPT/BLB Financial Controller
- Endorsement of FC statement by DG Finance/DG Fin ASS Team Leader
- COEIA or Investment Appraisal, endorsed by DASA DESA or DG Fin ASS Team as appropriate
- Financial Certificate setting out affordability and 3 point estimates, endorsed by D Mat Programmer's Team
- Validation of cost models by CPET
- Quantified Risk Register, including main financial risks and mitigation
- Through Life Finance Cost Record
- Master Data Assumption List



# FURTHER EVIDENCE

- Endorsement of Cost Estimates/Optimism Bias by CPET
- Endorsement by MoD PFU/DE&S Partnering Support Group
- Evidence of the correct VAT treatment
- Endorsement of Accounting issues by DE&S CA
- Benefits Realisation Plan endorsed by D Mat Programmes Efficiency Team
- Compliance with External Assistance gateway & governance confirmed by EA focal point.



# CPET

- **VERIFICATION & VALIDATION OF COST MODELS**
- **ASSURANCE OF METHODOLOGY FOR PRODUCTION OF COST ESTIMATES**
- **INDEPENDENT ASSURANCE OF ESTIMATES**



# INVESTMENT APPRAISAL

- **ALL EXPENDITURE SUBJECT TO APPRAISAL**
- **FULL APPRAISAL**
  - » CAPITAL INVESTMENT > £1M
  - » RESOURCE CONSUMPTION > £10M
- **DASA DESA LEAD FOR DEPARTMENT**
- **DG FINANCE ASSURANCE LEAD FOR DE&S**
- **FINANCIAL CONTROLLER LEADS FOR IPT**
- **CPET VALIDATE MODELS**





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# QUESTIONS



MINISTRY OF DEFENCE

The logo for de&s, consisting of the lowercase letters 'de&s' in a white sans-serif font, positioned inside a purple triangle that points to the right.

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