

Annual Assurance Statements:

Gambling Commission response following supplementary consultation on the introduction of annual assurance statements

Response

July 2015

Contents

Foreword

- 1 Introduction**
- 2 Background**
- 3 Structure and content of assurance statements**
- 4 Tackling problem and at-risk gambling**
- 5 Implementation**

Foreword

In our recent consultation on the social responsibility provisions of the LCCP, [Strengthening social responsibility](#), we concluded that we should go ahead with our proposal for some operators to submit an Annual Assurance Statement. Having already consulted on whether this proposal was worthwhile, we went on to consult on how to implement it. We received many constructive responses to the questions we asked in this supplementary consultation, reflecting the high level of stakeholder engagement that we typically enjoy. But it is particularly striking that all respondents returned to the earlier question of whether to go ahead with the proposal at all. We recognise the strength of feeling that has underpinned this challenge, which goes to the heart of our role as a regulator.

Good regulation is a balancing act. The [Principles of good regulation](#) recognised the need to make trade-offs between different objectives, and [The Regulators' Code](#) makes a similar point. One of the most frequently discussed trade-offs is between achieving desired outcomes and minimising the regulatory burden. Regulators are, quite rightly, urged to balance the benefits of securing desired outcomes against the costs of the measures they implement to achieve them. Our [Statement of principles for licensing and regulation](#) reflects this objective.

Almost all of the responses to our consultation argued that the Annual Assurance Statement would add to the regulatory burden. We understand those concerns, and we take them seriously. Any new requirement inevitably involves some additional burden. We explained in the consultation that the requirement in this case should not be materially burdensome because a well-run, commercially viable organisation will already assess and document the effectiveness of its control systems. Where operators do not already follow this kind of process, then an assurance statement should help to improve performance.

In addition, the Statement should ultimately help to keep regulation proportionate. Operators must be able to demonstrate that they are taking significant steps to deliver the licensing objectives proportionately and effectively. The assurance statement will require them to provide the Commission with convincing evidence that they have assessed their progress and how they need to improve. The more persuasive that evidence is, the stronger will be the case for a broad policy framework that affords gambling businesses – as a demonstrably safe, fair and socially responsible industry – greater scope to innovate and grow.

There are encouraging signs of progress, but there is still much that the industry needs to do. In a society that tends to disapprove of gambling, even while it supports the freedom to gamble, it is vital that the industry shows that it is taking action to address public concerns. We are under no illusion about the extent of the challenge. Yet operators must rise to it if they are to fulfil their own potential.

**Philip Graf – Chairman
Gambling Commission**

1. Introduction

- 1.1. Annual Assurance Statements (assurance statements) are designed to improve the focus on, and accountability for, the delivery of the licensing objectives by the boards, or equivalent senior leadership structures, of large gambling operators. The statements are intended to be a relatively concise self-assessment of the risks to the licensing objectives posed by the business, how well the operator is managing those risks, where it needs to improve and how it intends to do so.
- 1.2. While the Commission will hold operators to account for what they say in their statements, the main beneficiary of the statement is the operator itself. Assurance statements provide a means for boards to provide constructive challenge within the business on the effectiveness of their governance and risk management arrangements in facilitating positive consumer protection and crime prevention measures and outcomes.
- 1.3. Good governance and risk management is the foundation of high performing organisations. We want gambling operators to embrace the challenges of the regulatory landscape by actively and effectively managing their actual risks and issues and to inform key business decisions. In turn, we are committed to a proportionate and risk-based regulatory regime.
- 1.4. Operators who hold the licensing objectives at the heart of their decision-making, supported by good governance, risk management and a high level of compliance at all levels, and who do this in an open and cooperative manner, are less likely to present a risk. If this approach is successful, as we believe it will be, and over time more and more operators incorporate the licensing objectives into their corporate culture, the need for external regulatory scrutiny may well diminish.
- 1.5. We will shortly be writing to those operators required to submit an assurance statement; operators falling in scope will need to ensure they are in a position to submit an assurance statement from 1 October 2015 onwards. The precise governance arrangements of organisations will vary depending on the size, nature and complexity of their operations or on the gambling services they provide. We will take this into account when we receive and review assurance statements.

2. Background

The supplementary consultation

- 2.1. We concluded in [Strengthening social responsibility](#) that the appropriate mechanism for introducing the assurance statement was to require operators to provide one under licence condition 15.3.1 (General and Regulatory Return). Licence condition 15.3.1 says 'on request licensees must provide the Commission with such information as the Commission may require about the use made of facilities provided in accordance with this licence and the manner in which gambling authorised by this licence and the licensee's business in relation to that gambling are carried on.' We delivered on our commitment to issue a supplementary consultation on the annual assurance statement in February 2015.
- 2.2. We are interested in capturing information through assurance statements from a relatively small number of operators who together – starting with the largest – represent approximately 90% of the total British regulated gambling market¹. Leading up to the supplementary consultation we convened a small consultation group, drawing on industry representatives, to help develop our thinking on the proposals relating to harm minimisation. In the supplementary consultation itself, we sought views on the content and structure of assurance statements. We also provided information which operators may wish to build on or to use in completing their assurance statements.
- 2.3. We received 25 responses to the supplementary consultation, which closed on 19 April 2015. All the responses, except one (a legal firm), were from industry, including trade associations and operators from across all sectors.
- 2.4. Non-industry stakeholders supported the principle of the assurance statement (and for an operator to include an estimate of revenue from at-risk or problem gamblers) when they responded to the first consultation, but did not respond to the supplementary consultation.
- 2.5. Since the consultation closed, we have also taken account of comments made in supporting discussions with operators and trade associations.

The Commission's overall regulatory approach

- 2.6. The Commission regulates gambling in Great Britain, in the public interest, as set out in the Act. In carrying out our functions with regard to, and in pursuit of, the licensing objectives we are required to aim to permit gambling (in so far as it is reasonably consistent with pursuit of those objectives).
- 2.7. The Act places duties on the Commission to set out the requirements of gambling businesses. We do this through our Statement of principles for licensing and regulation. This underpins all the work of the Commission in its pursuit of the licensing objectives.
- 2.8. We consider that gambling operators themselves are best placed to decide how to secure the licensing objectives cost effectively in their particular circumstances. While operators should be able to do this with a minimal of regulatory prescription, some level of prescription is necessary and LCCP is a significant part of the Commission's framework for upholding the licensing objectives.
- 2.9. Some operators will always have a greater impact on the market due to the scale and/or scope of their operations. As such our risk-based approach to regulation is focused on those operators or activities that potentially present the highest level of risk to the licensing objectives. This is key to setting, maintaining and raising standards, but also ensuring regulatory risks and issues are addressed proportionately and that those that act responsibly earn greater autonomy than those that do not. This will ensure a fair and level playing field for operators.

¹ This does not include the National Lottery

- 2.10. We keep all aspects of our regulatory approach under review and continually seek to improve its efficiency and effectiveness. We aim to ensure that our activities are carried out in a way that is transparent, accountable, proportionate and consistent and in doing so have regard to the Regulators Code.
- 2.11. We believe assurance statements are in keeping with the Regulators' Code, helping to ensure a continuous dialogue between the regulator and regulated and reducing any duplication of effort. As our dialogue continues to mature this will result in a targeted and effective regulatory regime and positive outcomes for the industry and consumers.

3 Structure and content of assurance statements

Structure

Consultation proposal

- 3.1. We consulted on a three part structure to the assurance statement. We made clear that we expected operators to demonstrate how they evaluate and manage regulatory risk. But we refrained from prescribing the level of information and detail that assurance statements should contain.
- 3.2. In the first part of their assurance statement, we said that operators should set out their core control systems and governance arrangements (ie those which are critical to upholding the licensing objectives). Amongst other things, they should demonstrate that these:
- are appropriate to the size and type of organisation
 - enable objective and critical evaluation of progress against the licensing objectives
 - enable management teams to scrutinise and challenge behaviour (ie where social responsibility and commercial interests may conflict).
- 3.3. We said that the second and third parts should be a backward and a forward look respectively. In Part 2 of their assurance statements operators should provide information on actions they have taken in the previous 12 months to improve their control systems and governance arrangements. Part 3 enables operators to set out their actions planned for the forthcoming 12 months to meet the licensing objectives more effectively.

Consultation question

Q1. **Do you have any comments on the proposed structure and content of the assurance statement?**

Respondents' views

- 3.4. Most respondents agreed with the three part structure of the assurance statement. Some expressed concerns about the resource implications for completing assurance statements and some queried what the statement should cover when an operator is part of a group or when some of its activities are outside of Great Britain.
- 3.5. Two respondents suggested that the initial assurance statements should consist of only two parts and form the baseline against which future years could be benchmarked. One respondent suggested that, for the pilot, information in Part 2 would be the same as in Part 1 hence it should only be needed once to set the baseline. Part 3 would still be needed to provide an insight into what to expect for future years. The other respondent suggested that information in Parts 1 and 3 should be combined. This would allow operators to summarise their current position and tie it into future plans within the body of Part 1. Both respondents agreed that this could then be split into the three part structure for subsequent years' statements.

- 3.6. Some respondents also said that the structure of the assurance statement should be reviewed following the initial submissions.

The Commission's position

We confirm that we consider it appropriate for the Commission to provide a template through which operators can structure their assurance statement. We expect this will achieve a level of consistency while allowing operators to tailor their assurance statements to their particular circumstances.

We said in the supplementary consultation that we expected operators' assurance statements to cover their activities in relation to holding a Commission licence, and where they report to the Commission on those activities. We also said we expect operators who are a part of a larger group to report on group controls and governance arrangements.

We expect operators to exercise their judgement when deciding what information to include in the statement. Where an operator is part of a larger group, regardless of how much of that group is licensed by the Commission, if its control systems and governance arrangements are independent of its parent or sister companies, then we would not expect a single assurance statement to include information relating to parent/sister companies or the group – separate assurance statements for individual licensed entities would be appropriate. Conversely, where common arrangements exist, we would expect to see information about all group companies within one assurance statement.

We consider that the three part structure should help to develop clear and concise assurance statements and hence do not support the suggestion to combine the Parts of the initial assurance statements in the ways as suggested by the two respondents. Part 1 of the first assurance statements will describe the control systems and governance arrangements in place at the point that an operator submits its assurance statement.

In Part 2 we will be interested in any steps that each operator has taken over the preceding 12 months to improve its arrangements to reach the standard described in Part 1. For Part 3, we would expect operators to submit information on the actions they intend to take in the following 12 months from the point at which they submit their assurance statements, which may impact on the licensing objectives.

We will review and make any appropriate changes to the assurance statement structure following the first year's submissions. We plan to hold an event in the first half of 2016 to allow for any proposed amendments and learning to be shared. We will provide details of this closer to the date. In leading up to the initial submissions, we will seek to facilitate discussions with operators in scope to assist with the submission process.

Content

Part one: Control systems and governance arrangements in place Consultation proposal

- 3.7. Our proposal was that completed assurance statements should have, as a common thread, information on crime prevention and social responsibility controls and initiatives.
- 3.8. Under the crime prevention theme, we set out our expectation that operators would use the statement to demonstrate their performance in maintaining effective anti-money laundering and betting integrity (where applicable) regimes.
- 3.9. Under the social responsibility theme, we said we expected operators to show how they are pursuing the second and third licensing objectives – to conduct gambling in a way that is fair and open, and to protect children and other vulnerable people from being harmed or exploited by gambling. In providing this information, we said that an operator should cite the indicators it uses and give examples of actions or initiatives it has taken and how it manages risk by reflecting on available research.

Consultation question

Q2. Do you agree with the two key themes as the appropriate for a 'common thread' through the assurance statement? Do you think these should be subdivided into more specific risks?

Respondents' views

- 3.10. All respondents, except one, agreed that the two key themes were appropriate and should not be further sub-divided. Some respondents, however, did not agree with the details provided thereafter. Non-betting respondents did not consider it appropriate for them to structure their assurance statements around the Betting Integrity element under the crime prevention theme.
- 3.11. One respondent objected to fact that theme B (social responsibility) is not tailored to reflect different gambling sectors. This respondent said that the assurance statement is an operator's document, so it is for the operator rather than the Commission to frame the content.

The Commission's position

We consider that crime prevention and social responsibility (including ensuring that gambling is conducted in a fair and open way) are appropriate universal themes covering as they do the three licensing objectives, and we will expect completed assurance statements to report on this basis. We may wish to review the key themes for future assurance statements, although the management of risk to the licensing objectives will continue to be the central focus. We will expect completed assurances statements to include information on what steps operators are taking to address inherent, identified or emerging risks or risk themes (eg how they are protecting consumers from being harmed or exploited by gambling). This may mean that we will introduce additional themes for future assurance statements.

We made clear in the supplementary consultation that, in recommending operators provide information under the two key themes, it may not be relevant for all operators to do so – for example, we do not expect operators who do not offer betting services to provide information on their betting integrity controls and policies. We expect operators to provide evidence in their assurance statements to reflect their business.

Parts two and three: Operational changes and planned improvements Consultation proposal

- 3.12. We proposed that, in Parts 2 and 3, operators may wish to refer to or include information or data from existing sources. We said that while operators may choose to include information from existing sources, we did not expect this to simply be a copy and paste of that existing information. Where information is provided from existing sources this should be relevant in the context of assurance statements.

Consultation question

- Q3. To what extent can the assurance statement draw on existing reports, audits or evaluations made to the board and senior management within your organisation?**

Respondents' views

- 3.13. While respondents to this question agreed that existing information should either contribute towards or inform their assurance statements, some respondents were clear that this should not result in a duplication of information or effort. Most respondents said they would draw upon their existing reports and information provisions, but did not expect that these should be submitted as part of their assurance statements. Operators reiterated their concerns about the amount of additional effort and resources required to complete assurance statements.

The Commission's position

Assurance statements should supplement the data that operators rely on to inform their quarterly and annual regulatory returns. They will differ in nature from regulatory returns because they provide a commentary (rather than just raw data) on how operators manage and mitigate risks in relation to the licensing objectives. By demonstrating how organisational capabilities are deployed to ensure this happens effectively, operators should be able to evidence their performance in relation to the key themes of crime prevention and social responsibility.

We reiterate that we consider it appropriate for the Commission to provide a framework through which operators can structure their assurance statements. We expect this to achieve a level of consistency while allowing operators to tailor the content to their particular circumstances. We have said previously that for well-run organisations the assurance statement ought not to be an undue burden or require disproportionate resources because much of what is required will be in hand. Operators undertaking corrective action, to varying degrees, will also appropriately resource and report internally on this activity – reporting through the assurance statement is simply an extension of good internal reporting.

We said that we expect operators to self-assess their performance and provide a narrative of this assessment through a set of concise statements. We do not consider that in doing so the assurance statement will be an unnecessary or additional burden for well-run organisations.

The process of reporting on their own assessment of their performance against the licensing objectives will reinforce the efforts of the organisation from board to front line staff to embed the licensing objectives and continually improve ongoing risk identification and mitigation. This means that assurance statements can be used as an internal awareness-raising or educational tool to assist with training and ongoing risk identification and mitigation.

4 Tackling problem and ‘at-risk’ gambling

Consultation proposal

- 4.1. The supplementary consultation proposed that each operator should report through its assurance statement on how it has:
 - developed tools to identify problem and at-risk gambling according to the circumstances of its own business, building where relevant on the Commission’s reference material
 - acted to address the risk, using metrics to show the scale of action
 - evaluated the effectiveness of those actions
 - assessed the impact of its actions on the extent to which its revenues are likely to come from moderately at-risk or problem gambling
 - drawn on experience over the previous year to identify additional actions that it will pursue over the following year.
- 4.2. Our objective was to get operators to focus on identifying problem and at-risk gambling, tackling it and tracking their progress in tackling it. In doing so, operators would make their businesses more socially legitimate.
- 4.3. We were aware from the LCCP Social Responsibility consultation that many in the industry were opposed to our proposal for operators to assess the impact of their actions on the extent to which a proportion of their revenue comes from at-risk or problem gambling. We made clear in the supplementary consultation that we were not expecting operators to provide an exact revenue figure. Rather, we were looking for a narrative assessment supported wherever possible by indicators or proxy measures.

Consultation questions

- Q4. **Do you agree with the premise of points 1-5 as the basis for operators to report on?**
- Q5. **If not, what alternative information would you suggest is provided, to give the necessary assurance on how operators are tackling problem and ‘at-risk’ gambling?**

Respondents’ views

- 4.4. In response to question 4, all respondents opposed the proposal to assess the impact of their actions on the extent to which revenues are likely to come from at-risk or problem gambling. One respondent (the Remote Gambling Association (RGA)) has subsequently suggested deferring the revenue element pending the outcome of forthcoming research by the Responsible Gambling Trust (RGT). But others considered the inclusion of this information as distracting and counterproductive to their efforts to tackle problem gambling.
- 4.5. Respondents continue to cite the difficulty in calculating revenue from problem gambling as the main reason for opposing this aspect of the assurance statement. Their concerns include:
 - the lack of an agreed methodology
 - any approach to calculating revenue from problem gambling will be too simplistic and will not reflect reality
 - it will lead to speculative calculations
 - it might detract from serious efforts to tackle harm and drive a ‘tick box’ approach
 - difficulties in collecting suitable data.

- 4.6. Some respondents also remain concerned about information being mis-used if placed in the public domain.
- 4.7. In response to question 5, respondents were keen to see a consistent approach and suggested this either be across the sectors or the whole industry. A few respondents were keen for operators to use a common methodology, and one respondent also put forward criteria for an evaluation methodology.

The Commission's position

While we understand the points that have been raised, on balance we consider the narrative assessment of the extent to which a business is exposed to risks created by problem and at-risk gambling, including a sense of scale, to provide a potentially important tool to help businesses tackle gambling related harm and evaluate their success. We will therefore expect operators to report in line with the consultation proposal.

While respondents objected to including an assessment of 'the impact of [each operator's] actions on the extent to which its revenues are likely to come from moderately at-risk or problem gamblers' we do not consider that excluding (or delaying as suggested by the RGA) reporting on the 'revenue element' from the first submissions is appropriate.

We have made clear that we understand the limitations of existing research and are not expecting operators to provide an exact figure. Instead, operators should demonstrate that they have taken measures to identify and tackle 'at-risk' and problem gambling and have evaluated their progress. We expect a narrative assessment of the impact of each operator's actions on the extent to which revenues are likely to come from at-risk and problem gambling, using proxy indicators wherever possible. The narrative should give a sense of scale of impact, although we would not necessarily expect any supporting metrics to take the form of an overall proportion or total pounds sterling figure. In compiling this information, operators will start to get a better understanding of where to focus efforts and whether they are making progress. Of all the information to be included in operators' assurance statements, we expect this aspect to increase in sophistication/reliability as operators improve their understanding and make progress over time.

The RGT research aims to inform the harm minimisation efforts of remote gambling operators serving British Consumers. A specific priority for this research program is exploring the potential usefulness of behavioural analytics and industry-held data in the remote gambling sector to:

- identify markers or patterns of behaviour that may indicate that customers are experiencing, or are at risk of experiencing, gambling-related harm and
- mitigate such risks or harm.

So, we expect that this research will enhance operators' ability to identify and address the risk of gambling-related harm. In turn, it should also improve the quality of their narrative assessment of the impact of their actions on the extent to which their revenue comes from customers who are at risk. Nevertheless, we think that is important for operators to report now on the work they are already doing, and alongside that to provide their narrative assessment of the revenue impact. When the research is complete and operators have drawn on it to develop their approaches, they will be able to demonstrate how it has contributed to their progress

Gambling is a leisure activity enjoyed by many people without experiencing harm, but it can, and does, cause harm to some people. In continuing to contest this aspect of the assurance statement, the industry is unlikely to persuade government, regulator and society at large that it is a socially responsible industry and one that embraces responsibility head on.

In failing to change the narrative from negativity to acceptance and action the industry is unlikely to be able successfully to answer the charge that it prospers partly by exploiting vulnerable people (and in some cases relies on this income stream).

In common with other regulatory returns, we do not intend to publish individual assurance statements. We do intend, however, to use statements as a source of good practice, the dissemination of which may help raise standards across the whole industry.

5 Implementation

Market share and submission Consultation proposal

- 5.1 We proposed that operators with an annual gross gambling yield (GGY) of £25 million or above generated in reliance of holding one or more Commission licences (and where reported to the Commission) should fall within the scope of the assurance statement. We suggested the broad number of organisations (40) that would be captured using this threshold for the first year submission, based on 13-14 industry statistics. We said we would adopt a flexible approach to how the assurance statement might apply in future years to account for fluctuations in the market, changes to licensing arrangements etc. We also suggested that, once in scope, operators may be required to provide assurance statements for a minimum period, for example, three consecutive years. We said this would provide the Commission with a reasonable level of oversight.

Consultation question

- Q6. **What are your views on the proposal to make it an obligation on operators to report for a minimum period once they are 'in scope'?**
- Q7. **What should be a minimum period?**

Respondents' views

- 5.2 Some respondents either had no comments or did not object to a minimum reporting period being set. A few respondents did not feel they could answer this question until the review of the first year's assurance statement had been completed. They suggested that any decision to set a minimum period prior to the review of the initial submissions would be premature. One respondent said that a minimum of three years would be reasonable. Another said that, should an operator's GGY fall below this threshold by the submission due date, then it should not be required to submit an assurance statement.
- 5.3 Nevertheless, the majority of respondents agreed that a minimum period should be set and said an annual submission was most appropriate.
- 5.4 A few respondents also suggested that the £25million GGY was an arbitrary threshold and that all operators should be encouraged to provide assurance statements on a voluntary basis.

The Commission's position

We said in the supplementary consultation that operators with a significant market share or extensive operations will always be subject to a greater level of regulatory oversight. Our view remains that the £25 million GGY threshold strikes a reasonable balance between getting appropriate coverage (and thus assurance from the bulk of the industry) and not being an undue burden on smaller operators.

We will, nevertheless, keep the basis of this threshold under review and adjust as needed to reflect prevailing market conditions.

Licence condition 15.3.1, which forms the basis on which we will require operators to submit assurance statements, gives us the latitude to include/exclude any operators we deem appropriate in this requirements.

We will require operators in scope to submit assurance statements on an annual basis. To start with, we will enforce a minimum reporting requirement of three years. We will keep this under review.

This means that once an operator is in scope, we would expect to receive at least three consecutive annual assurance reports even if its GGY dropped below the threshold amount (or if it fell out of scope based on any other future criteria).

We will only require formally notified operators to submit an assurance statement. But we also encourage operators to submit statements even if they do not fall within scope (or subsequently fall out of scope) but wish to (continue to) submit assurance statements. We will accept voluntary assurance statements from any operator that wishes to submit one. All operators may also wish to use the assurance statement approach/structure to develop and reinforce their own internal reporting processes to increase their levels of assurance.

We set out in the supplementary consultation our rationale for why the National Lottery operator (Camelot) will not be in scope for assurance statements. Our position on this remains unchanged.

Making use of the assurance statement information Consultation proposal

- 5.5 In the consultation we proposed to set a submission window requiring operators to submit their first completed assurance statements between 1 October and 31 December 2015.
- 5.6 We said that, following the first year, the submission window/deadlines may change, so, for instance, operators could align with other reporting cycles.
- 5.7 We also said that we expected boards to have approved operators' assurance statements, and that the assurance statements were signed by the holder of a 'specified management office'.
- 5.8 We said that to allow all participants to learn from the first submissions and provide further support to operators, ahead of future submissions, we would treat the first year as a pilot exercise.

Consultation question

- Q8. What are your views on the proposal for the process for the submission of the assurance statement, in particular:**
- a) Your views on submitting as a pilot in year one**
 - b) flexibility around submission**
 - c) whether and how to ensure the statement has the board or equivalent's endorsement**

Respondents' views

- 5.9 a) All respondents agreed with the principle of a pilot – although some questioned our terminology. Some respondents did query the timing of the submission window during the pilot, suggesting that we reconsider the closing date of 31 December to give operators more time to complete their first assurance statements.
- 5.10 b) Respondents welcomed the flexibility offered in submitting assurance statements in subsequent years. The majority of respondents supported aligning the assurance statement submission with existing reporting cycles, such as their corporate reporting calendar, financial year-end, enabling operators to align internal resources. A few responses suggested that setting a single submission date would mean that information provided by operators in assurance statements would cover the same period and allow a holistic picture of the industry to develop.
- 5.11 c) Respondents answering this question fell into two categories. Some respondents, said sign-off of assurance statements at Personal Management Licence level was appropriate. Although not explicitly stating the exclusion of their board, these respondents pointed to established governance structures to support their suggestion of a delegated sign-off procedure, for example, sign-off by a sub-committee or group of directors.
- 5.12 Views received from other respondents were that assurance statements should be endorsed by their board. These respondents expected their boards to have considered the assurance statements formally (as evidence by agenda items and minuted decisions from board meetings).

The Commission's position

a) We concluded in [Strengthening social responsibility](#)² that we would introduce the assurance statement requirement through licence condition 15.3.1, piloting it initially. The pilot will allow operators to assess the level of effort they need to make to compile their assurance statement, as well as consider the most effective time for them make their submissions in future years.

Whilst being treated as a pilot, the first assurance statements should set a baseline from which future assurance statements can be benchmarked and refined. They will provide us with an opportunity to assess the impact of assurance statements and identify any common information gaps. We will then be able to determine what support and guidance to provide in support of future submissions.

We propose to extend the pilot submission window to end on 14 February 2016, giving operators a further 6 weeks from the original end date of 31 December 2015 to submit their completed assurance statements. We are doing this in response to concerns about the original end date coinciding with a busy reporting period for certain operators.

b) We consider that for assurance statements to provide the greatest benefit to both operators and the Commission, these should be submitted at a time that reflects the wider reporting practices of each operator. To enable operators to do this, an annual submission window could be set, bespoke to each operator.

c) Effective boards and management teams rely on robust and well-targeted management information in order to gauge progress against their organisational strategy. They do this, with executives and other relevant colleagues, by providing oversight of organisational risks and driving an organisational culture of excellence.

² Changes relating to which came into force on 8 May 2015

High-performing organisations will already provide their boards/management teams with an appropriate balance of strategic and operational information. These organisations will be able to use this information for their assurance statements. We expect all submissions to cover the areas set out in the accompanying explanatory notes to the assurance statement template. We included a copy of this template in the supplementary consultation. We can make copies available again upon request.

Formal sign-off of assurance statements following approval by an operator's board will ensure that an appropriate level of oversight and transparency is being provided and that actions in pursuit of the licensing objectives are being tracked by those ultimately accountable for upholding them. Hence we are committed to the principle of sign-off by an organisation's board, or a committee of the board (eg audit committee) which includes the CEO and/or Chairman amongst its membership.

Keeping gambling fair and safe for all

For further information or to register your interest in the Commission please visit our website at: www.gamblingcommission.gov.uk

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