

Meeting	Audit, Risk and Assurance Committee
Date	6 May 2020
Location	Teleconference
Title of Paper	Productions Internal Audit Report
Presented By	Elizabeth Young, Director, Scott-Moncrieff
Recommendation to Members	For Discussion
Appendix Attached	Productions Internal Audit Report

PURPOSE

This paper presents our final report on the review of Productions.

The paper is presented for the Audit Committee to consider the report, findings and management responses.

The paper is submitted for discussion.

1. BACKGROUND

- 1.1 The Productions Remodelling project is a national solution for the storage and management of productions (*anything that is connected with a crime or offence or other matter under review*). The project is intended to bring up-to-date the existing legacy productions systems which do not meet modern standards, are not consistent across the organisation, and apply manual processes which are not efficient and regarded as unsustainable.
- 1.2 The productions project has an accompanying joint procurement route approach setting out how the procurement of the major changes to the estate in each of locations will be taken forward. The SPA Board approved for the Full Business Case on the 28 June 2018 for a remodelled productions facility, with associated capital and revenue costs being:
- £1million of capital in 2018/19 and £2.5million in 2019/20; and
 - £27.5k of reform revenue in 2018/19, £516k in 2019/20 and £507k in 2020/21.

2. FURTHER DETAIL ON THE REPORT TOPIC

- 2.1 The Productions Remodelling Project and its associated funding were approved by the SPA Board in June 2018. In December 2018, the Police Scotland Capital Investment Group took the decision to pause the capital funding for the project, meaning that the project has not been delivered in line with the original approved timetable.
- 2.2 The project plan, milestones and deliverables do not currently reflect the impact of the withdrawal of capital funding and we recommended that the plan is revised as soon as possible. We have also noted a number of opportunities for improvement to strengthen the project management arrangements in place.

3. FINANCIAL IMPLICATIONS

- 3.1 The Internal Audit Report considers the impact our review findings may have on organisational risk registers. Committee members should consider this section when considering the overall implications of our findings.

4. PERSONNEL IMPLICATIONS

- 4.1 The Internal Audit Report considers the impact our review findings may have on organisational risk registers. Committee members

should consider this section when considering the overall implications of our findings.

5. LEGAL IMPLICATIONS

- 5.1 The Internal Audit Report considers the impact our review findings may have on organisational risk registers. Committee members should consider this section when considering the overall implications of our findings.

6. REPUTATIONAL IMPLICATIONS

- 6.1 The Internal Audit Report considers the impact our review findings may have on organisational risk registers. Committee members should consider this section when considering the overall implications of our findings.

7. SOCIAL IMPLICATIONS

- 7.1 The Internal Audit Report considers the impact our review findings may have on organisational risk registers. Committee members should consider this section when considering the overall implications of our findings.

8. COMMUNITY IMPACT

- 8.1 The Internal Audit Report considers the impact our review findings may have on organisational risk registers. Committee members should consider this section when considering the overall implications of our findings.

9. EQUALITIES IMPLICATIONS

- 9.1 The Internal Audit Report considers the impact our review findings may have on organisational risk registers. Committee members should consider this section when considering the overall implications of our findings.

10. ENVIRONMENT IMPLICATIONS

- 10.1 There are no environmental implications associated with this report. The Internal Audit Report considers the impact our review findings may have on organisational risk registers. Committee members should consider this section when considering the overall implications of our findings.

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RECOMMENDATIONS

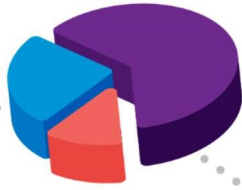
Members are requested to discuss the report.

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Scott-Moncrieff
business advisers and accountants

With **Campbell Dallas**
a Capital company



Scottish Police Authority

Internal Audit Report Productions

April 2020



Scottish Police Authority

Internal Audit Report 2019/20

Productions

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<i>Audit Sponsor</i>	<i>Key Contacts</i>	<i>Audit team</i>
<i>Kenny MacDonald, ACC</i>	<i>Garry McEwan, CSI Debbie Baird, Project Manager</i>	<i>Gary Devlin, Partner Elizabeth Young, Director Claire Beattie, Audit Manager Mairi MacMillan, Senior Internal Auditor</i>

Executive Summary

Conclusion

The Productions Remodelling Project and its associated funding were approved by the SPA Board in June 2018. In December 2018, the Police Scotland Capital Investment Group took the decision to pause the capital funding for the project, meaning that the project has not been delivered in line with the original approved timetable.

The project plan, milestones and deliverables do not currently reflect the impact of the withdrawal of capital funding and we recommended that the plan is revised as soon as possible. We have also noted a number of opportunities for improvement to strengthen the project management arrangements in place.

Background and scope

The Productions Remodelling project is a national solution for the storage and management of productions (*anything that is connected with a crime or offence or other matter under review*). The project is intended to bring up-to-date the existing legacy productions systems which do not meet modern standards, are not consistent across the organisation, and apply manual processes which are not efficient and regarded as unsustainable.

The productions project has an accompanying joint procurement route approach setting out how the procurement of the major changes to the estate in each of locations will be taken forward. The SPA Board approved for the Full Business Case on the 28 June 2018 for a remodelled productions facility, with associated capital and revenue costs being:

- £1million of capital in 2018/19 and £2.5million in 2019/20; and
- £27.5k of reform revenue in 2018/19, £516k in 2019/20 and £507k in 2020/21.

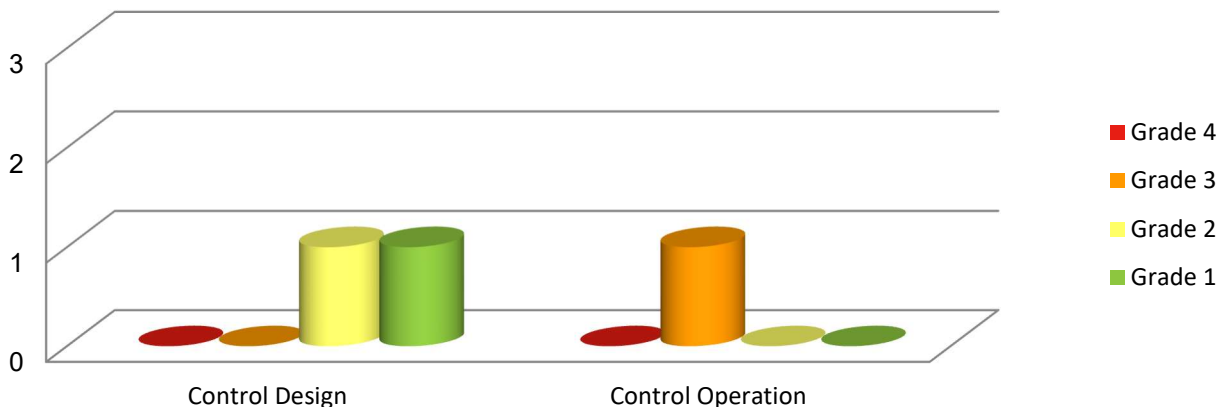
In accordance with the 2019/20 Internal Audit Plan, we have considered the design and implementation of the Productions Remodelling Project including the governance arrangements, agreement of SMART deliverables and ongoing project management and reporting.

Control assessment



- 1. An approved project plan is in place that outlines key project objectives, with associated milestones and timescales for completion
- 2. Roles and responsibilities for the implementation of the project have been defined and communicated appropriately to relevant staff
- 3. A project risk register is in place and is reviewed regularly
- 4. An appropriate governance structure is in place for the project with regular reporting provided to key oversight groups including other Agencies involved in the Productions' processes
- 5. The role of any partners (for example, COPFS) is recognised, clearly defined and arrangements are in place to ensure that joint project and risk issues are effectively managed
- 6. Monitoring reports clearly articulate progress made towards achievement of the project's improvement objectives and highlight any issues in implementation along with associated remedial actions

Improvement actions by type and priority



Three improvement actions have been identified from this review, one of which relate to compliance with existing procedures, rather than the design of controls themselves. See Appendix A for definitions of colour coding.

Key findings

Good practice

Police Scotland's procedures reflect good practice in a number of areas:

- The Criminal Justice Service Division (CJSD) Programme Board approved a clear project governance structure that ensures that project delivery is appropriately overseen, managed and scrutinised. A dedicated project manager and project team have been assigned to deliver the project. The CJSD Programme Board, Police Scotland Strategic Leadership Board and ultimately, the SPA Board, have responsibility for overseeing and scrutinising the delivery of the productions remodelling project.
- The Productions Remodelling Project team's roles and responsibilities are set out within the Project Initiation Document (PID) and project plan. We confirmed that the Project Manager was responsible for notifying the project team of their roles and responsibilities at the outset of the project and is responsible for communicating any project plan amendments to the project team. This ensures all team members are clear as to the expectations of them, enabling Police Scotland to hold project team members accountable for project delays and/or undeliverable.
- The CJSD Programme Board and the Strategic Leadership Board receive monthly progress updates from the Project Team including an update on the delivery of project milestones, risk register position and resource position. The project team assign RAG statuses within reporting to allow Board members to easily assess performance against project deliverables.
- The SPA Board also receives progress updates on the project via the Chief Constable Report, informing them of any significant project delays and emerging new risks. We confirmed that the information provided to each governance group and the Board is accurate and sufficient to enable each group to effectively discharge their oversight and scrutiny responsibilities.

Areas for improvement

We have identified a number of areas for improvement that, if addressed, would strengthen the Scottish Police Authority's control framework.

- Ensuring the project plan and timetable are routinely maintained to continuously reflect ongoing project funding decisions as they emerge;
- The Terms of Reference should clearly articulate the roles and responsibilities of project partners; and
- The Programme Board should agree completion dates for all actions agreed at their meetings.

These are further discussed in the Management Action Plan below.

Impact on risk register

The Scottish Police Authority's corporate risk register included the following risks relevant to this review:

- ORR104: Productions Management – Due to inconsistent management practices and slow disposal of retained items, there is a risk that available productions storage will not meet demand, resulting in

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increased costs and a negative impact on criminal justice outcomes. Further there is a risk to Police Scotland's reputation around the management of productions and a further risk if productions cannot be located timeously to support the wider criminal justice system (Risk score: 25; Very High).

The Police Scotland Capital Investment Group made the decision to 'pause' the capital funding that had been allocated to the Custody and Remodelling projects, encompassing the productions remodelling project, on 19 December 2018. The decision to withdraw the productions project funding has resulted in the project benefits not being fully realised within the approved project timeline. As a result, the risk and its assigned score within the risk register remains relevant and we would only suggest reducing the risk score once project capital funding has been reinstated and the project has begun to be fully delivered to address the risk identified.

Acknowledgements

We would like to thank all staff consulted during this review for their assistance and co-operation.

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Management Action Plan

Control Objective 1: An approved project plan is in place that outlines key project objectives, with associated milestones and timescales for completion



Amber

1.1 Project deliverables and timescales

The Police Scotland Capital Investment Group (CIG) made the decision to pause the capital funding that had been allocated to the CJSD Remodelling Programme on 19 December 2018. The CJSD Remodelling Programme included projects relating to Custody, Productions, Middle Office Restructuring and Digital Evidence Sharing.

The Productions Full Business case included the rationalisation of the productions stores footprint, a major deep clean exercise and the roll out of a new IT platform (UNIFI). The decision to withdraw capital funding has resulted in elements of the Productions Project's not being fully realised, including:

- The create of a modern National Long-Term Productions Storage in Glenrothes; and
- The consolidation of operational productions stores limiting the creation of team working and improved working conditions.

Although the capital funding has been halted, those aspects of the Productions Project that are revenue funded (such as the reorganisation of the productions workforce and the clearing of production disposal backlogs) have continued to progress, albeit at a slower rate than set out within original project proposal. This is due to the project resource implication that arose when the projects capital funding was removed. The project team prepare quarterly Productions Project Highlight Reports that clearly set out the current position of the project and a RAG status is used to demonstrate project performance within the following areas: overall project update, project milestones, project risks, issues for escalation, dependencies, and resource update. The Highlight Report includes narrative to explain any instances of overruns and any proposals of how the project team propose to eliminate reported overruns.

The project team has completed an analysis of the impact of the funding withdrawal on the CJSD Remodelling Programme and submitted a change request to the CJSD Programme Board in November 2019. The change request included:

- A request for capital funding totalling £7.3m to support the roll-out of the programme into further locations through the creation of Criminal Justice Hubs. This was broken down into three tranches, with alternative options around the phasing of these tranches outlined. The CJSD proposal will be submitted to the Capital Investment Group (CIG) for approval; and
- A request to extend 31 staff working in the Productions Project for one year to clear the backlog of productions disposals with associated revenue cost of £1.2m for 2021.

This change request stated that in the absence of both capital and revenue funding, the viability of the Productions Project is in question. The Change Request was approved by the Police Scotland Project Management Group (PMG) on 23 October 2019 and the Police Scotland Change Board on 5 November 2019.

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However, although the Change Request has been approved by both the PMG and CB, no additional funding has been allocated to the productions project yet. Funding will be decided and allocated by CIG during the 2021/22 budget prioritisation process.

We noted that the project plan and timetable were not fully revised until January 2020 to reflect the CIG's decision to pause the project's capital funding in December 2018.

Risk

Without a clear articulation of the impact of funding changes in terms of the project deliverables, there is a risk that the true situation is obscured and a lack of accountability over action deadlines. This may result in the project overrunning, or failure to successfully deliver the project's expected benefits, ultimately leading to failure to address inefficiency. This would have a direct financial impact on the organisation, and a potential reputational impact.

Recommendation

The project plan and proposed timetable should be continually maintained to reflect the impact of funding changes and associated delivery delays. This will provide all stakeholders with assurance that the project's objectives remain achievable, and further clarity over the impact of the capital funding decision.

The project plan should be revisited in the event of further changes to project funding.

Management Action

Grade 3
(Operation)

Project Manager to review timescales and miles stones on a weekly basis and update and reflect change to delivery of planned actions in the approved project plan for any reason on a monthly basis. Update to be presented monthly to Project Board for approval.

Action owner: Debbie Baird

Due date: 05/05/2020

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Control Objective 2: Roles and responsibilities for the implementation of the project have been defined and communicated appropriately to relevant staff

Green

No weaknesses identified

The roles and responsibilities of the project are clearly outlined in a project team structure document. The document includes a flow chart that outlines who from the project team is responsible for each of the individual areas of the project.

We reviewed the initial project proposal document and have confirmed that the current delegated roles and responsibilities align with the initial proposal for the project. Through our review of meeting minutes and discussions with staff, we have also satisfied ourselves that those involved with the project understand their remit. Though the project has clearly defined responsibilities and these are clearly allocated, the decision to pause capital funding for the overarching CJSD programme means that some of these responsibilities cannot presently be fulfilled.

At the time of review, a change request had been submitted requesting the reinstatement of the previously paused capital funding. As noted under MAP 1.1, changes to the funding of the project should be reflected in a revised project plan.

Control Objective 3: A project risk register is in place and is reviewed regularly

A green circle containing the word "Green" in white text, indicating a positive status for the control objective.

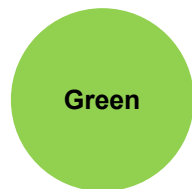
Green

No weaknesses identified

The CJSD Production Remodelling Project is applying the Police Scotland Change Portfolio Risk Management Framework, ensuring project risks are appropriately identified, analysed, assessed, managed, and reported. A CJSD Production Remodelling Project Risk Register has been established that includes risk descriptions, risk assessment pre and post mitigation, risk appetite, risk tolerance and risk reviews.

The risk register is regularly maintained by the Project Team and is reviewed and scrutinised at each meeting of the Project Board. A risk escalation approach has been agreed which requires project risks to be escalated to the Programme Board, Change Board and Productions Steering Group for further scrutiny once risks have reached an agreed scoring. We obtained evidence and confirmed that the risk escalation processes are working appropriately and the Project Team are escalating risks to appropriate committees via Issue Reports, which set out the risk trigger, risk issue and risk impact. Risks are then discussed by the appropriate governing group and appropriate risk mitigation actions are discussed and agreed.

Control Objective 4: An appropriate governance structure is in place for the project with regular reporting provided to key oversight groups including other Agencies involved in the Productions' processes



No weaknesses identified

The Productions Steering Group has defined a clear governance structure for the project. A dedicated project manager and project team have been assigned to deliver the project. We also confirmed that the project team's roles and responsibilities are explicitly set out within the approved Project Initiation Document (PID) and project plan. The Police Scotland Programme Board, Change Board, Productions Project Board, and SPA Board have overall responsibility for overseeing and scrutinising the delivery of the Productions Remodelling Project.

The project team reports directly into the Productions Project Board and the Programme Board, who in turn report to the Change Board. Police Scotland also provide the SPA Board with an overview of ongoing project performance on a monthly basis via the Chief Constable's Report.

We are satisfied that there is the appropriate level of governance over the project and have confirmed that decisions and issues are appropriately escalated during the various meetings. In addition, we reviewed the meeting minutes of the Productions Remodelling Project Board and noted that groups are provided with appropriate project update reports that are then appropriately discussed and scrutinised, with remedial actions identified and agreed to address poor performance.

Control Objective 5: The role of any partners is recognised, clearly defined and arrangements are in place to ensure that joint project and risk issues are effectively managed

Yellow

5.1 Project Partners

The Productions Remodelling Project involves a number of project partners including Forensic Services, the Crown Office and the Scottish Government. We reviewed the project Terms of Reference (ToR) and noted that the roles and responsibilities of the project partners have not been captured within it.

Management advised that the role of the project partners is to actively oversee the project with the aim of delivering joint change meaning that it is unlikely that partners will be responsible for the delivery of specific aspects of the project. This oversight role has also not been defined in the ToR.

Risk

The role of project partners has not been clearly articulated within the project ToR. This may result in both partners and the project team not being fully aware of the involvement of each partner within the project, resulting in the project not being appropriately overseen and delivered in line with project expectations. As a result, Police Scotland would not be able to hold Partners accountable for failure to meet delegated roles and expectations.

Recommendation

The roles and responsibilities of project partners should be clearly articulated within the project ToR. The requirement to identify project partners and assign project parent roles and responsibilities should be agreed at the outset of all projects.

Management Action

Grade 2
(Design)

Roles and responsibilities of partners to be updated within the ToR and accountabilities to be agreed and assigned.

Roles and responsibilities to be reviewed on a monthly basis at Project Board.

Action owner: Superindendent Blair

Due date: 02/06/2020

Control Objective 6: Monitoring reports clearly articulate progress made towards achievement of the project's improvement objectives and highlight any issues in implementation along with associated remedial actions

Green

6.1 Programme Board Actions and Decisions

Actions discussed and agreed at the Productions Programme Board are captured within an action tracker. We confirmed that the action tracker appropriately captures the action and action owner and that all actions are being followed up at subsequent Programme Board meetings.

We noted that actions have not been allocated completion dates meaning it is unclear when action owners are required to have the actions completed by. As result, it is difficult for the Programme Board to hold action owners accountable for non-timely completion of actions.

Risk

The failure to assign completion dates for all Programme Board actions may lead to a lack of clarity on the expected timescales for resolution. This could lead to the project overrunning and financial implications and potential reputational damage for both SPA and Police Scotland.

Recommendation

The Programme Board must agree completion dates for all actions agreed at Programme Board Meetings. This will ensure all actions are given a priority completion date and will enable the project team to focus resources on completing high risk actions. Agreeing action completion dates will also enhance governance oversight as governance groups will be able to effectively monitor and scrutinise the time taken to complete project actions.

Management Action

Grade 1
(Design)

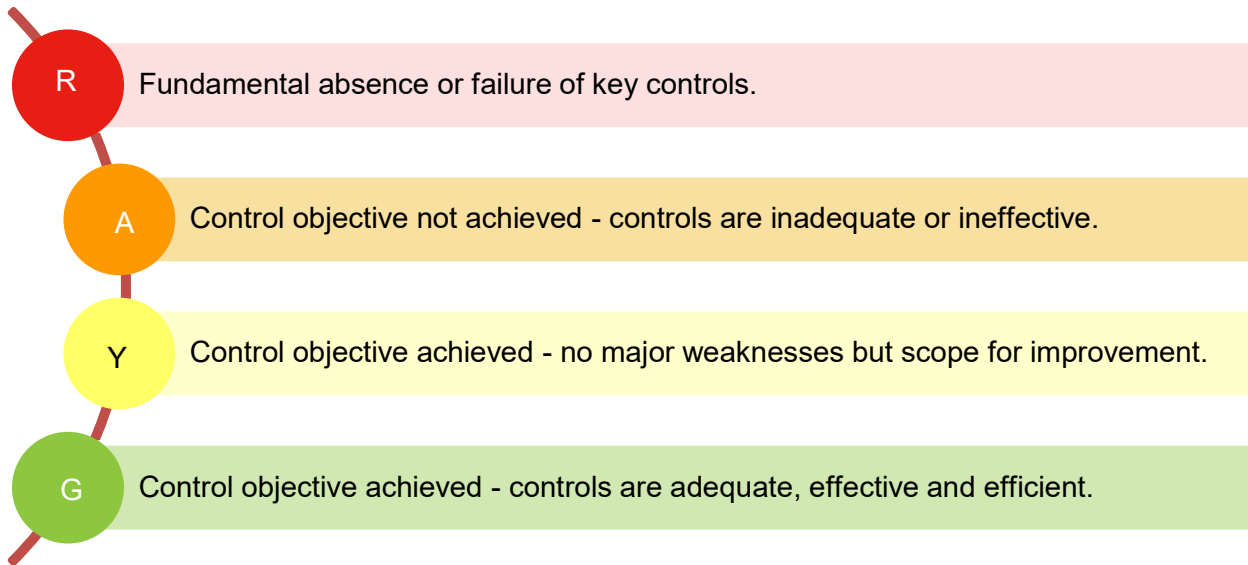
Recommendation to be presented to Programme Board and Project Board for the inclusion of timescales for set actions.

Action owner: Debbie Baird

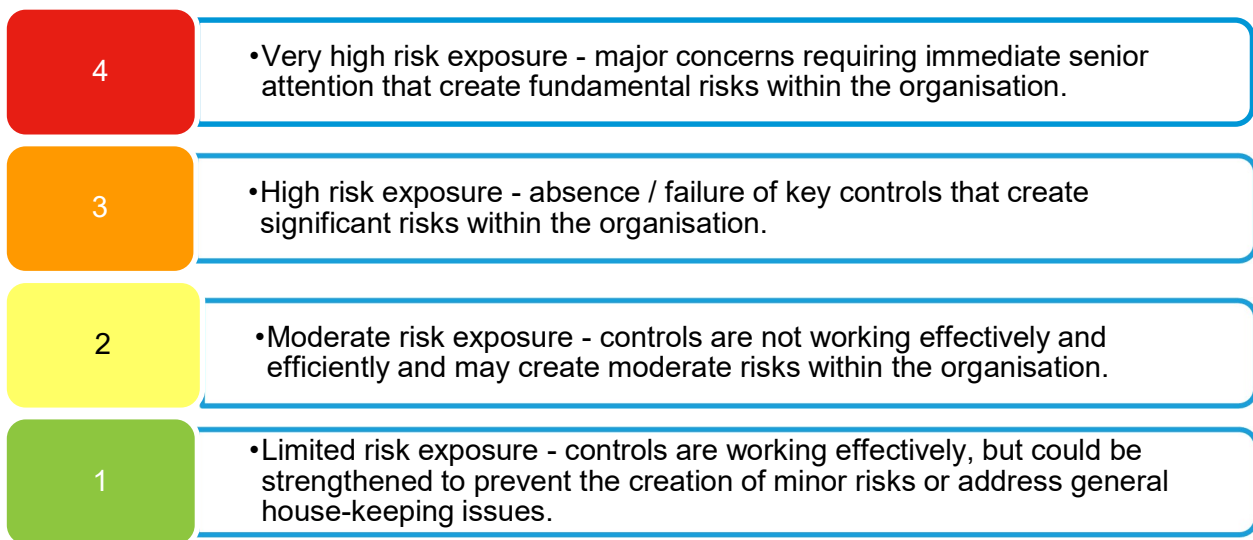
Due date: 01/05/2020

Appendix A – Definitions

Control assessments



Management action grades



Appendix B – Action Summary

Action No.	Recommendation	Management Response	Grade	Action Owner	Due Date
1.1	<p>The project plan and proposed timetable should be continually maintained to reflect the impact of funding changes and associated delivery delays. This will provide all stakeholders with assurance that the project's objectives remain achievable, and further clarity over the impact of the capital funding decision.</p> <p>The project plan should be revisited in the event of further changes to project funding.</p>	<p>Project Manager to review timescales and miles stones on a weekly basis and update and reflect change to delivery of planned actions in the approved project plan for any reason on a monthly basis. Update to be presented monthly to Project Board for approval.</p>	3	Debbie Baird	5 May 2020
5.1	<p>The roles and responsibilities of project partners should be clearly articulated within the project ToR. The requirement to identify project partners and assign project parent roles and responsibilities should be agreed at the outset of all projects.</p>	<p>Roles and responsibilities of partners to be updated within the ToR and accountabilities to be agreed and assigned.</p> <p>Roles and responsibilities to be reviewed on a monthly basis at Project Board.</p>	2	Superintendent Blair	2 June 2020
6.1	<p>The Programme Board must agree completion dates for all actions agreed at Programme Board Meetings. This will ensure all actions are given a priority completion date and will enable the project team to focus resources on completing high risk actions. Agreeing action completion dates will also enhance governance oversight as governance groups will be able to effectively monitor and scrutinise the time taken to complete project actions.</p>	<p>Recommendation to be presented to Programme Board and Project Board for the inclusion of timescales for set actions.</p>	1	Debbie Baird	1 May 2020

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