



Meeting	Audit, Risk and Assurance Committee
Date	6 February 2025
Location	Online
Title of Paper	Annual Internal Audit Plan
Presented By	John McNellis, Head of Finance, Audit and Risk Claire Robertson, BDO
Recommendation to Members	For Approval
Appendix Attached	Appendix A: SPA overview of the internal audit planning process Appendix B: BDO internal audit plan (2025/26)

PURPOSE

To provide Members with an introduction and overview of the internal audit planning process for the year ahead, providing assurance of the robust approach undertaken.

To provide Members with the proposed internal audit plan for 2025/26 for consideration and recommendation for approval.

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 approval.

1. BACKGROUND

- 1.1 Public Sector Internal Audit Standards (“PSIAS”) require the Chief Internal Auditor to produce an annual, risk-based audit plan, which takes into account the risk management framework and the strategic objectives of the SPA and Police Scotland, and the views of senior managers and the ARAC.
- 1.2 The purpose of this audit plan is to direct internal audit resources in the most efficient manner to provide assurance to the Accountable Officer and Board, through the ARAC, that the key risks to the achievement of SPA’s and PS’s objectives are being managed effectively.
- 1.3 Internal audit provides a crucial role in the SPA’s four lines of defence assurance model and a key aim of the plan is to provide assurance on the overall adequacy and effectiveness of the framework of: governance, risk management and control as required to prepare the annual governance statement.

2. FURTHER DETAIL ON THE REPORT TOPIC

- 2.1 SPA officials have worked with internal audit on the development of the proposed plan. This also included seeking the view of key partners including: Police Scotland, HMICS and external audit.
- 2.2 **Appendix A** provides an overview of the approach taken to develop the plan including the scrutiny and challenge undertaken by the SPA.
- 2.3 BDO have prepared a draft internal audit plan at **Appendix B**.
- 2.4 SPA officials including the Accountable Officer endorse this plan for the Audit Risk and Assurance committee consideration and approval.

3. FINANCIAL IMPLICATIONS

- 3.1 There are no specific financial implications from this report, however, the implementation of some actions are likely to require financial resources.
- 3.2 The cost of providing the internal audit service is included in the draft 2025/26 budget.

4. PERSONNEL IMPLICATIONS

4.1 There are no specific personnel implications associated with this paper. There are P&D focused internal audit reviews that will consider personnel implications.

5. LEGAL IMPLICATIONS

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

6. REPUTATIONAL IMPLICATIONS

6.1 There are no reputational implications associated with this paper, however there are potential reputational implications associated with the outcome of internal audit work.

7. SOCIAL IMPLICATIONS

7.1 There are no social implications associated with this paper.

8. COMMUNITY IMPACT

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

9. EQUALITIES IMPLICATIONS

9.1 There are no equality implications associated with this paper.

10. ENVIRONMENT IMPLICATIONS

10.1 There are no environmental implications associated with this paper.

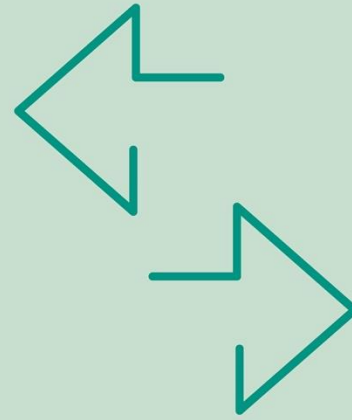
RECOMMENDATIONS

Members are requested to consider and approve the internal audit plan for 2025/26.

Appendix A

SPA overview of internal audit planning process

FEBRUARY 2025



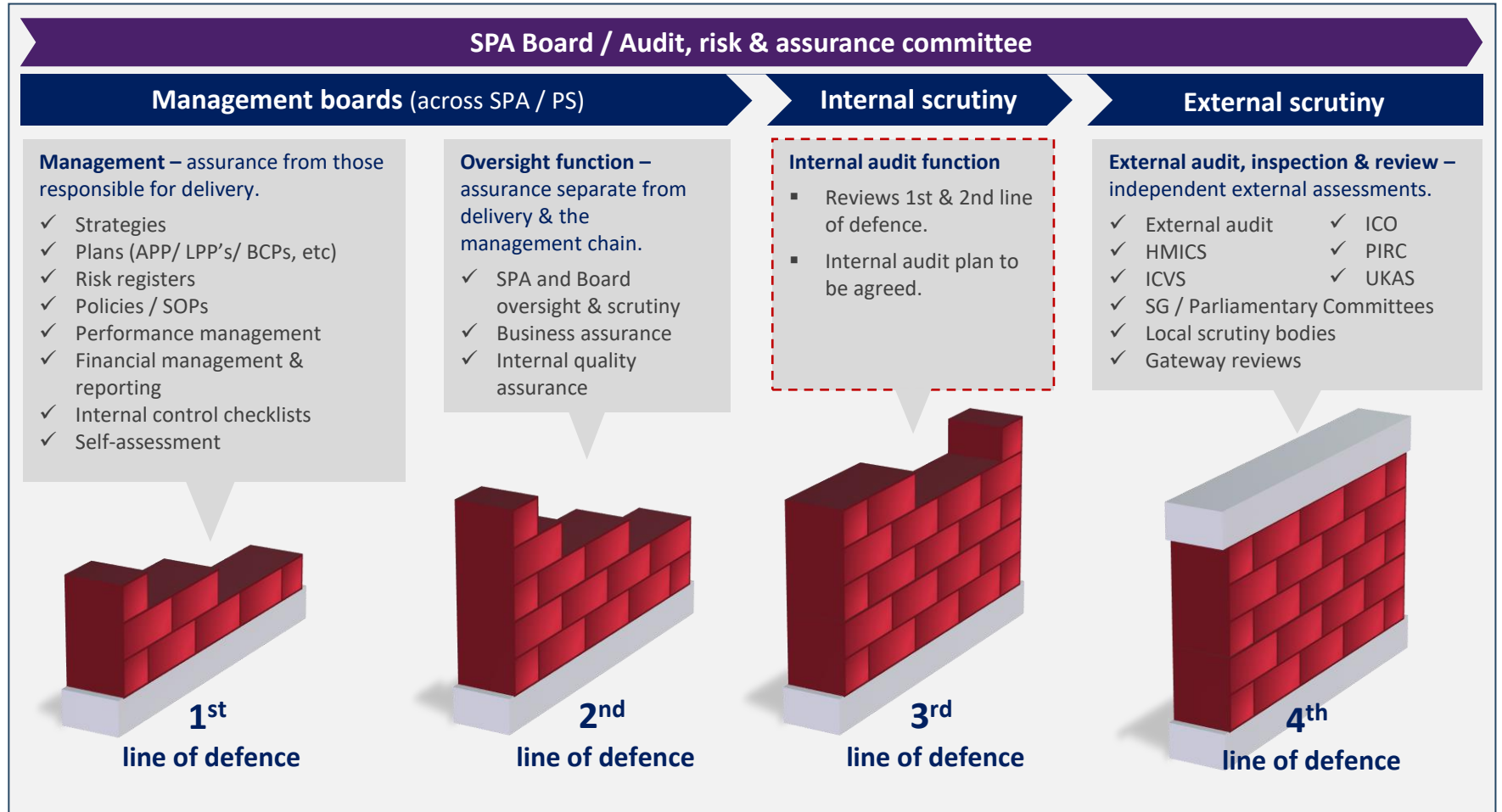
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Context

SPA assurance framework

The SPA's assurance framework is based on the four lines of defence model. It shows the key sources of assurance for management and the ARAC / Board.

This report focuses on the **third line of defence**; assurance provided to the service and Members by independent internal auditors.



Context

Strategic assurance maps

Background

The SPA uses our strategic assurance maps as a framework to guide internal audit planning across the four lines of defence.

In addition, at 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 an integrated assurance statement).

Assurance maps for planning

The SPA has prepared updated strategic assurance maps (see appendices) that show the initial planned assurance activities anticipated to be conducted during the year. These appendices are again shown through the three assurance lenses (based on strategic risk, objectives and business areas).

A collaborative internal audit planning workshop was held in November with attendees from: SPA, Police Scotland, BDO, HMICS and external audit. This allowed all providers to input their thoughts on risk areas, priorities and seek to avoid areas of duplication.

Internal audit

BDO were appointed at the Authority's independent internal auditor from 1 April 2023. This will be their third year as internal auditor.

The development of the internal audit plan adhered to BDO's audit planning methodology which included their own audit universe and risk assessment to inform planning for the year ahead.

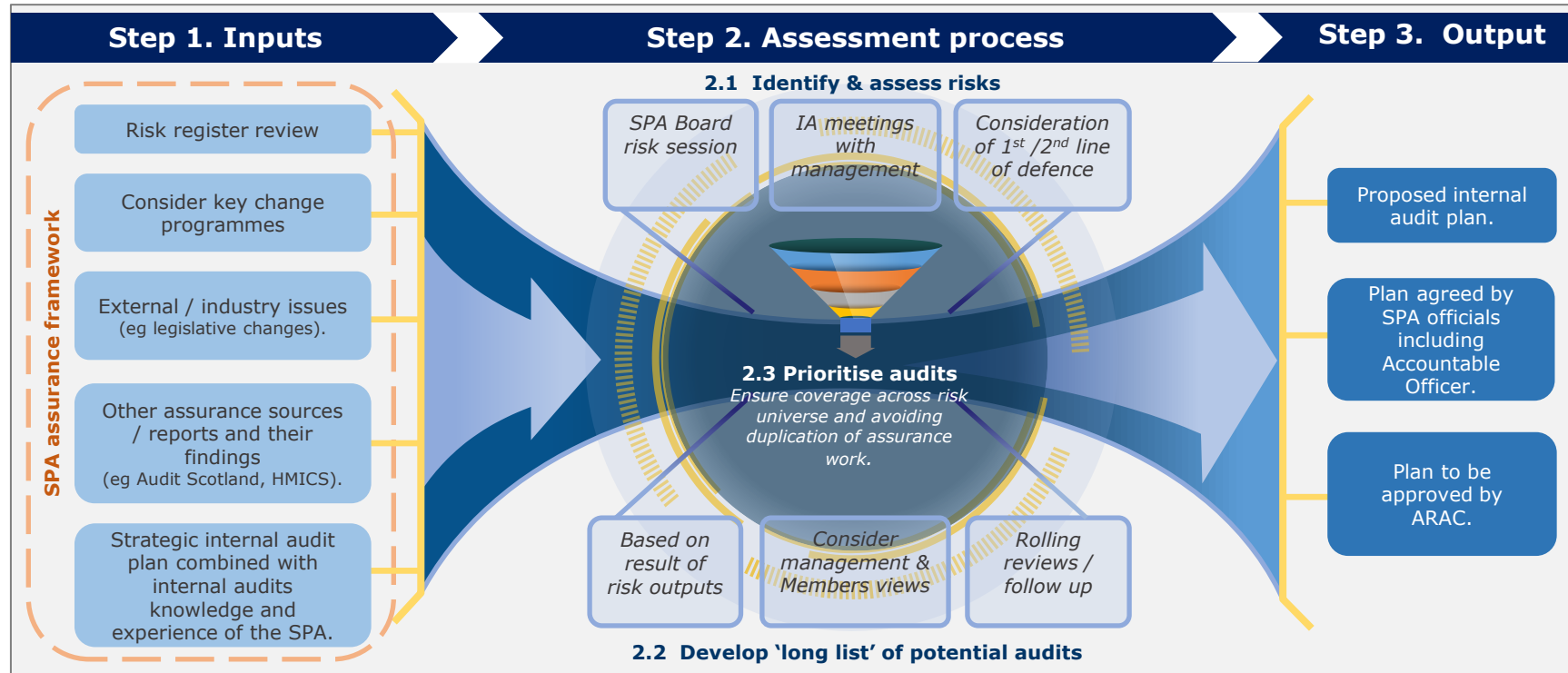
Background: benefits of assurance maps

- *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;



Context

Internal audit planning process



This diagram summarises the planning and assurance processes to set the internal audit plan.

Ongoing SPA officials oversight

- The SPA's head of finance, audit and risk has responsibility for overseeing the routine internal audit provision.
- SPA staff have been involved in the development of the internal audit plan and are assured that a robust process has been followed that has considered: risk, wider internal/ external issues, feedback from Members/ management and achieves appropriate coverage across the 'audit universe'.
- SPA will continue to monitor the delivery of internal audits throughout the year.

Context

Summary of proposed internal audit plan

Internal audit plan

- Following the methodology outlined, BDO have proposed an internal audit plan for the year ahead.
- The SPA has been involved in its development, considered this plan and agrees that it provides **appropriate coverage** across the audit universe and appropriately **responds to risk** whilst taking account of consideration from Members and management alike.
- The plan includes eleven proposed audits plus follow up across various functions, risks and themes per the SPA assurance framework.
- There is also a small contingency included in the plan. This will allow additional audits to be commissioned by ARAC should an issue arise during the year.
- SPA officials including the Accountable Officer endorse this plan for the ARAC for approval.

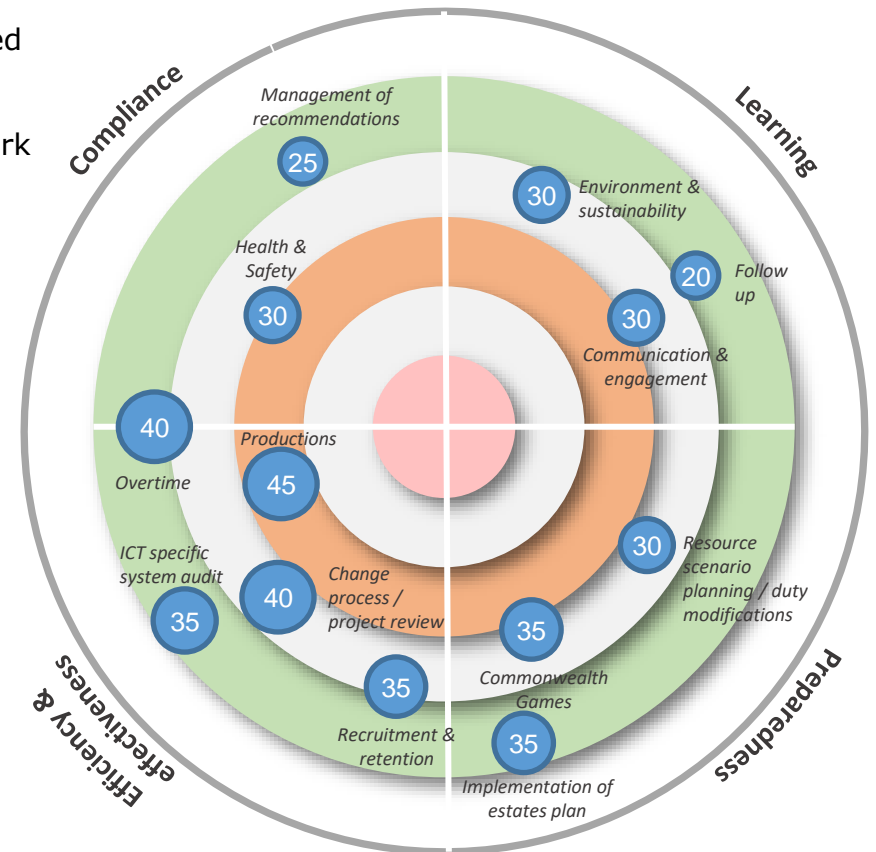
Ongoing monitoring

- SPA officials will continue to oversee the performance of the internal audit plan.
- This ongoing monitoring will involve:
 - ✓ overview and input to audit scope documents;
 - ✓ considering performance against KPI's;
 - ✓ conducting a sample of post audit performance reviews with auditees.

Risk radar

- Summary of planned internal audits classified by the assurance framework themes with higher risk focused audits towards centre.

** Note the number in each circle reflects the number of days proposed and note most audits will consider more than one theme eg compliance and learning.*





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Appendices

















































Authority's strategic assurance maps

Authority's strategic assurance map

Strategic risk

This summarises the planned assurance activities for 2025/26 relative to the Board strategic risks.

-  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		HMICS scrutiny plan		External audit	PIRC
		<ul style="list-style-type: none"> Risk register Policies / SOPS Performance management Internal governance SPA oversight Annual assurance statements Annual / local policing plan BCP 	<ul style="list-style-type: none"> Conduct assurance reviews of business areas. Detailed follow up and monitoring of all audit and assurance activities. <p>FS quality team</p> <ul style="list-style-type: none"> Assurance reviews and supporting UKAS inspections 	<ul style="list-style-type: none"> Management of recommendations Health & safety Overtime Commonwealth Games Scenario planning incl duty modifications Environment / sustainability 	<ul style="list-style-type: none"> Change process / project Implementations of estates plan Communication / engagement Recruitment & retention IT system audit Productions 	<ul style="list-style-type: none"> Domestic abuse (phase 2) HR governance & policies Public contact & engagement Cyber & online fraud SPA forensic services Best Value in policing 	<ul style="list-style-type: none"> Frontline focus <ul style="list-style-type: none"> a. Training b. Role of an officer c. Tools of the trade Other areas are currently being consulted on for the next scrutiny plan. 	<ul style="list-style-type: none"> Statutory external audit <p><i>Wider scope:</i></p> <ul style="list-style-type: none"> Vision, leadership & governance Financial management / sustainability Use of resources to improve outcomes 	<ul style="list-style-type: none"> Investigations & complaints handling as required. <p>UKAS</p> <ul style="list-style-type: none"> Independent accreditation of forensic services
Board strategic risks	SPA Leadership role in continuous improvement.								
	SPA accountability for Police Scotland								
	SPA accountability for Forensic Services								
	SPA Financial								
	SPA Governance								
	Joint outcomes								





*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 2025/26 relative to the **strategic police priorities and strategic outcomes**.

-  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		HMICS scrutiny plan		External audit	PIRC
		<ul style="list-style-type: none"> Risk register Policies / SOPS Performance management Internal governance SPA oversight Annual assurance statements Annual / local policing plan BCP 	<ul style="list-style-type: none"> Conduct assurance reviews of business areas. Detailed follow up and monitoring of all audit and assurance activities. 	<ul style="list-style-type: none"> Management of recommendations Health & safety Overtime Commonwealth Games Scenario planning incl duty modifications Environment / sustainability 	<ul style="list-style-type: none"> Change process / project Implementations of estates plan Communication / engagement Recruitment & retention IT system audit Productions 	<ul style="list-style-type: none"> Domestic abuse (phase 2) HR governance & policies Public contact & engagement Cyber & online fraud SPA forensic services Best Value in policing 	<ul style="list-style-type: none"> Frontline focus <ul style="list-style-type: none"> a. Training b. Role of an officer c. Tools of the trade Other areas are currently being consulted on for the next scrutiny plan. 	<ul style="list-style-type: none"> Statutory external audit <i>Wider scope:</i> <ul style="list-style-type: none"> Vision, leadership & governance Financial management / sustainability Use of resources to improve outcomes 	<ul style="list-style-type: none"> Investigations & complaints handling as required.
			FS quality team						UKAS
			<ul style="list-style-type: none"> Assurance reviews and supporting UKAS inspections 						Independent accreditation of forensic services
Strategic police priorities	Strategic outcomes (Joint strategy for policing)								
<ul style="list-style-type: none"> Crime & security Evidence 	1. Threats to public safety and wellbeing are resolved by a proactive and responsive police service.								
<ul style="list-style-type: none"> Confidence Partnerships 	2. The needs of local communities are addressed through effective service delivery.								
<ul style="list-style-type: none"> People 	3. The public, communities and partners are engaged, involved and have confidence in policing.								
<ul style="list-style-type: none"> Sustainability 	4. Our people are supported through a positive working environment, enabling them to serve the public.								
	5. Police Scotland is sustainable, adaptable and prepared for future challenges.								





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

















































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Authority's strategic assurance map

Business area

This summarises the planned assurance activities for 2025/26 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		HMICS scrutiny plan		External audit	PIRC
	<ul style="list-style-type: none"> Risk register Policies / SOPS Performance management Internal governance SPA oversight Annual assurance statements Annual / local policing plan BCP 	<ul style="list-style-type: none"> Conduct assurance reviews of business areas. Detailed follow up and monitoring of all audit and assurance activities. <p>FS quality team</p> <ul style="list-style-type: none"> Assurance reviews and supporting UKAS inspections 	<ul style="list-style-type: none"> Management of recommendations Health & safety Overtime Commonwealth Games Scenario planning incl duty modifications Environment / sustainability 	<ul style="list-style-type: none"> Change process / project Implementations of estates plan Communication / engagement Recruitment & retention IT system audit Productions (incl Forensics focus) 	<ul style="list-style-type: none"> Domestic abuse (phase 2) HR governance & policies Public contact & engagement Cyber & online fraud SPA forensic services Best Value in policing 	<ul style="list-style-type: none"> Frontline focus <ul style="list-style-type: none"> a. Training b. Role of an officer c. Tools of the trade Other areas are currently being consulted on for the next scrutiny plan. 	<ul style="list-style-type: none"> Statutory external audit <p><i>Wider scope:</i></p> <ul style="list-style-type: none"> Vision, leadership & governance Financial management / sustainability Use of resources to improve outcomes 	<ul style="list-style-type: none"> Investigations & complaints handling as required. <p>UKAS</p> <ul style="list-style-type: none"> Independent accreditation of forensic services
SPA Corporate								
SPA Forensic Services								
PS: Local Policing								
PS: Crime & Operational Support								
PS: People & Professionalism								
PS: Corporate Services, Strategy & Change								

*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.

Scottish Police Authority, Police Scotland and Forensic Services

Internal Audit Plan 2025-2026

January 2025



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1- Introduction and executive summary

Introduction

Internal auditing strengthens the organisation's ability to create, protect, and sustain value by providing the board and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

Our approach is to help the Scottish Police Authority, Police Scotland and Forensics Services accomplish their objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. Our approach complies with best professional practice, in particular, the principles set out in the Institute of Internal Auditor's (IIA's) International Professional Practices Framework (IPPF) which includes the new Global Internal Audit Standards that become effective from January 2025.

The purpose of this paper is to set out, and seek agreement from, Scottish Police Authorities Audit, Risk & Assurance Committee on the Internal Audit Annual Plan for 2025-26.

Internal Audit at SPA, PS and FS

Our role as Internal Auditors is to provide an independent, objective assurance, and consulting activity, designed to add value and improve an organisation's operations. We are focused on helping management to improve risk management, governance and internal control mechanisms, so reducing the effects of any significant risks facing the organisation.

Responsibility for SPA and PS's internal control arrangements remain fully with management, who should recognise that Internal Audit can only provide 'reasonable assurance' and cannot provide any guarantee against material errors, loss or fraud.

Our risk-based approach to Internal Audit uses the organisation's own risk management processes as a starting point for audit planning, as this represents the organisation's own assessment of the risks to it achieving its strategic objectives. The extent to which we can rely on management's own perception of risk largely depends on the maturity and effectiveness of the organisation's own risk management arrangements.

In establishing the Internal Audit Strategy, we have sought to further clarify our initial understanding of the operations at the organisation, together with its risk profile in the context of:

- ▶ The overall strategy and objectives of the organisation;
- ▶ Key challenges facing the organisation, by reviewing the standing risk registers and discussion with Senior Management;
- ▶ Key areas where management wish to monitor performance and the manner in which performance is measured;
- ▶ Financial and non-financial measurements and indicators of such performance;
- ▶ The information required to 'run the organisation'.

Summary

- ▶ The reviews to be included within the Internal Audit Plan for 2025-26 are set out on pages 4 and 5. A list of areas considered but not included have been included on page 6
- ▶ The rolling three-year Internal Audit Plan is set out on page 11 onwards and will be subject to review each year.
- ▶ The total cost of the Annual Plan for 2025-26 will be consistent with 2024-25.

2- Internal audit strategy

Internal Audit Vision

Our vision is to be a trusted, agile, and proactive internal audit service that enhances the integrity, efficiency, and effectiveness of Police Scotland, the Scottish Police Authority, and Forensic Services.

Strategic Objectives

1. Enhance Risk Management

Contribute to identifying, assessing and providing assurance over the management of key risks to enhance risk management practices.

2. Improve Operational Efficiency

Support the streamlining of processes and procedures to enhance operational efficiency and effectiveness and contribute to the achievement of best value.

3. Ensure Compliance

Ensure adherence to laws, regulations, and internal policies to maintain high standards of governance.

4. Promote Continuous Improvement

Foster a culture of continuous improvement through regular audits and feedback. Ensure continuous improvement in internal audit service, for example, by enhancing audit reporting in order to bring enhanced data insights and focus attention on key messages.

5. Strengthen Stakeholder Confidence

Build and maintain trust with stakeholders through transparent and accountable audit practices.

Supporting Initiatives

1. Risk and Assurance mapping

Continue to regularly review organisational risks and work with first and second line to continuously map assurance provision to risks.

2. Process Optimisation Reviews

Continue to perform detailed reviews of key processes to identify areas for improvement and implement best practices.

3. Compliance Audits

Schedule regular compliance audits to provide assurance that activities meet legal and regulatory requirements.

4. Team shape and development

Complete vetting for additional core and specialist staff in order to provide continued access to the best resources, in line with organisational priorities. Provide ongoing training for staff to keep them updated on the latest audit techniques and regulatory changes.

5. Stakeholder Engagement Sessions

Continue to hold regular sessions with stakeholders to discuss audit findings, gather feedback, and build trust, and to collaborate on assurance provision.

6. Technology Integration

Leverage advanced audit tools and technologies to enhance the accuracy and efficiency of audit processes. In particular, build a Power BI dashboard to enhance the follow up reporting.

7. Performance Metrics

Continue to monitor and report on key performance indicators (KPIs) to measure the effectiveness of the internal audit function.

By focusing on these strategic objectives and supporting initiatives, we aim to deliver exceptional internal audit services that support the mission and goals of Police Scotland, the Scottish Police Authority, and Forensic Services.

3- Internal audit approach

Our Risk Based Planning Approach for 2025-2026

The 2025-2026 Internal Audit (IA) plan has been created to exhibit the planned Internal Audits to be conducted within the audit year.

The 2025-2026 Internal Audit plan was formed using a variety of inputs (e.g. the risk register; strategic documents), along with our own knowledge and understanding of the organisation's priorities, and our own ongoing assessment of risks.

As part of the planning process to align the plan to the organisation's needs, the Internal Audit team consulted with the Leadership Team and Senior Management to discuss the key areas of focus and concern for the organisation in 2025 - 2026. We also consulted with HMICS and SPA's statutory auditor to understand their areas of work and ensure our work avoids duplication.

We also reviewed the previous IA plan which included a schedule for 2025 - 2026, and through discussions with management we confirmed the reviews to be carried forward into this plan. Note that some reviews have been phased into the later years of the three-year strategy to allow developments in projects and regulations to be introduced.

Types of internal audit reviews

During our planning, we have considered the most appropriate type of reviews and indicated this in the Internal Audit plan. The five main types of review are:

- **Risk Aligned Audit Activities:** Assurance reviews that will provide an opinion over both the design and operational effectiveness of the internal controls in place for corporate risk areas.
- **Key Policy Assurance:** Compliance testing and assurance of the organisations' key policies to help building a culture of compliance and accountability across the business.
- **Controls Assurance of Key Processes & Systems:** Controls testing, and assurance of key processes and systems selected from the Audit Universe on a risk prioritised basis.
- **Assurance Over Change:** Considering key change initiatives, capital expenditure and mission critical projects where assurance may be required as to progress made, realisation of notable benefits, and being delivered in line with good practice.
- **Follow Up Of Previous Audit Activities:** Management's agreed actions in response to each audit periodically followed up to ensure that they have been properly implemented as agreed and to escalate any concerns regarding their implementation to management and the ARAC.

Individual Audits

In determining the timing of our individual audits, we will seek to agree a date most convenient to the relevant teams in the organisation and which ensures the availability of key stakeholders. Once this plan is agreed we will discuss priorities and workloads with management and re-issue the plan including the proposed phasing of our internal audit work.

For each audit, we will identify the key objectives of the area subject to audit and the risks of those objectives not being met. We will assess the 'unmitigated' risk (i.e. before the operation of the controls in place) and, having identified and tested those controls, evaluate the 'mitigated' risk. This will enable us to confirm that the control infrastructure does reduce risk to a level that the organisation is comfortable with.

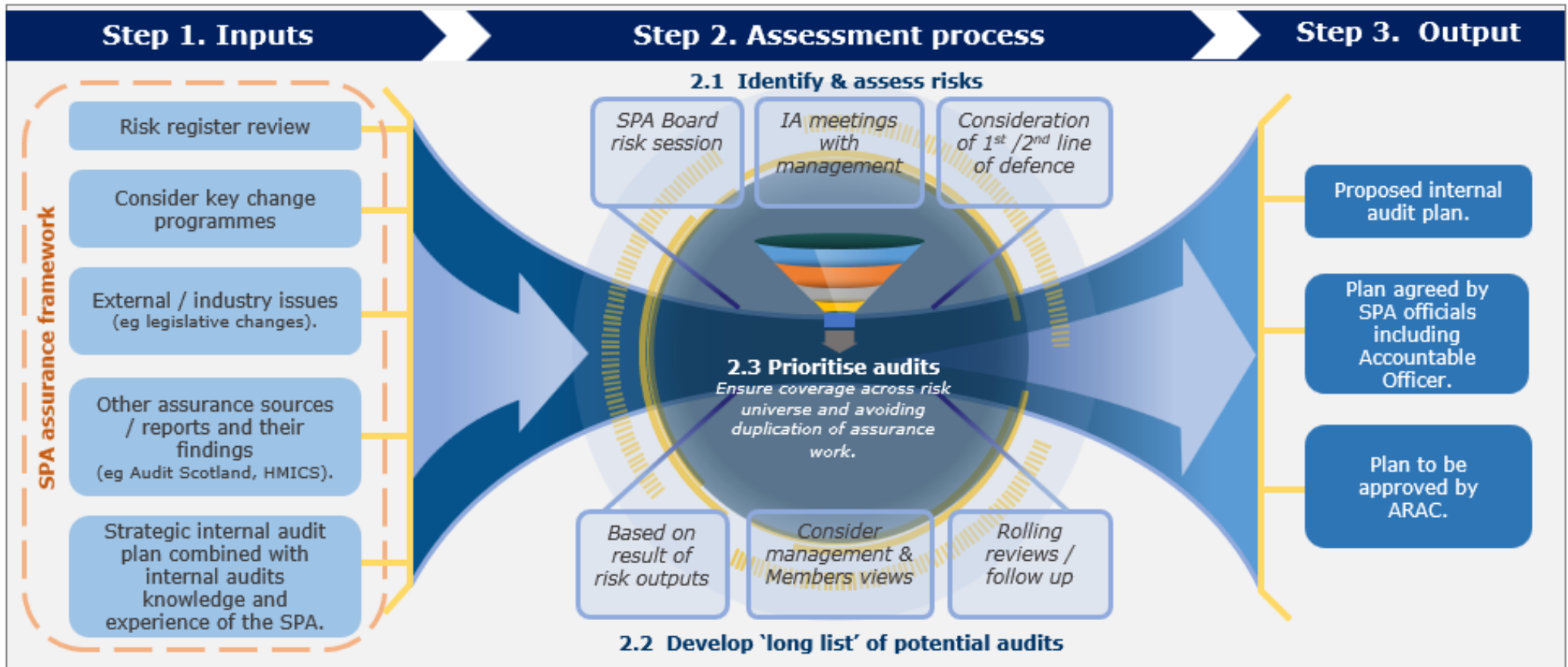
Variations to the Audit Plan

We will continue to keep the Internal Audit Plan under review throughout the year. We will highlight for consideration any significant areas of risk identified during that period, which may need to be included as part of the annual plan.

We acknowledge that variations to this plan may arise if the organisation's strategic priorities, risk profile or governance arrangements change. Approval will be sought from the ARAC before any changes to the IA Plan are made.

4- Our approach to planning

We have followed the process below when developing our IA plan.



4- Our approach to planning

Planning approach

1

Governance and control culture

The governance and control culture is a fundamental consideration when developing the internal audit approach. We believe that governance is not only affected by procedures, rules and regulations (hard controls); another equally important component is the established culture and the behaviour of employees within SPA. The behaviour of employees determines the effectiveness of governance.

We have developed an understanding of these areas through a combination of our discussions with you about your business strategy and through review of documents such as your Annual Report and Accounts and previous internal audit reports, as well as the work we conducted between 2023-25.

Assessment of culture and behaviour will be a key theme throughout the delivery of our work and we will look to provide insight into whether these cultural factors support ethical behaviour on an ongoing basis.

In deriving the plan for 2025-26 and onwards we will focus on any planned and ongoing changes to core systems and processes to respond to the changes in the wider environment.

3

External influences

Our programme of work is designed to comply with the International Standards for the Professional Practice of Internal Auditing and the Internal Audit Code of Practice as set out by the Institute of Internal Auditors.

We will also consider in our work any externally imposed regulation relating to governance, risk and control.

2

Current risk register

On an ongoing basis, our audit plan will be based upon a detailed assessment of those risks that affect the achievement of SPA's strategic objectives. Our audit programme will be designed to ensure that controls are in place such that key risks are appropriately managed and controlled. To understand SPA's objectives and key risks, we considered the following:

- ▶ The service's risk register
- ▶ The service's strategy and objectives
- ▶ The service's financial forecasts and financial performance
- ▶ The content of your most recent internal audit reports

The internal audit plan and corporate risk register will be periodically reviewed during 2025-26. Should the plan need to change we will seek approval from the Audit and Risk Committee.

4

Value add

We understand that 'value' is perceived differently by each client and therefore we do not seek to have a standard approach to this element of the audit programme.

Our methodology considers the additional value the Audit, Risk and Assurance Committee and management are seeking from internal audit, beyond the assurance our work provides.

We therefore consider this alongside our understanding of the risks. Added value may take a range of forms, from benchmarking and other peer comparisons, to involvement with advising on new systems implementation, advisory assignments and providing training and seminars.

We will clearly set out in the plan which elements of adding value activity we will deliver.

5- Internal audit resources and outputs

Staffing

The Core Internal Audit Delivery Management Team has been set out below. The team will be supported by specialists from BDO LLP's national Digital & Risk Advisory Services (DRAS) team and the wider firm, as and when appropriate.

Central Team

NAME	ENGAGEMENT ROLE	CONTACT DETAILS
Claire Robertson	Head of Internal Audit	Claire.Robertson@bdo.co.uk
Sowmya Menon	Audit Manager	Sowmya.X.Menon@bdo.co.uk
Sean Morrison	Audit Manager	Sean.Morrison@bdo.co.uk

Core Delivery Team

NAME	ENGAGEMENT ROLE	CONTACT DETAILS
Gemma Macleod	Audit Manager	Gemma.Macleod@bdo.co.uk
Tom O'Hara	Auditor	Tom.O'Hara@bdo.co.uk
Kerry Smyth	Auditor	Kerry.Smyth@bdo.co.uk
Matthew Dickson	Auditor	Matthew.Dickson@bdo.co.uk
Henry Newman	Auditor	Henry.Newman@bdo.co.uk
Bennet Le Riche	Auditor	Bennet.Lerliche@bdo.co.uk

As part of our quality review process, all the audit reports issued are subject to second Partner review.

Working Protocols

We have defined operating protocols for managing each assignment. These can be found in Appendix IV. The procedures take account of how we will communicate with stakeholders before, during and after each audit, and the process we go through to create and confirm our reports and recommendations to improve the economy, efficiency and effectiveness of the organisation's activities.

Internal Audit Communications

Strong communication is fundamental to quality delivery and for maintaining trusting relationships with our stakeholders. We communicate with management in full accordance with agreed protocols, including during annual meetings to confirm the audit programme for the forthcoming year, and regular update meetings to evaluate progress and discuss activities and priorities.

During audit assignments, we hold planning meetings in person or by video conference, by phone or by email to discuss the terms of reference and scope prior to commencement of any fieldwork, and hold debrief meetings at the conclusion of each piece of fieldwork to discuss audit findings and resolve any outstanding issues.

Internal Audit Charter

We have formally defined Internal Audit's purpose, authority and responsibility in an Internal Audit Charter, which can be found in Appendix III. The Charter establishes Internal Audit's position within the organisation and defines the scope of its activities.

Reporting to the ARAC

We will submit the annual Internal Audit Plan for discussion and approval by the ARAC. We will liaise with the business stakeholders, as appropriate, to ensure that IA reports summarising the results of our audits are presented at the most appropriate ARAC meeting.

Following completion of the IA Plan for each year, we will produce an Internal Audit Annual Report summarising our key findings and evaluating our performance in accordance with agreed service requirements.

Definitions

We define in Appendix V our approach for grading individual audit findings and overall audit reports. These definitions have been designed to make the ratings clear to both the Internal Audit team and audit stakeholders.

6- FY26 Internal audit plan

Audit area	Driver for selection	Reason for selection	High level scope	Priority	Days	SPA / PS Risk	Link to Joint Strategy for Policing					Timing*
							Outcome 1	Outcome 2	Outcome 3	Outcome 4	Outcome 5	
Assurance reviews												
Duty modification / Scenario planning	Governance and control culture	A deferred review from 2024-25.	We will review the arrangements in place for duty modifications and assess whether fully implemented, consistently applied and are appropriate in minimising the impact of duty modifications on the operational resilience of Police Scotland.	High	30	SPA Corp 039 PS O3E0002	✓	✓		✓		Apr - Jul 25
Staff recruitment and retention	Risk register	Equality-related focus with reference to the Policing Together strategy.	We will conduct a review of the staff recruitment process to assess whether a fair and consistent recruitment process is in place which complies with relevant employment legislation and promotes equality of opportunity.	High	35	SPA Corp 020 / 029 PS S2C0002	✓					Apr - Jul 25
Health and safety	Governance and control culture	Change of management within this area.	We will conduct a review of the workplace health and safety arrangements to assess whether they are well designed, operating effectively throughout the organisations and whether effective management reporting is in place.	High	30	SPA Corp 039 PS O2B0001				✓		Apr - Jul 25
Overtime	Governance and control culture	Focus area of management with respect to increased budget pressures.	A review of the end-to-end overtime process, assessing whether there are consistent overtime policies and procedures in place, overtime is subject to appropriate review and approval and that overtime is paid accurately and within required timescales.	High	40	SPA Corp 018 PS O4D0001	✓			✓	✓	Jul - Oct 25
IT System audit	Risk register	One ICT audit to be included within plan each year.	An IT system audit will be included in each year of the plan. We will assess the ITGCs relating to one of Police Scotland's IT systems.	High	35	SPA Corp 019 PS O1E0002	✓	✓				Jul - Oct 25

6- FY26 Internal audit plan

Audit area	Driver for selection	Reason for selection	High level scope	Priority	Days	SPA / PS Risk	Link to Joint Strategy for Policing					Timing*
							Outcome 1	Outcome 2	Outcome 3	Outcome 4	Outcome 5	
Assurance reviews												
Commonwealth games	Governance and control culture	The Glasgow 2026 commonwealth games is a significant operation for Police Scotland	We will conduct a review of the proposed management of the 2026 Glasgow Commonwealth games. We will assess whether the planned finance, resourcing and operational controls to manage the games are well-designed.	High	35	SPA Corp 040	✓	✓	✓		✓	Jul - Oct 25
Productions	Risk register	High-risk area for all policing areas	An end-to-end review of the productions process in place, assessing whether clear policies and procedures are in place and consistently applied, the system controls in place and effective monitoring controls are in place.	High	45	SPA Corp 032 PS O3B0003	✓				✓	Oct 25 - Jan 26
Environment and sustainability	Risk register	Increased public focus on sustainability	We will assess whether effective environmental strategies and plans have been developed, are being implemented consistently and that effective emissions data monitoring and reporting controls are in place.	High	30	SPA Corp 029	✓		✓		✓	Oct 25 - Jan 26
Communications and engagement	Governance and control culture	HMICS and management request to provide assurance of this area.	We review the internal and external communications and engagement mechanisms in place and consistently utilised and actioned.	High	30	SPA Corp 040 PS S2A0001		✓	✓	✓		Oct 25 - Jan 26
Specific change project (to be decided)	Governance and control culture	SPA request to review a change project.	We will assess the control environment relating to the management of the change programme, including the change management processes applied, the governance and oversight arrangements in place and the resource management controls in place.	High	40	SPA Corp 030	✓				✓	Jan - Apr 26

6- FY26 Internal audit plan

Audit area	Driver for selection	Reason for selection	High level scope	Priority	Days	SPA / PS Risk	Link to strategic objective					Timing*
							Outcome 1	Outcome 2	Outcome 3	Outcome 4	Outcome 5	
Implementation of estates plans	Governance and control culture	Follow-on from 2025-26 review on estates masterplan	Following Internal Audit's review of Police Scotland's master Estates Plan, Internal Audit will conduct a review of Police Scotland's plan to operationalise and implemented the plan over the next five-ten years.	High	35	SPA Corp 038 PS 01F0003	✓	✓		✓	✓	Jan - Apr 26
Management of recommendations	Governance and control culture	Request from Police Scotland management to provide assurance in this area.	We will assess whether recommendations are effectively documented and tracked, are being followed-up and implemented within a timely and consistent manner and outstanding recommendations are consistently escalated.	High	25	SPA Corp 014					✓	Jan - Apr 26
Management and recommendation follow up												
Follow-up	Governance and control culture	Required under the IA standards and good governance.	Our follow up work will provide the Audit, Risk and Assurance Committee with quarterly assurance that recommendations are implemented within the expected timescales.		20							Apr 25; Jul 25; Oct 25; Jan 26
Management	This is time assigned to attend audit committee, annual planning and reporting.											

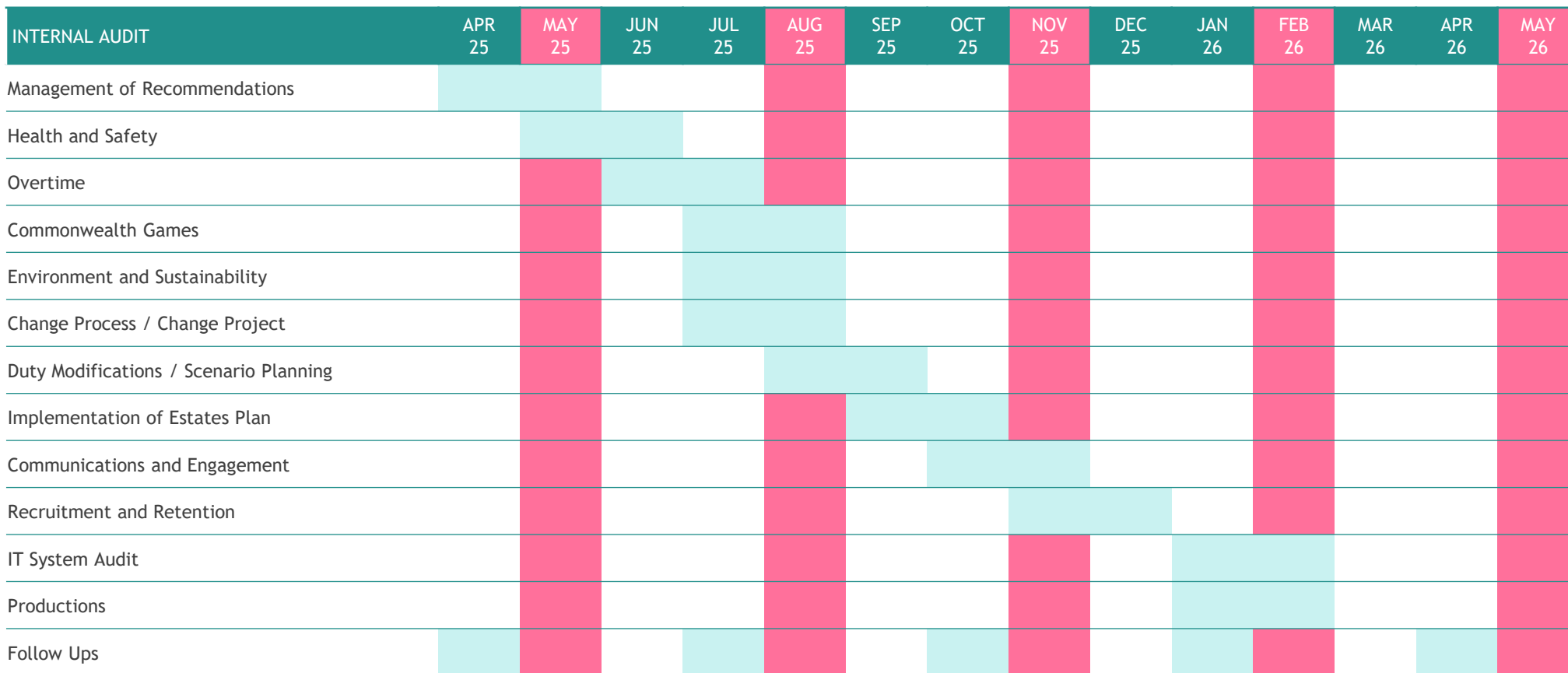
7- Areas considered but not included

The following areas have been considered for 2025-26 but have been de-prioritised. This will be considered for 2025-26 instead. Should any areas of the Internal Audit Plan be removed during the year, we will consider whether any of these can be brought forward.

Audit area	Reason for de-selection	Priority	Link to ESG (see Appendix I)	SPA / PS Risk	Link to strategic objective				
					Outcome 1	Outcome 2	Outcome 3	Outcome 4	Outcome 5
Pensions	Considered for next year's plan as SPA/PS will determine their level of control over pensions.	High		SPA Corp 034 PS O1B0003 / PS O1C0003				✓	✓
Firstline managers	Police Scotland have looked to improve consistency of guidance / support given to first-line managers within past year. Considered for next year's plan.	High		SPA Corp 027 PS S1C0001	✓	✓		✓	
Corporate Governance	Although considered to be a high-risk area, assessed to be lower priority compared to current proposed audits in the plan. Considered for next year's plan.	High	✓	SPA Corp 041 PS S2B0001	✓	✓	✓	✓	✓
Complaints management	Although considered to be a high-risk area, coverage will be obtained through the communications and engagement audit. Considered for next year's plan.	High	✓	SPA Corp 038 PS O2D0004		✓	✓		✓

8- Internal audit draft schedule

The chart below sets out the proposed delivery schedule for the 2025-2026 Internal Audit plan. The specific timetable will be confirmed with all stakeholders.







Keys:

- Proposed Timeline
- ARAC Reporting Deadline

9- Organisation assurance mapping

This summarises the planned assurance activities for 2025/26 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)
<ul style="list-style-type: none"> ▪ Crime & security ▪ Evidence 	<p>1. Threats to public safety and wellbeing are resolved by a proactive and responsive police service.</p> <p>2. The needs of local communities are addressed through effective service delivery.</p>
<ul style="list-style-type: none"> ▪ Confidence ▪ Partnerships 	<p>3. The public, communities and partners are engaged, involved and have confidence in policing.</p>
<ul style="list-style-type: none"> ▪ People 	<p>4. Our people are supported through a positive working environment, enabling them to serve the public.</p>
<ul style="list-style-type: none"> ▪ Sustainability 	<p>5. Police Scotland is sustainable, adaptable and prepared for future challenges.</p>

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	HMICS scrutiny plan	External audit	PIRC		
<ul style="list-style-type: none"> • Risk register • Policies / SOPS • Performance management • Internal governance SPA oversight • Annual assurance statements • Annual / local policing plan • BCP 	<ul style="list-style-type: none"> • Conduct assurance reviews of business areas. • Detailed follow up and monitoring of all audit and assurance activities. FS quality team • Assurance reviews and supporting UKAS inspections 	<ul style="list-style-type: none"> • Management of recommendations • Health & safety • Overtime • Commonwealth Games • Scenario planning <u>incl</u> duty modifications • Environment / sustainability 	<ul style="list-style-type: none"> • Change process / project • Implementations of estates plan • Communication / engagement • Recruitment & retention • IT system audit • Productions 	<ul style="list-style-type: none"> • Domestic abuse (phase 2) • HR governance & policies • Public contact & engagement • Cyber & online fraud • SPA forensic services • Best Value in policing 	<ul style="list-style-type: none"> • Frontline focus <ul style="list-style-type: none"> a. Training b. Role of an officer c. Tools of the trade • Other areas are currently being consulted on for the next scrutiny plan. 	<ul style="list-style-type: none"> • Statutory external audit <i>Wider scope:</i> <ul style="list-style-type: none"> • Vision, leadership & governance • Financial management / sustainability • Use of resources to improve outcomes 	<ul style="list-style-type: none"> Investigations & complaints handling as required. UKAS Independent accreditation of forensic services
<ul style="list-style-type: none"> ▪ Crime & security 							
<ul style="list-style-type: none"> ▪ Evidence 							
<ul style="list-style-type: none"> ▪ Confidence ▪ Partnerships 							
<ul style="list-style-type: none"> ▪ People 							
<ul style="list-style-type: none"> ▪ Sustainability 							

9- Organisation assurance mapping

This summarises the planned assurance activities for 2025/26 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		HMICS scrutiny plan		External audit	PIRC
	<ul style="list-style-type: none"> Risk register Policies / SOPS Performance management Internal governance SPA oversight Annual assurance statements Annual / local policing plan BCP 	<ul style="list-style-type: none"> Conduct assurance reviews of business areas. Detailed follow up and monitoring of all audit and assurance activities. <p>FS quality team</p> <ul style="list-style-type: none"> Assurance reviews and supporting UKAS inspections 	<ul style="list-style-type: none"> Management of recommendations Health & safety Overtime Commonwealth Games Scenario planning incl duty modifications Environment / sustainability 	<ul style="list-style-type: none"> Change process / project Implementations of estates plan Communication / engagement Recruitment & retention IT system audit Productions (incl Forensics focus) 	<ul style="list-style-type: none"> Domestic abuse (phase 2) HR governance & policies Public contact & engagement Cyber & online fraud SPA forensic services Best Value in policing 	<ul style="list-style-type: none"> Frontline focus <ul style="list-style-type: none"> a. Training b. Role of an officer c. Tools of the trade Other areas are currently being consulted on for the next scrutiny plan. 	<ul style="list-style-type: none"> Statutory external audit <p><i>Wider scope:</i></p> <ul style="list-style-type: none"> Vision, leadership & governance Financial management / sustainability Use of resources to improve outcomes 	<ul style="list-style-type: none"> Investigations & complaints handling as required. <p>UKAS</p> <ul style="list-style-type: none"> Independent accreditation of forensic services
SPA Corporate								
SPA Forensic Services								
PS: Local Policing								
PS: Crime & Operational Support								
PS: People & Professionalism								
PS: Corporate Services, Strategy & Change								

Appendix I: Internal audit charter

Internal Audit's Purpose and Mandate

Purpose

The purpose of the internal audit function is to strengthen SPA's ability to create, protect, and sustain value by providing the board and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

The internal audit function enhances SPA's:

- ▶ Successful achievement of its objectives
- ▶ Governance, risk management, and control processes
- ▶ Decision-making and oversight
- ▶ Reputation and credibility with its stakeholders
- ▶ Ability to serve the public interest

SPA's internal audit function is most effective when:

- ▶ Internal auditing is performed by competent professionals in conformance with the Institute of Internal Audit's Global Internal Audit Standards™, which are set in the public interest.
- ▶ The internal audit function is independently positioned with direct accountability to the board.
- ▶ Internal auditors are free from undue influence and committed to making objective assessments.

Mandate Authority

The BDO Head of Internal Audit (HIA) and internal audit staff are authorised to:

- ▶ Have unrestricted access to all of the organisation's records, property, and personnel relevant to the performance of engagements
- ▶ Obtain the necessary assistance of the organisation's personnel in relevant engagements, as well as other specialised services from within or outside the organisation.

Internal Audit has no authority or management responsibility for any of its engagement subjects. Internal Audit will not make any management decisions or engage in any activity which could reasonably be construed to compromise its independence.

Independence and Position within the Organisation

- ▶ To provide for Internal Audit's independence, its personnel and external partners report to the Chief Finance Officer, who in turn reports to the Audit, Risk and Assurance Committee.
- ▶ The BDO Head of Internal Audit has free and full access to the Chair of the Audit, Risk and Assurance Committee.
- ▶ The appointment or removal of the BDO Head of Internal Audit will be performed in accordance with established procedures and subject to the approval of the Chair of the Audit, Risk and Assurance Committee.
- ▶ The Internal Audit service will have an impartial, unbiased attitude and will avoid conflicts of interest.
- ▶ If the independence or objectivity of the internal audit service is impaired, details of the impairment should be disclosed to either the Chief Executive or the Chair of the Audit, Risk and Assurance Committee, dependent upon the nature of the impairment.

The internal audit service is not authorised to perform any operational duties for the organisation; initiate or approve accounting transactions external to the service; or direct the activities of any the organisation employee not employed by the internal auditing service, except to the extent such employees have been appropriately assigned to the service or to otherwise assist the Internal Auditor.

Appendix I: Internal audit charter

SPA Oversight

To establish, maintain, and ensure that SPA's internal audit function has sufficient authority to fulfil its duties, the board will:

- ▶ Discuss with the HIA and senior management the appropriate authority, role, responsibilities, scope, and services (assurance and/or advisory) of the internal audit function.
- ▶ Ensure the HIA has unrestricted access to and communicates and interacts directly with the board, including in private meetings without senior management present.
- ▶ Discuss with the HIA and senior management other topics that should be included in the internal audit charter.
- ▶ Participate in discussions with the HIA and senior management about the "essential conditions," described in the Global Internal Audit Standards, which establish the foundation that enables an effective internal audit function.
- ▶ Review and approve the internal audit function's charter annually, which includes the internal audit mandate and the scope and types of internal audit services.
- ▶ Approve the risk-based internal audit plan.
- ▶ Approve the internal audit function's human resources administration and budgets.

- ▶ Collaborate with senior management to determine the qualifications and competencies the organisation expects in a chief audit executive.
- ▶ Authorise the appointment and removal of the chief audit executive and out-sourced internal audit provider.
- ▶ Approve the fees paid to the out-sourced internal audit provider.
- ▶ Review the chief audit executive's and internal audit function's performance.
- ▶ Receive communications from the HIA about the internal audit function including its performance relative to its plan.
- ▶ Ensure a quality assurance and improvement program has been established and review the results annually.
- ▶ Make appropriate inquiries of senior management and the HIA to determine whether scope or resource limitations are inappropriate.

Changes to the Mandate and Charter

Circumstances may justify a follow-up discussion between the chief audit executive, board, and senior management on the internal audit mandate or other aspects of the internal audit charter. Such circumstances may include but are not limited to:

- ▶ A significant change in the Global Internal Audit Standards.
- ▶ A significant acquisition or reorganisation within the organisation.
- ▶ Significant changes in the chief audit executive, board, and/or senior management.
- ▶ Significant changes to the organisation's strategies, objectives, risk profile, or the environment in which the organisation operates.
- ▶ New laws or regulations that may affect the nature and/or scope of internal audit services.



Appendix I: Internal audit charter

HIA Roles and Responsibilities



Ethics and Professionalism

The HIA will ensure that internal auditors:

- ▶ Conform with the Global Internal Audit Standards, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality.
- ▶ Understand, respect, meet, and contribute to the legitimate and ethical expectations of the organisation and be able to recognise conduct that is contrary to those expectations.
- ▶ Encourage and promote an ethics-based culture in the organisation.
- ▶ Report organisational behaviour that is inconsistent with the organisation's ethical expectations, as described in applicable policies and procedures.

Objectivity

The HIA will ensure that the internal audit function remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. If the HIA determines that objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively such that they believe in their work product, do not compromise quality, and do not subordinate their judgment on audit matters to others.

Internal auditors will have no direct operational responsibility or authority over any activities they review. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, or engage in other activities that may impair their judgment

Internal auditors will:

- ▶ Disclose impairments of independence or objectivity, in fact or appearance, to appropriate parties and at least annually, such as the chief audit executive, board, management, or others.
- ▶ Exhibit professional objectivity in gathering, evaluating, and communicating information.
- ▶ Make balanced assessments of all available and relevant facts and circumstances.
- ▶ Take necessary precautions to avoid conflicts of interest, bias, and undue influence.

Appendix I: Internal audit charter

HIA Roles and Responsibilities



Managing the Internal Audit Function

The HIA has the responsibility to:

- ▶ At least annually, develop a risk-based internal audit plan that considers the input of the board and senior management. Discuss the plan with the board and senior management and submit the plan to the board for review and approval.
 - ▶ Communicate the impact of resource limitations on the internal audit plan to the board and senior management.
 - ▶ Review and adjust the internal audit plan, as necessary, in response to changes in the organisation's business, risks, operations, programs, systems, and controls.
 - ▶ Communicate with the board and senior management if there are significant interim changes to the internal audit plan.
 - ▶ Ensure internal audit engagements are performed, documented, and communicated in accordance with the Global Internal Audit Standards.
 - ▶ Follow up on engagement findings and confirm the implementation of recommendations or action plans and communicate the results of internal audit services to the board and senior management periodically and for each engagement as appropriate.
 - ▶ Ensure the internal audit function collectively possesses or obtains the knowledge, skills, and other competencies and qualifications needed to meet the requirements of the Global Internal Audit Standards and fulfil the internal audit mandate
 - ▶ Identify and consider trends and emerging issues that could impact HIA Plc and communicate to the board and senior management as appropriate
- ▶ Consider emerging trends and successful practices in internal auditing
 - ▶ Establish and ensure adherence to methodologies designed to guide the internal audit function
 - ▶ Ensure adherence to relevant policies and procedures unless such policies and procedures conflict with the internal audit charter or the Global Internal Audit Standards. Any such conflicts will be resolved or documented and communicated to the board and senior management
 - ▶ Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services. If the HIA cannot achieve an appropriate level of coordination, the issue must be communicated to senior management and if necessary escalated to the board.

Appendix I: Internal audit charter

HIA Roles and Responsibilities

Communication with the Board and Senior Management

The HIA will report [periodically] to the board and senior management regarding:

- ▶ The internal audit function's mandate
- ▶ The internal audit plan and performance relative to its plan
- ▶ Internal audit budget
- ▶ Significant revisions to the internal audit plan and budget
- ▶ Potential impairments to independence, including relevant disclosures as applicable
- ▶ Results from the quality assurance and improvement program, which include the internal audit function's conformance with the IIA's Global Internal Audit Standards and action plans to address the internal audit function's deficiencies and opportunities for improvement
- ▶ Significant risk exposures and control issues, including fraud risks, governance issues, and other areas of focus for the board
- ▶ Results of assurance and advisory services
- ▶ Resource requirements
- ▶ Management's responses to risk that the internal audit function determines may be unacceptable or acceptance of a risk that is beyond the organisation's risk appetite.



Quality Assurance Improvement Programme (QAIP)

The HIA will develop, implement, and maintain a quality assurance and improvement program that covers all aspects of the internal audit function.

The program will include external and internal assessments of the internal audit function's conformance with the Global Internal Audit Standards, as well as performance measurement to assess the internal audit function's progress toward the achievement of its objectives and promotion of continuous improvement.

The plan will assess the efficiency and effectiveness of internal audit and identify opportunities for improvement.

Annually, the HIA will communicate with the board and senior management about the internal audit function's quality assurance and improvement program, including the results of internal assessments (ongoing monitoring and periodic self-assessments) and external assessments.

External assessments will be conducted at least once every five years by a qualified, independent assessor or assessment team from outside BDO; qualifications must include at least one assessor holding an active Certified Internal Auditor credential.

Appendix I: Internal audit charter

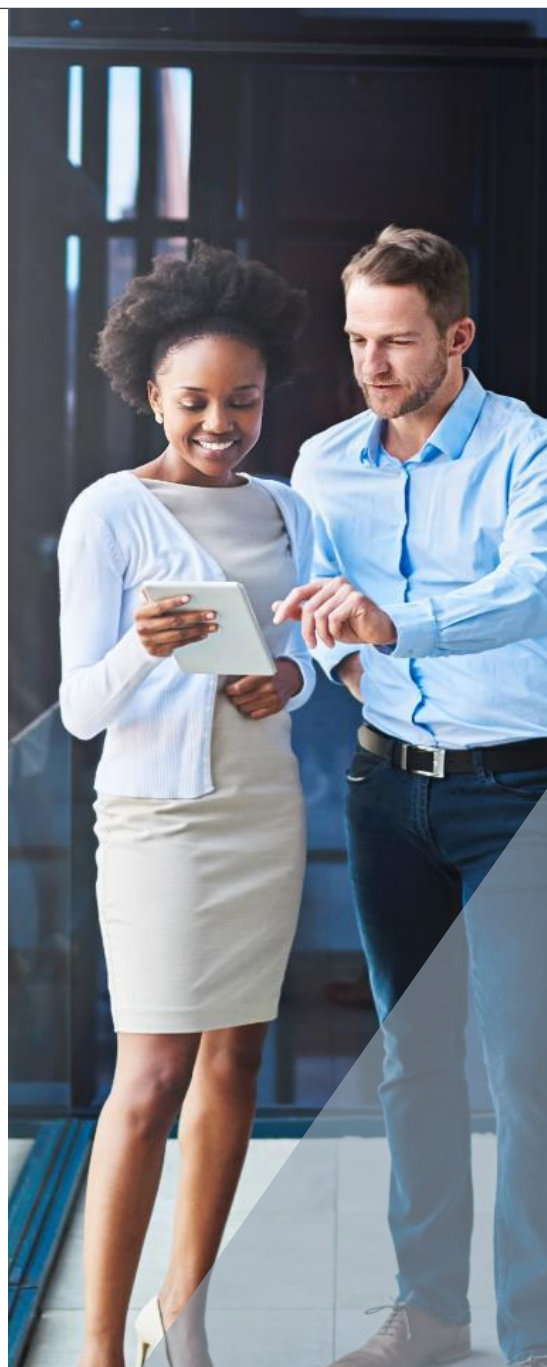
Scope and Types of Internal Audit Services

Scope and Types of Internal Audit Services

- ▶ The scope of internal audit services covers the entire breadth of the organisation, including all SPA's activities, assets, and personnel.
- ▶ The scope of internal audit activities also encompasses but is not limited to objective examinations of evidence to provide independent assurance and advisory services to the board and management on the adequacy and effectiveness of governance, risk management, and control processes for the organisation.
- ▶ The nature and scope of advisory services may be agreed with the party requesting the service, provided the internal audit function does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during advisory engagements. These opportunities will be communicated to the appropriate level of management.

Internal audit engagements may include evaluating whether:

- ▶ Risks relating to the achievement of the organisation's strategic objectives are appropriately identified and managed.
- ▶ The actions of SPA's officers, directors, management, employees, and contractors or other relevant parties comply with organisational policies, procedures, and applicable laws, regulations, and governance standards.
- ▶ The results of operations and programs are consistent with established goals and objectives.
- ▶ Operations and programs are being carried out effectively and efficiently.
- ▶ Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact the organisation.
- ▶ The integrity of information and the means used to identify, measure, analyse, classify, and report such information is reliable.
- ▶ Resources and assets are acquired economically, used efficiently and sustainably, and protected adequately.



Appendix II: Working protocols and performance

The tables opposite set out the principal communication and reporting points between the Service and Internal Audit, which are subject to regular review. Any future changes to the communication and reporting points are reported to the ARAC for approval.

Table One: Liaison Meetings Between the organisation and Internal Audit

MEETING	FREQUENCY	ARAC	CENTRAL TEAMS	PS LEADERSHIP TEAM	HMICS	EXTERNAL AUDIT
Internal audit liaison meeting with SPA & PS central teams	Monthly		✓	✓		
Internal audit update meetings	As required		✓	✓		
Internal audit plan development session	Annually		✓	✓	✓	✓
Liaison meeting with Chair of the ARAC	As required	✓				
Meetings to raise immediate concerns	As necessary	✓	✓	✓		
Meetings with HMICS and external audit	As necessary				✓	✓

Table Two: Key Reporting Points Between the organisation and Internal Audit

MEETING	ARAC	AUDIT SPONSOR	LEADERSHIP TEAM	RELEVANT STAFF
Annual Internal Audit Plan	✓	✓	✓	
Individual internal audit planning documents	✓	✓	✓	✓
Draft Internal Audit Reports*		✓	✓	✓
Final Internal Audit Reports*	✓	✓	✓	✓
Quality Progress Reports	✓	✓		
Annual Internal Audit Report	✓	✓		

*Internal Audit reports are distributed to the relevant Executive Committee members only.

Appendix II: Working protocols and performance

Internal Audit Success

We want KPIs we have set up to be aligned with our common goal, which is Internal Audit Success. However, a successful audit relationship cannot be achieved without strong commitment from both sides and collaboration between the organisation and IA. For example, we would not be able to deliver an audit report on time for ARAC submission without the organisation's timely response and commitment to the agreed timeline. Thus, we would like to highlight to ARAC that the measures we have presented to you are those within the control of IA.

Internal Audit Performance Measures and Indicators

Performance measurement is the use of measures and associated targets to assess objectively the performance of a body. It is now well established as an important means of improving performance and reinforcing accountability.

BDO LLP has been appointed as internal auditors to SPA, subject to satisfactory performance. Consequently, there is value in reviewing the quality of our service on a regular basis.

Internal audit performance can be assessed in two ways. Firstly, there is the ability for us to self-assess our performance on a regular basis and report back to the Audit, Risk and Assurance Committee (ARAC) on certain measures around inputs and satisfaction from those officers who have been subject to a review. Secondly, the view of the ARAC as to the value being received from its internal audit provider has to be taken into account.

For each ARAC meeting, we will produce the Audit Committee progress report with measures reported to each KIPs listed to the right for our ongoing performance reviewing.

Internal Audit Efficiency

- In-scope audits are completed to their planned ARACs (please refer to the timeline)
- All in-scope audits for FY2025/2026 are completed by 31 March 2026 with scheduled Q4 audits being in draft report stage.
- Annual Internal Audit report/opinion is presented to the May 2026 ARAC.

Internal Audit Quality

- All recommendations made to each audit are discussed with the management. Agreed recommendations are logged into the system for following up.
- All audits are led and reviewed by qualified staff, with audits required to be involved with SMEs from other teams.
- Customer Satisfaction survey results



Internal Audit Engagement

- Regular liaison meetings with SPA/PS Audit & Risk teams; with PS management; and with HIMCS and external auditor.
- Initial Term of Reference of the audit is issued 4 to 6 weeks ahead of fieldwork starting date.
- Internal audit issues draft audit report within 10 working days of closing meeting.
- Finalised audit report issued to stakeholders within 3 working days of final management responses being received and agreed.

Internal Audit Finance

- Actual vs Budgeted days of audits are provided to ARAC.

Appendix III: Definitions

Level of Assurance	DESIGN of internal control framework		OPERATIONAL EFFECTIVENESS of internal controls	
	Findings from review	Design opinion	Findings from review	Effectiveness opinion
Substantial	Appropriate procedures and controls in place to mitigate the key risks.	There is a sound system of internal control designed to achieve system objectives.	No, or only minor, exceptions found in testing of the procedures and controls.	The controls that are in place are being consistently applied.
Moderate	In the main there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective.	Generally a sound system of internal control designed to achieve system objectives with some exceptions.	A small number of exceptions found in testing of the procedures and controls.	Evidence of non compliance with some controls, that may put some of the system objectives at risk.
Limited	A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address in-year.	System of internal controls is weakened with system objectives at risk of not being achieved.	A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts should be made to address in-year.	Non-compliance with key procedures and controls places the system objectives at risk.
No	For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Poor system of internal control.	Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Non compliance and/or compliance with inadequate controls.
Recommendation Significance				
High	A weakness where there is substantial risk of loss, fraud, impropriety, poor value for money, or failure to achieve organisational objectives. Such risk could lead to an adverse impact on the business. Remedial action must be taken urgently.			
Medium	A weakness in control which, although not fundamental, relates to shortcomings which expose individual business systems to a less immediate level of threatening risk or poor value for money. Such a risk could impact on operational objectives and should be of concern to senior management and requires prompt specific action.			
Low	Areas that individually have no significant impact, but where management would benefit from improved controls and/or have the opportunity to achieve greater effectiveness and/or efficiency.			

Appendix IV: Internal audit universe mapping

The table below outlines our proposed three-year Internal audit three-year plan against the areas of SPA's Audit Universe for 2025-26. Audits included in 2026/27 are indicative of what might be included based on our initial discussions with management and the current risk register but will be subject to a formal review towards the end of 2025-26.

Audit area	BDO Risk Rating 2023	Last audited	Previous rating		2024/25	2025/26	2026/27
			Design	Eff.			
Corporate Support Services - Finance							
Financial ledger / Financial system	Very High						✓
Financial reporting	Medium						
Financial planning	Very High	2023/24	L	L	✓		✓
Payroll	Medium					✓	
Executive/Chief officer pay	Low						
Budget setting	Very High	2023/24	L	L	✓		
Budget management / Budget Investment	Very High	2023/24	L	L	✓		
Savings plans	Very High						✓
Treasury and cash management	Medium						
Fixed assets	High						
Income and receivables	Medium						
Income generation	Medium						
Expenditure and payables	Very High					✓	
Accounting policies	Medium						
SPFM compliance (Policies and Procedures)	Medium						
Procurement and tendering	Very High						
Contract management	Very High						
Business partnering	High	2023/24	L	L	✓		

Appendix IV: Internal audit universe mapping

Audit area	BDO Risk Rating 2023	Last audited	Previous rating		2024/25	2025/26	2026/27
			Design	Eff.			
Corporate Support Services - People and Development							
Leadership and professional development	High	2023/24	M	M	✓		
Training delivery	Medium						
Staff rostering	High					✓	
Demand and Productivity	Medium	2023/24	Not yet assessed		✓		
Police overtime and allowances	Medium					✓	
Special constabulary	Low						
Agency and consultant arrangements	Medium						
People / workforce strategy	High					✓	
Workforce/HR management	Medium						
Resource planning	Very High					✓	✓
Succession planning	High						
Staff performance management	High						
Recruitment and retention	High					✓	
Equality and diversity	High	2023/24	L	L	✓	✓	✓
Employee contracts	Low						
Annual leave	Low						
Sickness absence	Medium						
Conduct issues	High	2023/24	L	L	✓		✓
Staff Pay Reward Modernisation (SPRM)	Medium						
Ill health retirement & injury	Medium					✓	
Grievance process	Medium	2023/24	L	L	✓		

Appendix IV: Internal audit universe mapping

Audit area	BDO Risk Rating 2023	Last audited	Previous rating		2024/25	2025/26	2026/27
			Design	Eff.			
Corporate Support Services - Other							
Project management - capital projects	Very High	2023/24	Not yet assessed		✓		✓
Change management	Very High	2023/24	Not yet assessed		✓	✓	✓
Fleet management	Medium						
Estates and asset management	High	2023/24	Not yet assessed		✓	✓	
Environmental management	Medium					✓	✓
Waste management	Low					✓	
Performance management	High	2023/24	M	L	✓		✓
Strategic planning	Very High						✓
Delivery of policing 2026 programme	Very High						✓
SPA Corporate governance	High						
PS Corporate governance	High						
Risk management	High	2023/24	M	M	✓		
Efficiency targets	Very High						✓
Information management	High	2023/24	M	M	✓		
Risk, Assurance & Inspection Unit	Medium					✓	
Lean management	Medium						
Litigation costs	Medium						
Health and safety	High					✓	
Fire safety	High					✓	
Vetting procedures	High						✓
Case and records management	Medium						

Appendix IV: Internal audit universe mapping

Audit area	BDO Risk Rating 2023	Last audited	Previous rating		2024/25	2025/26	2026/27
			Design	Eff.			
Corporate Support Services - Other (continued)							
Governance statement readiness	Medium						
Fraud prevention	Medium						
National Fraud Initiative (NFI) outcomes	Medium						
Freedom of information (Fol)	Low						
Data protection compliance	Very High						
Complaints management	High						
External communications	High					✓	
Internal communications	High					✓	✓
Marketing and digital media	Low					✓	
News	Low						
Best Value readiness	Very High	2023/24		Major improvements required	✓		✓
Corporate Support Services - ICT							
Service delivery	High	2023/24		Not yet assessed	✓		✓
Applications and development	Medium	2023/24		Not yet assessed	✓		
CTO	Medium						
IT strategy	Very High	2023/24		Not yet assessed	✓		✓
Business continuity planning	Medium						
Disaster recovery	Medium						
IT security	Very High						
Network management	Medium						
Software development	Medium						

Appendix IV: Internal audit universe mapping

Audit area	BDO Risk Rating 2023	Last audited	Previous rating		2024/25	2025/26	2026/27
			Design	Eff.			
Corporate Support Services - ICT (continued)							
IT developments - projects	Very High	2023/24	Not yet assessed		✓		
Information management	High	2023/24	Not yet assessed		✓		✓
IT governance	Medium						
ICT project expenditure	Medium	2023/24	M	M	✓		✓
Local and Specialist Policing							
Local Policing / Crime	Very High						
Divisions	Medium						
Shared services	Medium						
Partnership working/ Joint working	High						
Major crime	Medium						
Public protection	High						✓
Local crime	Medium						
Organised crime	Low						
Counter Terrorism	Low						
Intelligence Support	Low						
Cybercrime	Low						
Forensics	Very High	2023/24	M	L	✓	✓	✓
Safer Communities	Low						
Domestic Abuse	Very High						✓
CJSW and ViSOR	Very High						✓

Appendix IV: Internal audit universe mapping

Audit area	BDO Risk Rating 2023	Last audited	Previous rating		2024/25	2025/26	2026/27
			Design	Eff.			
Operational and Specialist Support							
Specialist Services	Low						
Armed policing	High						✓
Specialist Operations	Low						
Specialist Support	Low						
Contact command and control (C3) facilities	High						✓
Air support	Low						
Dive and marine unit	Low						
Dog unit	Low						
Hostage and Crisis Negotiation Coordination	Low						
Mountain Rescue	Low						
Mounted section	Medium						
Search / Public Order	Medium						
Football Coordination Unit	Medium						
Emergency Events and Resilience Planning (EERP)	Medium						
Roads policing	Medium						
Call handling	Medium						
Crime mapping	Medium						
Stop and search	Medium						
Crime recording	Medium						
Operational planning	High					✓	
Police equipment and devices	Very High						✓
Firearms	High						✓

Appendix IV: Internal audit universe mapping

Audit area	BDO Risk Rating 2023	Last audited	Previous rating		2024/25	2025/26	2026/27
			Design	Eff.			
Operational and Specialist Support (continued)							
Forensic equipment	Medium						
Stock management	High	2023/24	Not yet assessed		✓	✓	
Incident management	Medium						
Custody Services	High						✓
Crown Office and Procurator Fiscal (COPFS) Liaison	Medium						
Disclosure Administration	Medium						
Productions	Very High					✓	
Lost and found property	Low						
Administration of warrants, court orders, interdicts, fixed penalty tickets and direct measures	Medium						
Victim satisfaction and victim / witness care	Medium						
Prisoner Belongings	High						✓
National Missing Person	High						✓
Rail Policing	High						✓
Compliance and Regularity							
Data Quality and Integrity	Very High						✓
Legislation	Very High	2023/24	L	N/A	✓		
Electronic Data Retention	Very High						
Biometrics	Very High	2023/24	M	M	✓		

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