

**AUDIT, RISK AND ASSURANCE COMMITTEE**

**05 May 2021**

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**Minute of the Scottish Police Authority Audit, Risk and Assurance Committee held on Wednesday 05 May 2021 via video-conference**

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Board Members Present: Jane Ryder (Committee Chair)  
Grant Macrae (Committee Member)  
Katharina Kasper (Committee Member)  
Catriona Stewart (Committee Member)  
Martyn Evans (SPA Chair)

In attendance: Police Scotland  
Assistant Chief Constable Alan Speirs  
James Gray, Chief Financial Officer  
Andrew Hendry, Chief Digital and Information Officer  
Alasdair Corfield, Financial Controller  
Fiona Miller, Enterprise Risk Manager

Scottish Police Authority  
Lynn Brown, Chief Executive Officer  
Chris Brown, Deputy Chief Executive, Resources  
John McNellis, Head of Finance, Audit and Risk  
Graham Stickle, Audit and Risk Lead  
Lauren MacLeod, Audit, Risk and Assurance Officer  
Lindsey Davie, Information Management Specialist (Item 2)

Audit Scotland  
Gillian Woolman, Audit Director  
Pauline Gillen, Senior Audit Manager  
Mark MacPherson, Senior Manager

Scott Moncrieff  
Gary Devlin, Relationship Partner  
Andrew Diffin, Assistant Manager

SPA Secretariat  
Karen Vallance, Governance Support Officer

## 1. WELCOME AND STANDING ITEMS

The Committee Chair welcomed everyone to the meeting and confirmed the video- conference contingency arrangements.

The Committee Chair welcomed new Committee Members, Katharina Kasper and Catriona Stewart to the meeting, as well as SPA Chair Martyn Evans. The Chair thanked departing Member Matt Smith for his contribution.

The Committee **RESOLVED** to:

- **NOTE** no Committee Member apologies;
- **NOTE** no declarations of interest;
- **ADOPT** the minute of the 28 January 2021 meeting;
- **NOTE** the action log and that there were no matters arising;
- **AGREE** that, in accordance with paragraph 20 of the SPA Standing Orders, the Committee would consider items 8-12 in private for the reasons set out on the agenda.

## 2. AUDIT AND IMPROVEMENT PROGRESS

### 2a. INTERNAL AUDIT PROGRESS REPORT

Members considered the report which provided progress against the Annual Internal Audit Plan. Andrew Diffin (ADiffin) provided a summary of progress, as detailed in the paper.

In discussion the following matters were raised:

- Members commended Internal Audit for delivering the full internal audit plan during the year.
- Auditors confirmed that management response times were not generally an issue, although there were extended times for some complex reports, and the internal audit plan provides future sight to allow management planning time. Members noted a number of reports scheduled near the end of the year.

- To ensure completion within the year and to even out the workload, .Members requested Internal Audit consider whether any reports can be brought forward.

The Committee **RESOLVED** to:

- **NOTE** the position as discussed
- **AGREE the following action:**

Following discussions with SPA staff and Police Scotland, Gary Devlin to confirm whether any reports can be brought forward.

20210505-AUD-001

## **2b. MANAGEMENT PROGRESS ON INTERNAL AUDIT ACTIONS**

Members considered the report which summarises management progress in completing management actions arising from internal audit reports. ADiffin provided a summary of progress, as detailed in the paper, highlighting the change in format of the paper.

Members commended the significant progress recently achieved and thanked all those involved.

The Committee **RESOLVED** to:

- **NOTE** the position as discussed

## **2c. POLICE SCOTLAND AUDIT AND IMPROVEMENT RECOMMENDATION TRACKER Q3**

Members considered the report which provided an update of current open recommendations from all audit and improvement activity. ACC Alan Speirs (ACCSpeirs) provided a summary of progress, as detailed in the paper.

In discussion the following matters were raised:

- Members agreed the amount of improvement action was both commendable and reassuring.
- Member sought further information on the methodology used to assess and prioritise recommendations. ACCSpeirs informed Members his team co-ordinate work against recommendations and acknowledge the importance of risk. Each recommendation is

categorised by risk to assist prioritising. Timings agreed against management responses also provide the opportunity to scrutinise priorities.

- Members requested future reports show indicative timings of those actions which are on hold.
- Members requested a briefing be provided on outstanding HMICS recommendations specifically relating to custody and data quality.
- Regarding the date against the Wellbeing report recommendations, Members raised concern on the lack of interim reporting before March 2022. However Members were informed that the detail and issues arising from the Wellbeing Report and staff survey would be reported to the People Committee, with further reporting to the full Authority meeting.

The Committee **RESOLVED** to:

- **NOTE** the position as discussed
- **AGREE** the following actions:

Future report to be updated to show indicative timings of those actions which are on hold.

20210505-AUD-002

Briefing to be provided on outstanding HMICS recommendations specifically relating to custody and data quality.

20210505-AUD-003

## 2d. SPA AUDIT AND IMPROVEMENT RECOMMENDATIONS UPDATE

Members considered the report which provided an update on current open recommendations from all SPA audit and improvement activity. John McNellis (JMcNellis) highlighted a number of key points as detailed in the paper.

In discussion the following matters were raised:

- Members welcomed the update. On enquiry members were assured SPA staff were mindful of reputational risks and continue to work to address ICO and HMICS recommendations
- The Committee Chair confirmed the Committee will maintain scrutiny of the performance against the SPA business plan, and will report to the Authority by exception.

- Members raised concern on the length of time taken to agree a draft National Record of Scotland Data Sharing Agreement and asked to be kept updated on the progress. Members were assured an agreement was expected shortly.

The Committee **RESOLVED** to:

- **NOTE** the report
- **AGREE** the following action:

Updated on progress of agreeing draft of National Record of Scotland Data Sharing Agreement.

20210505-AUD-004

## 2e. ICO REPORT – SPA PROGRESS UPDATE

Members considered the report which provided an overview of the Information Commissioners audit of SPA corporate / forensics services and an update on the progress of implementing the findings from their audit. JMcNellis highlighted a number of key points as detailed in the paper.

In discussion the following matters were raised:

- Members noted the rationale for closure on some recommendations appeared assertion based rather than evidence based. JMcNellis informed Members that whilst the recommendations were valid and agreed to when the audit was undertaken they are no longer considered current. Assurances were provided that the risks identified in the original report have been considered and addressed albeit in a different way from the original recommendation.
- Members were informed recommendations relating to auditing will be progressed internally following recruitment of additional staff within Information Management. Discussions were also underway regarding preparing an information management strategy to provide additional assurance.
- Members noted that while HMICS recommendations were formally "signed off" by HMICS, there is not a similar formal process for ICO recommendations.

The Committee **RESOLVED** to:

- **NOTE** the position

### 3. INTERNAL AUDIT REPORTS

#### 3a. PERFORMANCE MANAGEMENT

Members considered the final report on the review of performance management. Gary Devlin (GDevlin) highlighted a number of key points as detailed in the paper.

In discussion the following matters were raised:

- Members recognised it was a broad area for Internal Audit to assess, but welcomed the section on quality of data collection. Members explored the challenges around measuring data and how that data is linked to transformational work. Members noted the Policing Performance Committee had identified key areas which are reported to the full Authority, with transformational change reported to the full Authority every six months.
- Members queried the design principles and issues of quality assurance. GDevlin reflected that Internal Audit had identified the performance systems report on the basis of data held. He agreed there is a debate about what data is being looked at and what data should be looked at. Members agreed it would be useful to discuss the area further with the Chief Data Officer at a future date.
- Members were assured that SPA and Police Scotland were working together on benchmarking but analysing comparisons for a national force was an issue. Members requested further consideration is given to identifying whether the timeline for recommendation 1.1 will be place during the current financial year.
- On enquiry about Best Value, it was suggested that as Police Scotland have a performance management system to drive continuous improvement, Police Scotland could state they were demonstrating Best Value through that process.
- Members further discussed the scope of section 37 of the legislation plus existing guidance regarding Best Value. GDevlin advised specific guidance was used for SPA but recognised this could be clearer within the paper.
- Members were informed the draft assignment plan for data quality had been shared and would be brought to the Committee for approval imminently.

The Committee **RESOLVED** to:

- **NOTE** the report.
- **AGREE** the following action:

ACC Speirs to confirm whether the timeline for recommendation 1.1 will be in place during current financial year.

20210505-AUD-005

### 3b. PAYROLL

Members considered the final report on the review of payroll. ADiffin highlighted a number of key points as detailed in the paper.

Members agreed they were assured that required actions had been progressed. James Gray (JGray) agreed he was pleased with progress and improvements made.

The Committee **RESOLVED** to:

- **NOTE** the report.

### 3c. NON PAY EXPENDITURE FOLLOW UP

Members considered the follow up report on non-pay expenditure. ADiffin highlighted a number of key points as detailed in the paper.

In discussion the following matters were raised:

- Members noted a number of areas had not been tested within the live environment. ADiffin informed Members follow up work would be undertaken through the recommendation process and business as usual work. JGray added the second part of the report focussed on increasing efficiency and increasing controls which will roll over during the year. He noted a management report could be provided by the end of the year.
- Members discussed the information reported within the implication sections of the covering reports, noting it was not for Internal Audit to articulate the risk to equalities and other areas. Lynn Brown (LBrown) confirmed work was ongoing to improve the covering papers for Internal Audit reports.

The Committee **RESOLVED** to:

- **NOTE** the report

### 3d. HOME WORKING SECURITY

Members considered the final report on the review of home working security. GDevlin highlighted a number of key points as detailed in the paper.

In discussion the following matters were raised:

- ACCSpeirs informed Members Police Scotland felt there was a balanced approach in place with risks captured well. Information security had been the biggest issue but it is being managed. It is anticipated that going forward a blended working approach will be taken for those currently working from home.
- Members were informed detailed wellbeing reports had been brought to the Resources Committee where equality issues were highlighted and discussed. Equality outcomes and equality impact assessments are expected to be discussed through the People Committee.
- Internal audit confirmed that home working security was generally well handled.
- Audit Scotland confirmed they welcomed the undertaking and timing of the report.
- Members sought clarity on the timeline for the mobile devices recommendation. Andrew Hendry advised a programme plan could be shared.

The Committee **RESOLVED** to:

- **NOTE** the report.
- **AGREE** the following action:

In response to the deadline of recommendation 2.1, Andrew Hendry to provide further information on programme plan.

20210505-AUD-006

## 4. INTERNAL AUDIT ANNUAL REPORT

Members considered report which summarised the conclusions and key findings from the internal audit work undertaken at the SPA, Police Scotland and Forensics during the year ended 31 March 2021, including the overall opinion on the internal control systems within SPA, Police



Scotland and forensic services. GDevlin summarised a number of key points as detailed in the paper, highlighting the major milestone in having an un-qualified opinion for the first time.

In discussion the following matters were raised:

- Members discussed the inclusion and omission of SPA and Forensic Services within specific areas of the paper, noting this was deliberate due to some areas covered by service back arrangements from Police Scotland. LBrown acknowledged it was an unusual arrangement but the work of Internal Audit is to provide assurance for all three organisations.

The Committee **RESOLVED** to:

- **NOTE** the report.

## 5. PROJECT PLAN FOR PREPARATION OF ANNUAL ACCOUNTS

Members considered the paper which provided an update on the plan in place to deliver the draft Annual Report & Accounts by 21 June 2021 and the key milestones and reporting mechanisms in place to ensure the deadline is achieved. JGray highlighted a number of key points as detailed in the paper.

Members were advised the performance section of the annual report will be brought to the Policing Performance Committee in June 2021.

The Committee **RESOLVED** to:

- **NOTE** the report.

## 6. AUDIT SCOTLAND

### 6a. ANNUAL AUDIT PLAN 2021/22

Members considered the paper which presented the Annual Audit Plan 2021/22. Gillian Woolman (GWoolman) summarised a number of key points as detailed in the paper.

In discussion the following matters were raised:

- Members were assured that Audit Scotland did not anticipate the same access issues as experienced during the previous year.

- Members were informed that interim audit work had been challenging during the current period of remote working but continuity of the core staff team helped alleviate any problems.
- Members were advised that Audit Scotland will liaise with Internal Audit on core financial systems work.

The Committee **RESOLVED** to:

- **NOTE** the report.

### 6b. BEST VALUE

Members considered the paper which provided a summary of the role of audit in relation to the SPA and Police Scotland's arrangements for Best Value. Mark MacPherson summarised a number of key points as detailed in the paper.

In discussion the following matters were raised:

- Members were informed Best Value was included within the SPA Annual Business Plan and self-evaluation work would be included in work taken forward.
- Members were informed there was no guidance or best practice for documenting evidence, however previous reports for other government bodies would provide an indication of what has previously been looked at.
- GDevlin reflected that organisations which do best are those which have an internal framework of what good looks like and how it is monitored.
- Members were informed that Audit Scotland had attended the Police Scotland Senior Leadership Board where the Audit Scotland draft annual audit plan and best value paper was presented to allow Senior Leadership awareness of what external auditors would be looking at.

The Committee **RESOLVED** to:

- **NOTE** the report.

## 7. COMMITTEE GOVERNANCE

### 7a. ANNUAL REVIEW OF TERMS OF REFERENCE

The Committee Chair suggested any review be undertaken across all Committees within the whole organisation.

The Committee **RESOLVED** to:

- **NOTE** the update.

### 7b. COMMITTEE WORKPLAN

The Committee Chair requested the work plan be updated to highlight when all future Internal Audit reports are being presented.

The Committee **RESOLVED** to:

- **NOTE** the report.

SPA Chair, Martyn Evans, congratulated the Committee on the successes reported.

*end*