

## AUDIT, RISK AND ASSURANCE COMMITTEE

06 May 2020

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### Minute of the Scottish Police Authority Audit, Risk and Assurance Committee held on Wednesday, 06 May 2020 via tele-conference

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Board Members Present: Jane Ryder (Chair)  
Grant Macrae (Committee Member)  
Matt Smith (Committee Member)

In attendance: Police Scotland (PS)  
Deputy Chief Officer (DCO) David Page  
Assistant Chief Constable (ACC) Alan Speirs  
James Gray, Chief Financial Officer  
Fiona Miller, Enterprise Risk Manager

Scottish Police Authority (SPA)  
Lynn Brown, Interim Chief Executive  
Graham Stickle, Risk and Policy Specialist  
Lindsey Davie, Information Management Specialist (Item 7)  
Carol-Anne Hilley, Records Manager (Item 7)

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

Scott Moncrieff  
Gary Devlin, Relationship Partner  
Elizabeth Young, Head of Internal Audit  
Paul Kelly, Business Technology and Consulting

CIPFA  
Stuart Fair (Item 14)

HMICS (observing)  
Charlie Fisher (Items 1-8)

SPA Secretariat

Karen Vallance, Committee Co-ordinator

## 1. WELCOME AND STANDING ITEMS

The Chair welcomed everyone to the meeting, extending a warm welcome to Charlie Fisher from HMICS and Gillian Woolman (GWoolman) from Audit Scotland.

The Committee **RESOLVED** to:

- **NOTE** no apologies;
- **NOTE** a declaration of interest from Matt Smith regarding Item 14;
- **ADOPT** the minute of the 30 January 2020 meeting;
- **NOTE** the action log and that there were no matters arising;
- **AGREE** that, in accordance with paragraphs 21 and 22 of the SPA Standing Orders, the Board would consider items 15-17 in private for the reasons set out on the agenda.
- **NOTE** the Internal Audit Plan, Risk Framework, Excellence Framework and SPA Corporate Plan was discussed and approved at the Authority meeting in March 2020.
- **NOTE** that since the last Committee, Members had approved Internal Audit assignment plans for Data Protection and Retention.

## 2. PROJECT PLAN FOR PREPARATION OF ANNUAL ACCOUNTS

James Gray (JGray) referred to the paper which updated Members on the plan in place to deliver the draft Annual Report and Accounts by 22 June 2020, highlighting that the finance team continue to follow a project management style to prepare the annual report. Arrangements are in place to make sure work continues to be on track during the current lockdown arrangements and all key milestones have been met.

In discussion the following matters were raised:

- Members sought more information on the coordination of the accountability report. JGray informed Members that the first draft of the report is prepared by the Finance team, with input from SPA, however the performance section is drafted by SPA. A schedule of

weekly meetings are in place to discuss progress and any issues. Lynn Brown (LBrown) also advised that the Policing Performance Committee are involved during the drafting process of the performance section.

- Members questioned whether there is a general commitment to the original dates given the current situation around COVID-19. G Woolman responded that Scottish Government are taking cognisance of the situation and there has been a relaxation of some dates for some organisations. However, SPA and Police Scotland had advised they are in a position to reach the original agreed date.

The Committee **RESOLVED** to:

- **NOTE** the update

### **3. COVID-19 IMPACT**

#### **3a. OVERALL SPA APPROACH**

To open Item 3, the Chair advised she felt it appropriate as a matter of due process to publically document the Covid-19 impact on SPA and Police Scotland from an audit, risk and assurance perspective, although recognising that much of the information provided was already in the public domain.

LBrown referred to the report which provided Members with an overview of the overall SPA approach to Covid-19. She provided a summary of the priorities and confirmed that the Independent Advisory Group would be reporting to the Authority.

G Woolman noted Audit Scotland welcomed the reports on Covid-19 being included within Committee business. Gary Devlin (GDevlin) noted it was a comprehensive response.

The Committee **RESOLVED** to:

- **NOTE** the position

#### **3b. COVID-19 RISK MANAGEMENT**

ACC Alan Speirs (ACCSpeirs) referred to the report which provided an overview of the Police Scotland response to Covid-19, summarising the ongoing and changing demands and challenges faced by Police Scotland and the key risks and ongoing activity to address these risks. Fiona Miller (FMiller) highlighted:

- Operation Talla Risk Register currently has 42 risks.
- In addition, there is also an Operation Talla Recovery Risk Register which is managed by ACC Higgins and currently has 10 risks. The definition of Recovery is moving back to business as usual but a new business as usual.
- Work is ongoing to determine when risks become either response or recovery.
- All Operation Talla Risk Registers are closely managed through the Police Scotland Senior Management Team.

The Committee **RESOLVED** to:

- **NOTE** the position

### **3c. AUDIT, RISK AND ASSURANCE COMMITTEE APPROACH**

The Chair referred to the paper which summarised the role of the Committee in the context of the support, oversight and scrutiny applied to Police Scotland's role during the COVID-19 emergency. She highlighted that the same report had been publically reported to the Authority meeting on 30 April 2020.

GWoolman noted the paper provided helpful clarification on governance arrangements.

The Committee **RESOLVED** to:

- **NOTE** the position

## **4. INTERNAL AUDIT PROGRESS REPORT**

GDevlin provided a summary of the report which provided progress against the Annual Internal Audit Plan, and highlighted that work is ongoing to finalise the annual audit report. Scott-Moncrieff will liaise with LBrown on this. GDevlin also highlighted that the two ambers within Appendix 2 (progress against KPI's) were due to the impact of Covid-19.

In discussion the following matters were raised:

- With regard to the non-pay expenditure report, Members questioned if there was anything that the Committee should be aware of at this point. GDevlin responded that the previous Non-Pay Expenditure report identified several control weaknesses and Police Scotland have been engaged in work to address these control weaknesses.

However, it is constantly changing due to the dynamic environment of policing therefore completing the report in a way which captures progress and provides reassurance is challenging.

- With regard to the Cyber report, GDevlin confirmed that the report date would be met.
- Members discussed how Internal Audit could support and assist Police Scotland and SPA during the Covid-19 crisis. GDevlin observed that police forces in general were shown to be excellent in crisis management however this sometimes results in new expenditure and can impact on governance processes. Internal Audit has a role to play in reporting how that expenditure is being managed and ensuring the governance structures have proper stewardship over these payments. It was agreed there was scope for adjustment of the Internal Audit plan to respond to COVID 19 developments.
- Nevertheless Members noted their disappointment that the Demand and Productivity Report had not been completed, given the identified importance that it align with Strategic Workforce Planning. GDevlin agreed but advised that as all demand and productivity staff are now working on Covid-19 which is essential, it is the right outcome. David Page (DPage) informed Members of the essential Covid-19 related work currently undertaken by the department, highlighting that they were building a new data process for the new legislation which in turn is provided to Scottish Government for planning purposes.

The Committee **RESOLVED** to:

- **NOTE** the position

## **5. MANAGEMENT PROGRESS ON INTERNAL AUDIT ACTIONS**

GDevlin provided an overview of the paper which summarised management progress in completing management actions arising from Internal Audit reports. He highlighted that completion of a number of actions has been impacted by Covid-19.

In discussion the following matters were raised:

- Members sought further information on any trend analysis over the last 12 months. GDevlin identified 3 themes: the IT challenges of replacing manual working, the fact that so many of

recommendations had an HR dimension, particularly identifying issues of capacity, and the headwinds the Police were facing.

- With regards to actions past their due date, Members noted there were many with a revised timescale of July 2020 and questioned if Police Scotland were optimistic on reaching them. DPage observed that historically Police Scotland were not good at responding to actions. However, the organisation has built an audit capability and multiple Risk Registers which has helped prioritise work. Any date which seems overly optimistic is challenged but he was content with the direction of travel. DPage added that work in this area will be monitored closely as the organisation moves to a new business as usual.
- Members questioned if the revised timescales could be revised again and tightened. DPage answered that individual SRO's would be written to and asked whether a delay was required and, if so, a rationale was required to be put in writing. These responses would then be discussed with Internal Audit. GDevlin added that any agreed revised timescales would be reported at the next meeting.

The Committee **RESOLVED** to:

- **NOTE** the update

## 6. POLICE SCOTLAND AUDIT AND IMPROVEMENT TRACKER Q4 UPDATE

ACC Alan Speirs (ACCSpeirs) referred to the report which provided the Committee with an update of current open recommendations from all audit and improvement activity, highlighting that 42 dates had been missed as a consequence of Covid-19 work.

In discussion the following matters were raised:

- ACCSpeirs felt that the issues were less about capacity and resilience but that the last few months had been unprecedented with regard to Covid-19 and as such, work was continuing to reach a new business as usual.
- Members referred to the recommendations which related to disaster recovery and questioned whether there had been any lessons learned from current experiences. ACCSpeirs informed Members that a team had already been established to look at lessons learned.

- The Committee Chair noted that the addition of a 'Covid-19 impact' rag status on the trackers was very helpful.
- With regard to the HMICS report on Online Child Sexual Abuse, ACCSpeirs confirmed that Police Scotland were on schedule to respond to the recommendations.
- The Committee Chair noted the difference between internal audit reports, which included management actions, and HMICS published reports with recommendations where management subsequently considered an appropriate action plan. As the Committee has no sight of the action plan that meant it was hard to judge progress. ACCSpeirs agreed that the information provided did not provide content for Members to track progress. Charlie Fisher confirmed it seemed sensible for HMICS to speak to SPA and Police Scotland regarding responses to recommendations.

The Committee **RESOLVED** to:

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

SPA to meet with HMICS and Police Scotland regarding responses to recommendations from HMICS reports and how progress can be monitored. Meeting to be arranged.

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## 7. SPA AUDIT AND IMPROVEMENT RECOMMENDATIONS UPDATE

LBrown referred to the report which provided an update on current open recommendations from all SPA audit and improvement activity and provided a summary of each appendix. She highlighted that the SPA Improvement Plan tracker was being reported to the Audit, Risk and Assurance Committee for the first time.

In discussion the following matters were raised:

- Members agreed that it was good to see all areas being reported in the format provided.
- GDevlin advised that last year Internal Audit provided separate opinions with regards to the control environment for Police Scotland and the SPA. The information provided in the report would close the gap and should result in an unqualified internal audit.

- G Woolman added that she welcomed the manner in which some recommendations are being addressed.

The Committee **RESOLVED** to:

- **NOTE** the report

## **8. INTERNAL AUDIT REPORT: STRATEGIC WORKFORCE PLANNING**

G Devlin referred to the report highlighting that the audit did not provide the desired level of assurance that Police Scotland are on schedule to produce a robust Strategic Workforce Plan by November 2020. He provided a summary of the key findings and recommended areas of improvement in the paper.

In discussion the following matters were raised:

- D Page advised Members of the internal governance route, confirming that Jude Helliker is the SRO with management responses reported through the Internal Audit Board, People Board, Change Board and lastly, the Senior Leadership Board. He advised that the Chief Constable is taking personal interest in the management responses and work taken to address them.
- During discussion on Control Objective 2, Members agreed that the management response did not fully address the recommendation. D Page advised Members that a Strategic Workforce Oversight Board had been established by DCC Taylor in which there is representation from Scottish Government and the SPA Board and others. The Committee Chair requested Police Scotland management consider the Committees reflections that the management action proposed does not address the recommendations and risk of capacity and key person risk.
- Members questioned how long the Workforce Planning and Design Manager was contracted for. D Page confirmed that the Workforce Planning and Design Manager is a permanent member of staff. This removes the risk of contractor but he acknowledged it does not remove the risk of a single point of contact.
- During discussion on Control Objective 4, the Committee Chair noted that focus as appeared from the report is on divisional plans and felt the apparent absence of central services was a significant area of concern. D Page responded that this had been discussed



since the audit by senior management who acknowledged that the report focuses heavily on divisional plans; however, this is only one of three major components. The second component includes top down areas such as cyber capability and digital services; and the third component is corporate services. The Committee agreed that these areas needed to be addressed within the plan.

- With regard to section 4.1 on the production of Minutes, Members were of the opinion that the recommendation could be responded to fairly swiftly and questioned the due date of September 2020. DPage agreed to review the timeline.
- With regard to Control Objective 7, the Committee Chair noted that the due date was April 2021 and questioned whether there *were* any interim steps. DPage advised he anticipated there would be interim milestones so that progress can be measured. He would confirm.
- Members also raised concern that the Demand and Productivity Unit audit was delayed and noted it would have been beneficial to review together with the Strategic Workforce Planning audit.
- In closing, Members agreed with the view of Internal Audit that the audit did not provide the desired level of assurance that Police Scotland are on schedule to produce a robust Strategic Workforce Plan by November 2020.
- As Strategic Workforce Planning is a standing item at the Resources Committee, Members agreed to immediately refer the Internal Audit report back to the SRO for further consideration, and refer the whole report with reference to the ARAC concerns to the Resources Committee in June (and a recommendation that the SRO attend). Members agreed auditors suggestion that it would useful for Internal Audit representatives to attend the Resources Committee. If there is not satisfactory progress by the next Audit, Risk and Assurance Committee in July 2020, it will be formally escalated to the Board.

The Committee **RESOLVED** to:

- **NOTE** the report
- **REFER** the report to the Resources Committee in June 2020 as minuted
- **AGREE** the following actions:

David Page to confirm timeline with respect to control objective 4.1

David Page to confirm whether interim milestones are in place in respect of control objective 7.

## 9. INTERNAL AUDIT REPORT: TRANSFORMATIONAL CHANGE

Paul Kelly (PKelly) referred to the report and provided a summary of the key findings and areas of improvement noted within the paper.

In discussion the following matters were raised:

- The Committee sought further information on the methodology and governance used for benefit realisation. DPage advised that Andrew Hendry (Chief Digital and Information Officer) is now responsible for the portfolio to oversee benefits realisation and all work had been reported through the Change Board.
- In response to questions on timescales, DPage confirmed that timelines were realistic and all recommendations would be delivered on time.

The Committee **RESOLVED** to:

- **NOTE** the report

## 10. INTERNAL AUDIT REPORT: RELOCATION COSTS

Elizabeth Young (EYoung) referred to the report and provided a summary of the key findings and areas of improvement noted within the paper. She stated that SPA and Police Scotland had confirmed due dates were achievable. She observed that actions already being undertaken to approve new procedures would address the issues raised.

In discussion the following matters were raised:

- G Woolman advised the Committee that Audit Scotland would be looking to determine what recommendations from a previous review were implemented. G Devlin added that the report reflected all Audit Scotland recommendations which had not been complete.
- Members agreed the number of weaknesses identified in the report were concerning.

The Committee **RESOLVED** to:

- **NOTE** the report.

## 11. INTERNAL AUDIT REPORT: PRODUCTIONS

EYoung referred to the report and provided a summary of the key findings and areas of improvement in the report. She stated that clarity was required on the revised business plan.

In discussion the following matters were raised:

- Members observed that while ongoing project performance is reported by the Chief Constable at Authority Meetings, progress on productions has not been specifically mentioned. EYoung acknowledged that the reference to reporting by the Chief Constable within the report could be made clearer.
- DPage advised Members that the organisation is keen to progress the project, however funding is an issue. Problems are consistently being addressed although the root cause is not.
- The Committee discussed the potential changes to productions in respect to the new normal following Covid-19 and the much wider potential for greater reliance on digital technology, which called into question whether this was now in fact a project that should proceed as envisaged, or required a wholly different approach. The Chair noted that the project may potentially be a topic for future discussion at full Authority level.

The Committee **RESOLVED** to:

- **NOTE** the report.

## 12. AUDIT SCOTLAND PROGRESS REPORT

Pauline Gillen provided a summary of the report which provided an update on audit progress since the last Committee on 30 January. She highlighted:

- Control and interim work commenced in January before lockdown measures were introduced. However, there have been some delays in completing some elements of planned work due to restricted measures in place for Covid-19. However, regularly engagement continues with Police Scotland via tele-conference.

- The challenge in finding an appropriate IT solution to enable data sharing had provided additional problems due to the current working conditions. Discussions were ongoing to establish technical requirements to resolve the matter and Audit Scotland were pleased with the work done by LBrown to address the issue.

GWoolman added that the Auditor General had attended the Public Audit and Post-Legislative Scrutiny Committee on 5 May to give evidence on the impact of Covid-19 on Audit Scotland's work. Thereafter Audit Scotland had published a statement on their own Covid-19 response and GWoolman advised she would send an online copy to LBrown for onward circulation.

The Committee **RESOLVED** to:

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

Gillian Woolman to circulate Audit Scotland online statement to Lynn Brown for circulation to Members.

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### 13. COMMITTEE GOVERNANCE

#### 13.1 AUDIT, RISK AND ASSURANCE COMMITTEE ANNUAL REPORT

The Chair provided a summary of the report which provided an account of the Committee's activities, and offers the Committee's view of the internal control environment, to assist with the preparation of the Annual Governance Statement. Members agreed the report and the Chair confirmed that the paper would be presented to the SPA Board

GDevlin stated that Internal Audit welcomed the report and suggested consideration be given to including the CIPFA report (the following item) when presenting to the Authority.

The Committee **RESOLVED** to:

- **AGREE** the report.

#### 13.2 AUDIT, RISK AND ASSURANCE COMMITTEE WORKPLAN

The Committee **RESOLVED** to:

- **NOTE** the current workplan , although this may be adjusted in light of COVID19 and other developments

#### 14. CIPFA BENCHMARKING REPORT

Stuart Fair (SFair) provided an overview of the report, summarising the outcome of the Police Scotland CIPFA Five Star Financial Management Model Assessment undertaken in autumn 2019. He drew Members attention to the specific strengths and areas of improvement identified. Comparing to other command and control organisations, he confirmed that Police Scotland's outcome was strong.

JGray added that Police Scotland are now working on an action plan to deliver the recommendations, highlighting that the restructure of the Finance Department allows the capability to take things forward.

In discussion the following matters were raised:

- The Chair thanked SFair for the presentation, noting the report was an excellent read in terms of substance. She commended the results, including the endorsement of the quality of internal financial management now achieved. The Committee noted the weaknesses around financial resilience, which were consistent with the analysis by Audit Scotland, SPA and others.
- An update report on the action plan for early 2021 should be added to the Committee work plan.
- G Woolman and G Devlin both agreed it was helpful to have sight of a comprehensive report.
- LBrown added it was heartening to see how well the Police Scotland finance team were doing and congratulated DPage, JGray and their teams.

The Committee **RESOLVED** to:

- **NOTE** the report.