

Meeting	Audit Risk and Assurance Committee
Date	28 January 2021
Location	Video conference
Title of Paper	Internal Audit Annual Plan 2021/22 – SPA overview
Presented By	John McNellis Head of Finance, Audit & Risk
Recommendation to Members	For Consultation
Appendix Attached	Yes – Appendix A (SPA overview of the internal audit planning process)

PURPOSE

To provide Members with an introduction and overview of the internal audit planning process for 2021/22 offering assurance of the robust approach undertaken.

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 consultation.

1. BACKGROUND

- 1.1 In advance of the financial year the SPA's internal auditors produce an internal audit plan setting out their proposed work plan for the financial year ahead in addition to confirming the internal audit charter.
- 1.2 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

- 2.1 SPA officials have worked with internal audit on the development of the proposed plan.
- 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 SPA officials including the Accountable Officer endorse this plan for the Audit Risk and Assurance committee consultation and SPA Board approval.

3. FINANCIAL IMPLICATIONS

- 3.1 The internal audit service is undertaken within an approved contract and the cost of providing the service has been included in the draft 2021/22 budget.

4. PERSONNEL IMPLICATIONS

- 4.1 There are no personnel implications associated with this paper. The internal audit service is provided by an external contractor.

5. LEGAL IMPLICATIONS

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

6. REPUTATIONAL IMPLICATIONS

- 6.1 There are no reputational implications associated with this paper.

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 equalities implications associated with this paper.

10. ENVIRONMENT IMPLICATIONS

10.1 There are no specific environmental implications associated with this paper. It is worth noting that the proposed internal audit plan includes a proposed audit on 'environmental impact'.

RECOMMENDATIONS

Members are requested to note the report and the assurance provided by SPA officials in setting the annual internal audit plan 2021/22.

OFFICIAL

SCOTTISH POLICE
AUTHORITY

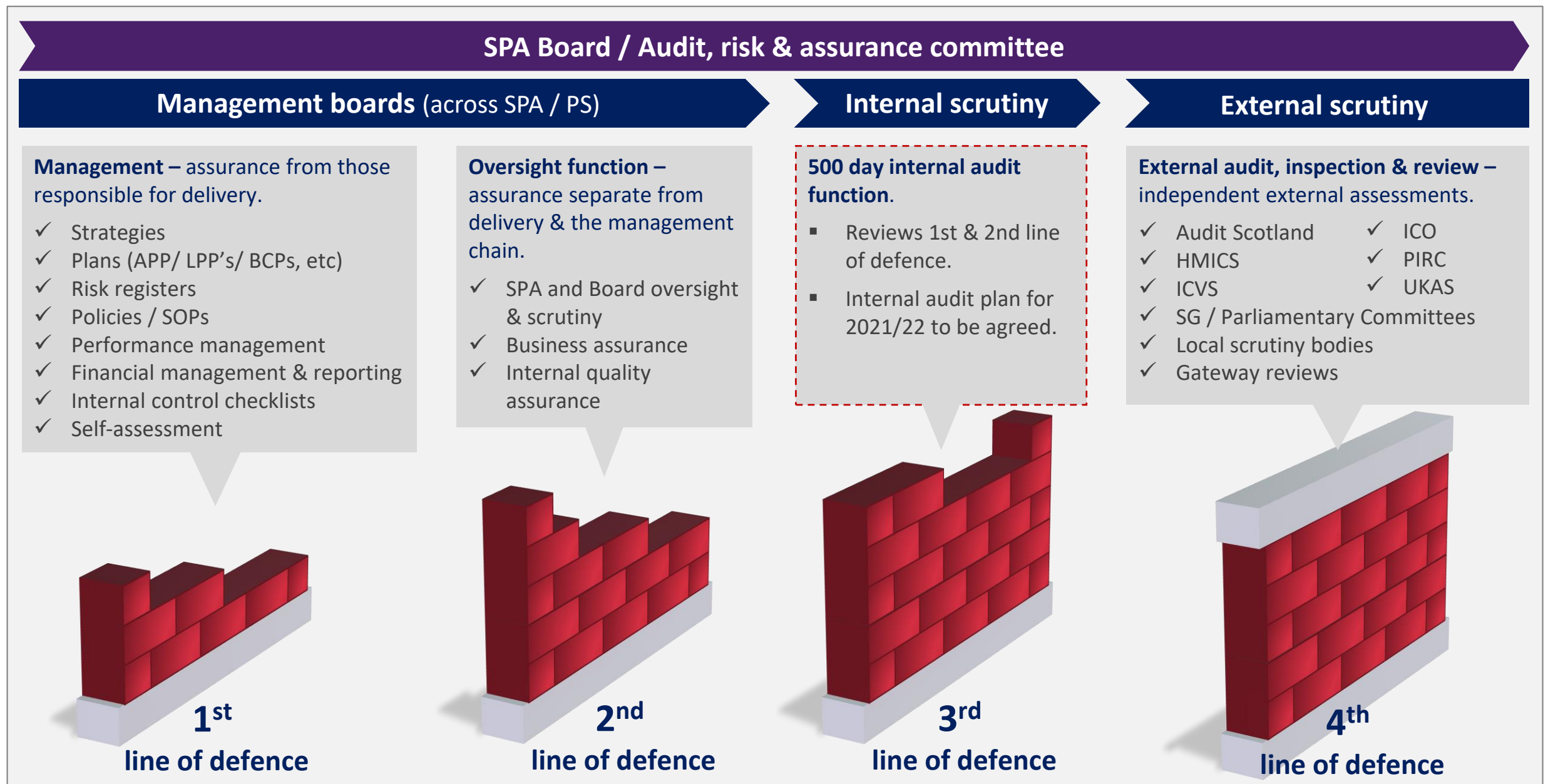
Internal audit plan 2021/22

SPA overview of the internal audit planning process

JANUARY 2021

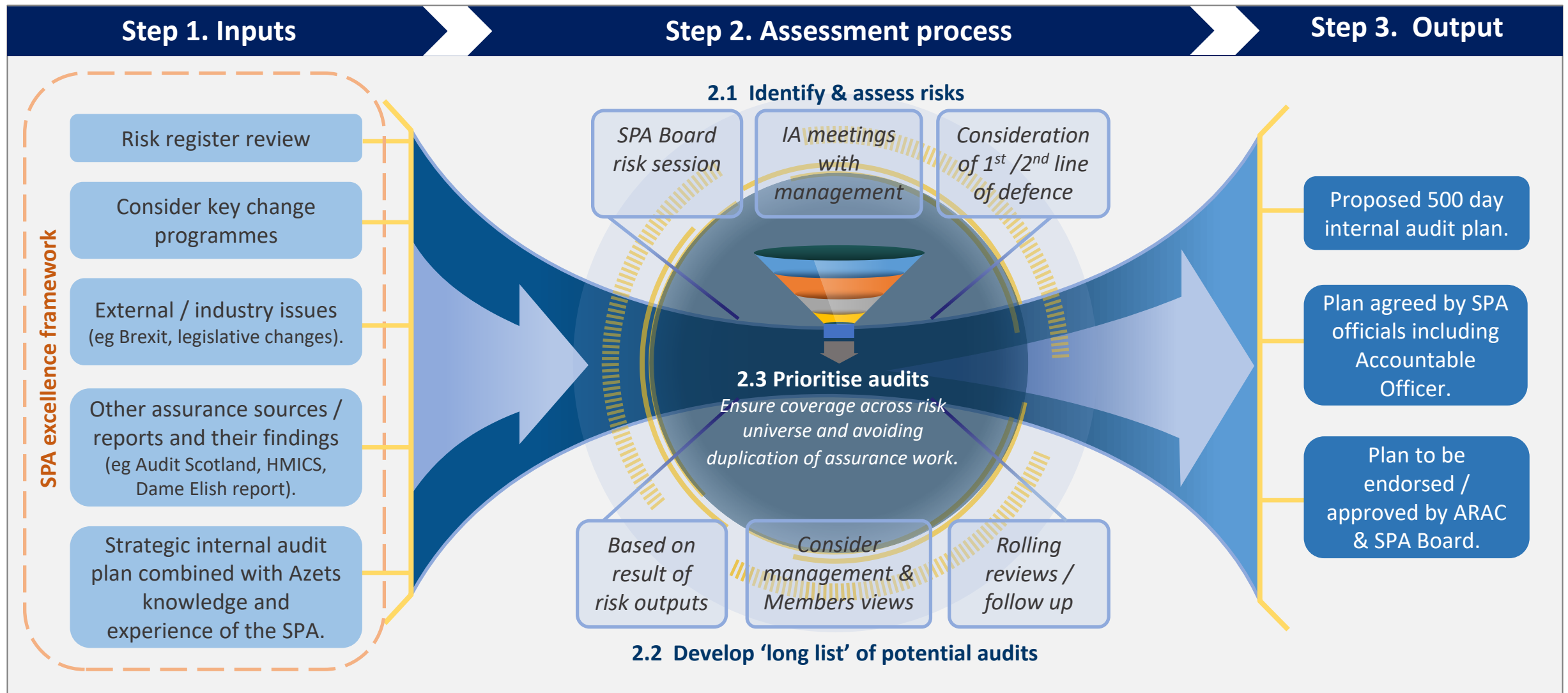
Context: SPA excellence framework

In 2019, internal audit worked with the service to develop an assurance map using the four lines of defence model as part of the SPA excellence framework. The SPA's line of defence model and sources of assurance are summarised below. This report focuses on third line of defence; assurance provided to the service and Members by independent internal auditors.



Internal audit planning process

This diagram summarises the planning and assurance processes to set the 2021/22 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.

Summary of proposed audit plan

Internal audit plan 2021/22

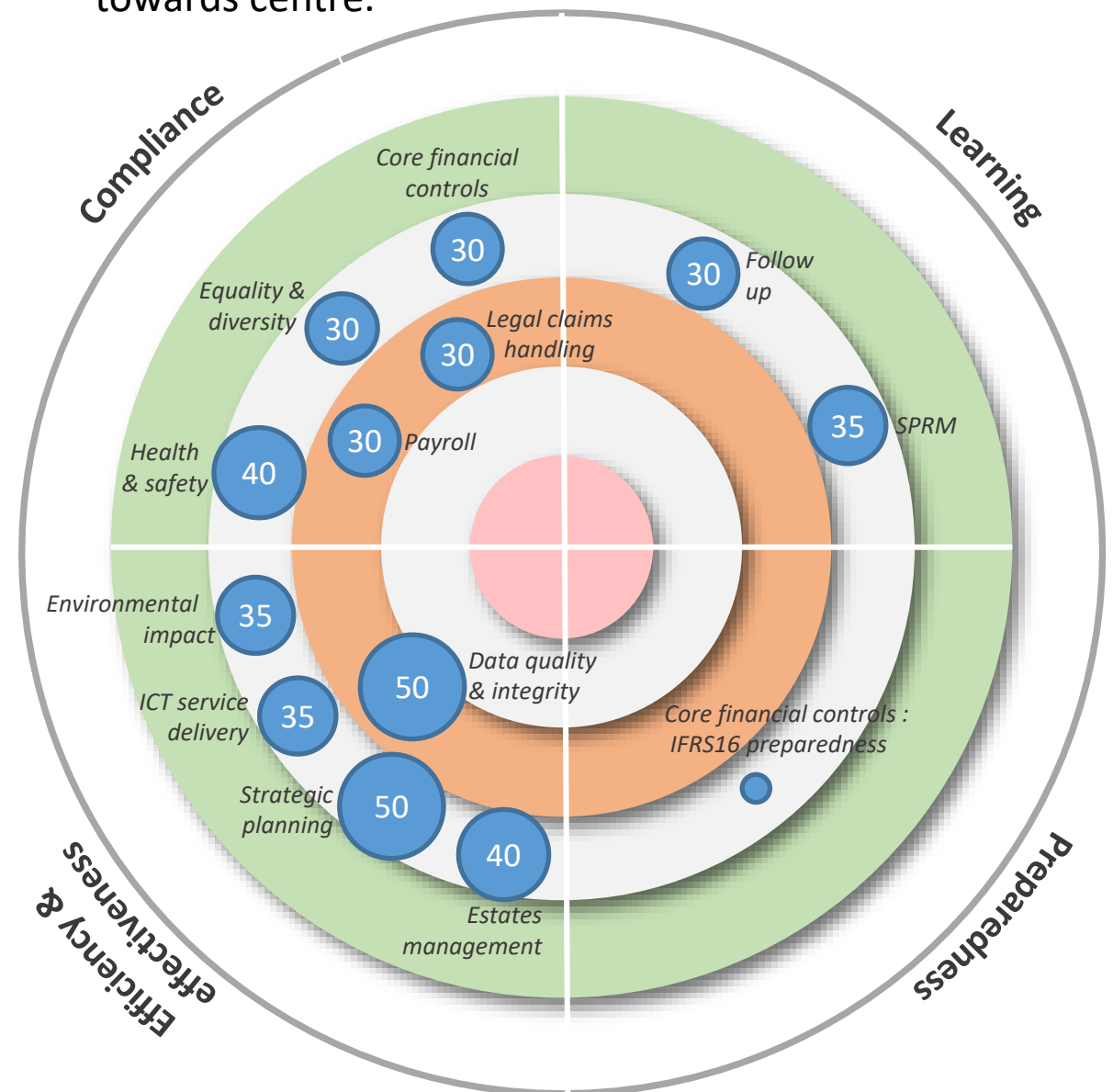
- Following the methodology outlined, Azets have proposed an internal audit plan for 2021/21.
- The SPA has been involved in its development, considered this plan and agrees that it provides **appropriate coverage** across the audit universe and appropriately **responds to risk** whilst taking account of consideration from Members and management alike.
- SPA officials including the Accountable Officer endorse this plan for the Audit Risk and Assurance committee consultation and SPA Board 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. This process is new to the SPA and is intended to gain qualitative feedback on internal audit performance.

Risk radar

- Summary of planned internal audits classified by the excellence 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.