

AUDIT, RISK AND ASSURANCE COMMITTEE

15 July 2021

Minute of the Scottish Police Authority Audit, Risk and Assurance Committee held on Thursday 15 July 2021 via video-conference

Board Members Present: Jane Ryder (Committee Chair)
Grant Macrae (Committee Member)
Katharina Kasper (Committee Member)
Catriona Stewart (Committee Member)
Martyn Evans (SPA Chair) (Items 1- 5)
Michelle Miller (Board Member) (Items 1- 4)

In attendance: Police Scotland
David Page, Deputy Chief Officer
Chief Superintendent Andy McDowall
Chief Superintendent Richard Thomas
Alasdair Corfield, Financial Controller
Fiona Miller, Enterprise Risk Manager
Donna Adam, Audit Manager (Items 1- 4)

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
Amanda Coulthard, Head of Strategy and Performance

Audit Scotland

Gillian Woolman, Audit Director
Pauline Gillen, Senior Audit Manager

Scott Moncrieff

Gary Devlin, Relationship Partner
Matthew Swann, Associate Director

HMICS
Gill Imery
Tina Yule

SPA Secretariat
Karen Vallance, Governance Support Officer

1. WELCOME AND STANDING ITEMS

The Committee Chair opened the meeting and confirmed the video-conference contingency arrangements.

The Committee Chair welcomed Board Member Michelle Miller who was attending in her capacity as Whistleblowing Champion, and Gill Imery and Tina Yule from HMICS.

The Committee **RESOLVED** to:

- **NOTE** no Committee Member apologies;
- **NOTE** no declarations of interest;
- **ADOPT** the minute of the 05 May 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 7-12 in private for the reasons set out on the agenda.

2. WHISTLEBLOWING

2a. SPA ANNUAL REPORT

Members considered the report which outlined the overall outcome and planned actions for 2021/22 as a result of the recent SPA self-assessment against the Whistleblowing Commission Code of Practice, and provided an update in relation to the outcome of the six monthly assurance process. Lynn Brown (LBrown) highlighted a number of key points as detailed in the paper.

In discussion the following matters were raised:

- Members requested progress on training implementation be included within the next 6 monthly report.

- Michelle Miller (MMiller), in her capacity as Board Whistleblowing Champion, urged both SPA and Police Scotland to explore the extent to which people are comfortable using the policy, and if they aren't, establishing the reasons why.
- Noting the previous discussions with regard to a joint policy, MMiller noted it would be beneficial to have one policy with different work flow diagrams on implementation. However, she acknowledged if a joint policy required investment and individual policies were fit for purpose then there may not be a requirement for a joint one.
- The Committee Chair noted the additional oversight from the recently established People Committee was helpful.

The Committee **RESOLVED** to:

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

6 monthly reports from both SPA and Police Scotland to include information on training and how staff confidence in the process is measured.

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2b. POLICE SCOTLAND WHISTLEBLOWING ANNUAL REPORT

Members considered the report which provided an update in relation to Police Scotland's Whistleblowing data for Financial Year 2020/21, and outlined Police Scotland's planned actions for Financial Year 2021/22 in relation to the governance of Whistleblowing matters. Chief Superintendent Andy McDowall (CSMcDowall) highlighted a number of key points as detailed in the paper.

In discussion the following matters were raised:

- While low numbers may be due to reporting through other mechanisms, members raised concern that those other channels are not reported to the Committee.
- Members sought information on what assurance is in place for assessments, and were informed the gateway was a hierarchical structure with only certain staff having access to assessments which are not widely shared.
- Members were advised Police Scotland recognise the need to review the policy, following the self-assessment, and that this would be progressed.

- Members were assured equality and diversity work currently undertaken would take into account whistleblowing reporting and impact.

The Committee **RESOLVED** to:

- **NOTE** the report

3. HMICS

The Committee Chair confirmed the Committee were keen to focus not only on internal audit but also on audit and assurance activity from HMICS. The Committee Chair welcomed the suite of documents including the governance pathway document presented by SPA.

3a. GOVERNANCE PATHWAY

Members considered the report which provided an overview of the SPA's updated approach to formally considering and monitoring HMICS reports. John McNellis (JMcNellis) summarised a number of key points as detailed in the paper. LBrown highlighted that HMICS reports and recommendations are made public and Members will be provided with the report and, critically, the agreed management action plans at the earliest opportunity.

In discussion the following matters were raised:

- The Committee Chair confirmed it was valuable for the Audit, Risk and Assurance Committee to see recommendations and action plans whilst other Committees may also be presented with appropriate reports and plans .
- Gill Imery (GImery) confirmed she welcomed the opportunity for HMICS to speak to Committees on specific reports, and supported the governance pathway.

The Chair proposed the desirability of seeing the end to end process, noting that the paper clarified the correct entry point but it would also be helpful to clarify the end of the process, including arrangements for closure and reporting to the Committee.

The Committee **RESOLVED** to:

- **NOTE** the report.

- **AGREE** the following actions:

Arrangements for closure be added to the pathway document, providing a full picture of end to end process

3b. HMICS SCRUTINY PLAN 2021/22

Members considered the HMICS Scrutiny Plan 2021/22. GImery provided a summary of intended reports detailed within the scrutiny plan.

In discussion the following matters were raised:

- Members noted the COP26 report will be reported to the COP26 Oversight group, and the Audit, Risk and Assurance Committee will rely on assurance from that group.
- Members were advised recommendations are ordered to follow the HMICS inspection framework. GImery acknowledged the order may not give the right impression in respect of prioritisation of importance from HMICS perspective but this be reconsidered during the HMICS methodology review.
- Members were informed HMICS had been in discussions with NHS Scotland since 2016 but progress on a joint scrutiny plan had been slow. Work undertaken by Police Scotland on developing custody as an opportunity to intervene with people in a time of crisis had been done without the commitment given by the NHS.
- Members were informed officers seconded from Police Scotland to HMICS had returned following the initial Covid-19 response.

The Committee **RESOLVED** to:

- **NOTE** the report.

3c. HMICS REPORT: HATE CRIME

Members considered the HMICS report on hate crime. GImery highlighted a number of key points as detailed in the paper and informed Members that as the time of scrutiny was elongated, HMICS were able to see during that period that Police Scotland had identified a lot of areas for improvement and had taken action.

In discussion the following matters were raised:

- Members were assured Police Scotland begin consultation with HMICS during an early draft of all action plans, and further

discussions were due to take place imminently regarding the hate crime report.

- Members were informed the intention to implement the Hate Crime Act will allow clarity on legislation which will positively impact the ability to track quantitative analysis.
- LBrown reiterated the importance of avoiding duplication of reporting to the SPA, and as such HMICS reports would be presented to the most appropriate Committee with recommendation progress updates brought to the Audit, Risk Assurance Committee.

The Committee **RESOLVED** to:

- **NOTE** the report

4. AUDIT AND IMPROVEMENT PROGRESS

4a. HMICS RECOMMENDATIONS: POLICE SCOTLAND UPDATE

Members considered the report which provided an update on the status of HMICS recommendations. Chief Superintendent Richard Thomas (CSThomas) summarised a number of key points as detailed in the paper.

In discussion the following matters were raised:

- Members were provided with detail on the membership of the Police Scotland Audit and Risk Board co-chaired by DCC Taylor and DCO David Page and noted the officers attending provided the meeting with high level visibility.
- Members requested consideration be given to bringing forward recommendation due dates.
- Members were assured that HMICS had approved the strategic improvement plan for the HMICS Crime Audit report.

The Committee **RESOLVED** to:

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

Due dates to be revisited to determine whether any can be brought forward.

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4b. HMICS RECOMMENDATIONS: SPA UPDATE

Members considered the report which provided an update on the status of HMICS recommendations. JMcNellis summarised a number of key points as detailed in the paper.

Members were advised SPA were vigorously working to progress actions however it was unlikely they would all be closed by the next meeting. Progress would be focused on recommendations which were within in SPA's control,

The Committee **RESOLVED** to:

- **NOTE** the report.

4c. INTERNAL AUDIT PROGRESS REPORT

Members considered the report which provided an update on progress against the Annual Internal Audit Plan. Matthew Swann (MSwann) summarised a number of key points as detailed in the paper and corrected an error, confirming the Estates Management Report would be reported in January 2022 not September 2021.

In discussion the following matters were raised:

- Members agreed that the planned internal audit on Equality & Diversity would be withdrawn to avoid duplication with HMICS' ongoing work. At this time no additional audit work is planned, however, the Authority may use the available days to meet emerging demands.
- Members discussed the differences of timing between development of the Internal Audit Plan and the HMICS Scrutiny Plan and confirmed discussion should be undertaken to improve alignment of timing which would also avoid the risk of duplication.
- Members discussed with Gary Devlin (GDevlin) and Gillian Woolman (GWoolman) whether the core financial systems audit can be completed earlier in the year. Advice was given that the report would look at new accounting standards so there would be a limit on how much work can be completed earlier.

The Committee **RESOLVED** to:

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

SPA staff discuss with HMICS and internal auditors to secure better alignment of planning.

4d. MANAGEMENT PROGRESS ON INTERNAL AUDIT ACTIONS

Members considered the report which provided an update on management progress in completing management actions arising from internal audit reports. MSwann summarised a number of key points as detailed in the paper.

Members discussed the advantage of key areas or concerns highlighted in the covering paper being correlated within the main report. MSwann agreed to work with SPA colleagues to ensure this change.

The Committee **RESOLVED** to:

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

Key areas or concerns to be highlighted within cover paper and correlated within main report.

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4e. POLICE SCOTLAND AUDIT AND IMPROVEMENT RECOMMENDATION TRACKER QUARTER 1

Members considered the report which provided an update of current open recommendations from all audit and improvement activity. CSThomas summarised a number of key points as detailed in the paper.

In discussion the following matters were raised:

- Members commended the report for accessibility and noted the progress documented.
- Members sought further information on impact analysis and heard it was an area which required improvement as the closure of a recommendation does not of itself demonstrate desired impact

The Committee **RESOLVED** to:

- **NOTE** the report.

4f. SPA AUDIT AND IMPROVEMENT RECOMMENDATION TRACKER

Members considered the report which provided an update of current open recommendations from all audit and improvement activity. JMcNellis summarised a number of key points as detailed in the paper.

In discussion the following matters were raised:

- Members commended the accessibility of the report and noted the progress documented.
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- Members heard the overdue ICO actions were due to tender timing being impacted by Covid-19.

The Committee **RESOLVED** to:

- **NOTE** the report.

5. AUDIT SCOTLAND MANAGEMENT REPORT

Members considered the report which provided a summary of the key issues identified during the interim audit work carried out at the SPA. Pauline Gillen (PGillen) highlighted a number of key points as detailed in the paper.

In discussion the following matters were raised:

- Members heard the wider dimension audit which includes financial sustainability, financial management, governance and transparency, and value for money had been started but was not commented on further in the report. A more detailed update will be provided in September 2021 when the financial statements audit is complete.
- Members were informed Audit Scotland were content with the management response to the issue of employee validation checks, noted in Exhibit 1 within the paper.
- Members requested a target date be confirmed for the work undertaken in relation to the changes to supplier details issue, within exhibit 1.

The Committee **RESOLVED** to:

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

Target date to be confirmed for work undertaken in relation to changes to supplier details.

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6. SPA BEST VALUE WAY FORWARD

Members considered the paper which provided an overview of the Authority's requirements in respect of Best Value and to outline the SPA's approach to demonstrating Best Value. JMcNellis summarised a number of key points as detailed in the paper.

In discussion the following matters were raised:

- Members questioned how SPA would capture reconciliation between the 2012 legislation, Audit Scotland characteristics and Scottish Government guidance. Members heard the 2012 Act describes Best Value as value for money but the definition has since evolved and Audit Scotland characteristics are best practice. Members were assured SPA will take cognisance of all guidance from the Act, Audit Scotland, Scottish Government and any other appropriate guidance.
- G Woolman welcomed the paper and noted it was a good way to disseminate messages, however highlighted that the Audit Scotland characteristics were not Audit Scotland's but taken from the Scottish Public Finance Manual therefore were concurrent with Scottish Government thinking.
- Members were informed that the self-assessment will be completed by the end of the year which will include benchmarking.
- Members were informed the SPA have responsibility for Best Value within SPA corporate and Forensic Services. The Chief Constable has responsibility for Best Value within Police Scotland, with SPA's role being to confirm that it can be demonstrated.
- Members were provided a summary of Best Value work, from a Police Scotland perspective, noting Police Scotland met with Audit Scotland in 2017 to discuss Best Value toolkits, and have since used these as a platform to make improvements, such as restructuring the finance function. Members heard that while huge strides in financial improvements have been made, there will still be pockets for improvement due to the organisation's size. However there is a focus on e continual improvement within organisational culture.

The Committee **RESOLVED** to:

- **NOTE** the report and agree the proposals.

7. AUDIT, RISK AND ASSURANCE COMMITTEE WORK PLAN

The Committee Chair highlighted the number of Internal Audit Reports due in May 2022 and requested consideration be given to bring some forward.

The Committee **RESOLVED** to:

- **NOTE** the report.

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