

The Scottish Police Authority

External Audit Progress Update 2019/20



Prepared for the Scottish Police Authority
May 2020

Audit Scotland is a statutory body set up in April 2000 under the Public Finance and Accountability (Scotland) Act 2000. We help the Auditor General for Scotland and the Accounts Commission check that organisations spending public money use it properly, efficiently and effectively.

External Audit Progress Update

1. The purpose of this paper is to provide an update on audit progress since the last Audit Committee on 30 January 2020.

Section 22 report on the 2018/19 audit of the Scottish Police Authority

2. The Section 22 report on the 2018/19 audit was presented to the Scottish Parliament's Public Audit and Post Legislative Scrutiny Committee (PAPLS) on 9 January 2020. Members of the committee chose to hold an evidentiary session which took place on 27 February 2020. Verbal evidence was taken from representatives from the Scottish Police Authority, Police Scotland, the Scottish Government, and the former chair of the Authority.
3. In both sessions the need to review the overall system of governance and scrutiny of policing and the current roles and responsibilities was discussed. In response the Cabinet Secretary for Justice convened a Policing Governance Roundtable which met on 11 March 2020 and forms part of a wider government review of the governance and scrutiny structures and processes in place.

2019/20 audit team

4. Gillian Woolman has been appointed as the engagement lead for the audit, taking over from Stephen Boyle from March 2020. Stephen will begin his new role as Auditor General for Scotland on 1 July 2020.

2019/20 audit progress

5. Our annual audit plan was presented to the Audit Committee in January 2020. Following this, we began testing of the key controls within the financial systems of Police Scotland, to gain assurance over the processes and systems used in preparing the financial statements. The results of this testing will determine our audit approach for the audit of the 2019/20 financial statements.
6. As expected, there have been some delays in completing elements of our planned work due to the restriction measures in place for Covid-19. However, we have been able to complete a significant amount of our planned work including reviewing:
 - Bank and feeder system reconciliations
 - Payroll validation and exception reporting
 - Journal authorisations

- Budget monitoring arrangements.
7. We will report our findings to the Audit, Risk and Assurance Committee in July 2020.
 8. In line with our annual audit plan, we have carried out a detailed review of the work carried out by internal audit on payroll controls and following our checks and reperformance testing, have been able to place reliance on the work that they carried out. The control environment for payroll has improved significantly following the completion of the move to the national payroll system, iTrent. However as internal audit found weaknesses in controls around change forms (starters and leavers), we have not been able to reduce our planned substantive testing.
 9. We have started our substantive testing to support our financial statements audit, carrying out work on income transactions, board members expenses and payroll testing. We will continue progressing this, however there have been some delays resulting from the Covid-19 restrictions.
 10. We continue to work on the wider code risks which were identified in the annual audit plan and will report as appropriate in our annual audit report.

2019/20 Annual Report and Accounts arrangements

11. Due to the unique circumstances we are facing this year, we have put in place additional arrangements to engage with the Police Scotland finance team, whilst they are preparing the annual report and accounts with colleagues from the Scottish Police Authority. We are having weekly catch up meetings and are having early discussions on account areas where there is increased judgement and estimation, including; pension valuations, property valuations and provisions.
12. We still face challenges in finding an appropriate IT solution to enable data sharing by a method which meets the data sharing technical requirements for both Audit Scotland and Police Scotland/Scottish Police Authority.
13. As outlined in the audit timetable in our annual audit plan, our annual audit report is scheduled to be presented to the September Audit, Risk and Assurance Committee and the September Authority meeting. We will continue to work with Police Scotland and Scottish Police Authority staff to progress the audit in line with that original timetable as far as possible.