

AUDIT, RISK AND ASSURANCE COMMITTEE

16 July 2020

**Minute of the Scottish Police Authority Audit, Risk and Assurance
Committee held on Wednesday, 16 July 2020 via video-conference**

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

In attendance: Police Scotland
Deputy Chief Constable Fiona Taylor (Item 1 - 3)
Assistant Chief Constable Alan Speirs
James Gray, Chief Financial Officer
Jude Helliker, Director of People and Development (Items 1 - 3)
Tom McMahon, Director of Strategy and Analysis (Items 1 - 3)
Andrew Hendry, Chief Digital and Information Officer
Fiona Miller, Enterprise Risk Manager

Scottish Police Authority
Lynn Brown, Interim Chief Executive
Graham Stickle, Risk and Policy Specialist
Lindsey Davie, Information Management Specialist (Item 4)
Carol-Anne Hilley, Records Manager (Item 4)

Forensic Services
Craig Donnachie, Head of Quality (Item 3)

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

Scott Moncrieff
Gary Devlin, Relationship Partner
Paul Kelly, Business Technology and Consulting

Andrew Diffin, Assistant Manager

HMICS (observing)

Dave Hair

SPA Secretariat

Karen Vallance, Committee Co-ordinator

1. WELCOME AND STANDING ITEMS

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

The Committee **RESOLVED** to:

- **NOTE** no Board Member apologies;
- **NOTE** no declarations of interest;
- **ADOPT** the minute of the 06 May 2020 meeting, with the following amendments:
 - Pauline Gillen job title amended to 'Senior Audit Manager'
 - Item 12 title amended to 'Audit Scotland Progress Report';
- **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 7-13 in private for the reasons set out on the agenda.
- **NOTE** Item 6 would be deferred for further discussion.

2. STRATEGIC WORKFORCE PLANNING UPDATE REPORT

The Chair reminded Members that at the previous Committee, Members raised concern around the scope of planning, particularly for corporate services, including cyber-capability. Jude Helliker (JHelliker) advised that it had been considered that corporate services would be incorporated into SWP at the aggregation stage as the Transforming Corporate Support Services (TCSS) Programme will be eliciting information to populate the plan. Therefore, the team are working closely with Tom McMahon. The TCSS programme board has been re-established under a new terms of reference to include middle office and business support units to allow a

consistent approach. She also confirmed the Cyber strategy is in development and will be incorporated at the aggregation stage (stage 10).

In discussion the following matters were raised:

- Members sought assurance on the scoping of what is the cyber requirement JHelliker responded that stage 5 has been completed and signed off which includes significant issues around cyber capacity and the need to grow it. It will be scrutinised further under stages 8 and 9 and will be progressed further during aggregation (stage 10). JHelliker noted she was confident that all issues would be covered within the agreed timescales.
- DCC Fiona Taylor (DCCTaylor) confirmed she shared that confidence in the work being progressed and the robust internal governance arrangements. She stated she had significant confidence in the Senior Management Team to deliver the plan.
- Gary Devlin (GDevlin) advised Members he had attended the Resources Committee where the Internal Audit report had been thoroughly reviewed. He urged caution at the timeframe reduction for stage 11, which Members noted. He felt that IT was appropriate for ARAC members to take management assurance as it stands and this looked comprehensive to him
- With regard to Control Objective 3, Andrew Diffin (ADiffin) confirmed that the action had been agreed as closed as evidence has been received.
- Members noted that a Strategic Workforce Planning update is on the Agenda for the next Resources Committee scheduled in August. There is also a Resources Committee workshop scheduled for October where Members will be taken through an early draft.

The Committee **RESOLVED** to:

- **NOTE** the update in light of the discussion

3. INTERNAL AUDIT REPORTS

3a. DEMAND AND PRODUCTIVITY

GDevlin referred to the report and provided a summary of the areas of good practice and areas for improvement. He confirmed Police Scotland management have accepted all actions and emphasised the importance

for the resource allocation model to join up with the SWP, there currently being a disconnect

In discussion the following matters were raised:

- The Chair noted she felt the report highlights issues of wider application around data strategy, data governance and data quality
- Members emphasised, as with SWP, how crucial it was for the project to roll out beyond Local Policing. Tom McMahon (TMcMahon) responded that work was needed to develop beyond Local Policing however Covid-19 impact had effective capacity. The Internal Audit Report will be used as evidence to secure additional support. He further advised data is not as in-depth in specialist areas and there are still steps to be taken to develop these. Work so far in Local Policing has proved the concept of having an in-house capacity to do demand analysis. TMcMahon confirmed he was confident the unit would develop proxies for Strategic Workforce Planning.
- Members queried the basis for future modelling. TMcMahon confirmed that work is heavily reliant on historic data. Seasonal patterns have assisted Local Policing planning and work continues to look at data from a range of areas including crime incidents, warrants, missing persons and abstraction. ADiffin noted that Control Objectives 2 addresses these issues.
- Members sought more information on the work between demand and cyber capacity. TMcMahon confirmed that he attends the Cyber Strategy Oversight Group and ensures the current demand picture is being fed into that strategy. It was acknowledged that cyber-crime is underreported and there is a shortage in the skills required, therefore there could be fundamental change in the working model once there is a clearer picture on demand and capacity.

The Committee **RESOLVED** to:

- **NOTE** the position in light of the discussion

3b. NON PAY EXPENDITURE

ADiffin referred to the report and provided a summary of the areas of good practice and areas for improvement. He confirmed that the findings relate to already open and outstanding actions. GDevlin added Internal Audit recognised it was a fast moving area.

In discussion the following matters were raised:

- James Gray (JGray) acknowledged there was a significant amount of work in procurement, and the longest implementation timespan was for the purchase to pay system. Whilst a number of items remain outstanding from 2016/17, a lot of work has been undertaken to address them for Internal Audit re-assessment in Quarter 4.
- A Diffin confirmed that the project, if implemented as planned, should address the majority of control weaknesses identified, with the minority being a couple of elements of detail on implementation, as opposed to fundamental design issues.
- Gillian Woolman (GWoolman) noted Audit Scotland welcomed sight of the report. She confirmed their audit approach is designed using the Audit Scotland interim work and the work and gradings provided by Internal Audit.
- G Devlin agreed future reports would include detail on risk register impact of both Police Scotland and SPA.
- DCCTaylor confirmed that the Police Scotland internal audit team have oversight of all reports, management responses and timescales. Any contentious Audit reports are brought to the internal Audit and Risk Board.
- Members acknowledged the significant progress made.

The Committee **RESOLVED** to:

- **NOTE** the position

3c. ANNUAL REPORT 2019/20

G Devlin referred Members to the report, highlighting there had been no significant changes since Members considered it at the meeting on 16 June 2020.

The Chair confirmed at the previous meeting, Members recognised the basis on which G Devlin had arrived at the Internal Audit Opinion in relation to SPA and Police Scotland.

Lynn Brown (LBrown) agreed the opinions provided were fair. She thanked Internal Audit for changing their timeframe to allow the opinion to be included within papers provided to Audit Scotland.

The Committee **RESOLVED** to:

- **NOTE** the report

3d. DATA PROTECTION AND RETENTION

Paul Kelly (PKelly) referred to the report and provided a summary of the areas of good practice and areas for improvement. The report noted Police Scotland were working well in the area however SPA required more resource.

In discussion the following matters were raised:

- Members felt it unusual that one specific incident was highlighted within the report. PKelly responded that it was highlighted to detail the risk as it may have had to be reported to the Information Commissioners Officer. LBrown confirmed there no were no financial implications of this incident. Craig Donnachie (CDonnachie) assured Members that the incident was not typical behaviour and noted that more context on the incident could have been provided.
- ACC Alan Speirs (ACCSpeirs), as force SIRO, noted he welcomed the report and it would be used to strengthen the approach taken, especially during the current period of remote working.
- The Chair welcomed the focus on retention and destruction within the report.

The Committee **RESOLVED** to:

- **NOTE** the position

4. AUDIT AND IMPROVEMENT PROGRESS

4a. INTERNAL AUDIT PROGRESS REPORT

GDevlin provided a summary of the report which provided progress against the Annual Internal Audit Plan, and highlighted that Internal Audit are on track to complete the plan.

As only one Internal Audit Report will be brought to the September Committee, the Chair suggested a deep dive for risk management be on the Agenda.

The Committee **RESOLVED** to:

- **NOTE** the position

4b. MANAGEMENT PROGRESS ON INTERNAL AUDIT ACTIONS

ADiffin provided a summary of the report, highlighting that the impact of Covid-19 has meant that a number of actions are either late or outstanding. Therefore, many now have a revised date.

In discussion the following matters were raised:

- LBrown noted it was essential to deliver all actions and she would work with the Deputy Chief Officer and GDevlin to ensure delivery.
- The Chair acknowledged that the number of actions was low compared to previous years however there was still a risk in not completing them.
- GDevlin confirmed monthly meetings with ACCSpeirs and JGray take place and Internal Audit attend the Police Scotland internal Audit and Risk Board once or twice a year.

The Committee **RESOLVED** to:

- **NOTE** the position

4c. POLICE SCOTLAND AUDIT AND IMPROVEMENT RECOMMENDATION TRACKER Q1

ACCSpeirs provided a summary of the paper which provided Members with an update of current open recommendations from all audit and improvement activity. He drew Members attention to the open and high risk recommendations and those which had been missed due to Covid-19 impact.

In discussion the following matters were raised:

- ACCSpeirs confirmed that the impact Covid-19 is reassessed multiple times a week through the Strategic Oversight Board which is chaired by the Chief Constable. He confirmed a continual improvement group was in place to assist movement into a new Business As Usual.
- Dave Hair (DHair) confirmed that discussions between Police Scotland, SPA and HMICS continue on reporting HMIS recommendations. The complexities of such reporting were acknowledged. Members welcomed the discussions and looked forward to seeing proposals

The Committee **RESOLVED** to:

- **NOTE** the position

4d. SPA AUDIT AND IMPROVEMENT RECOMMENDATIONS UPDATE

Graham Stickle (GStickle), Lindsay Davie (LDavie) and Carol Anne Hilley (CAHilley) provided a summary of the report which included an update on

current open recommendations from all SPA audit and improvement activity. LDavie specifically highlighted the ICO tracker, noting that, due to the Covid-19 impact, the team were unable to audit recommendations noted as complete so these had been left as partially complete.

In discussion the following matters were raised:

- With regards to the ICO recommendations, Members were advised some are legal so have to be implemented, however, as ICO do no check up on recommendations there is scope to amend the management plan. LDavie suggested a dip sample take place to provide a level of confidence.
- LBrown advised the new organisational design should help alleviate capacity issues within Information Management.

The Committee **RESOLVED** to:

- **NOTE** the position

5. AUDIT SCOTLAND INTERIM REPORT

Pauline Gillen (PGillen) provided a summary of the report highlighting a number of areas within payroll still required improvement. She also confirmed Audit Scotland were confident in management actions progress and a test sample within payroll would be undertaken.

PGillen raised concern that certain hard copy information could not be received, due to Covid-19 and this would have an impact on Audit Scotland completing the Annual Report. GWoolman confirmed that any areas not completed due to Covid-19 could not be completed supplementary and an opinion can only be provided if the report is complete. LBrown confirmed she would liaise with JGray to ensure Audit Scotland receive all hard copy information required.

The Committee **RESOLVED** to:

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

Lynn Brown to liaise with James Gray to ensure Audit Scotland can receive all hard copy information required.

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It was agreed Item 6 would be deferred for further discussion.