

<b>Meeting</b>	<b>Audit, Risk and Assurance Committee</b>
<b>Date</b>	<b>5 May 2021</b>
<b>Location</b>	<b>By video conference</b>
<b>Title of Paper</b>	<b>Management Progress on Internal Audit Actions</b>
<b>Presented By</b>	<b>Gary Devlin, Partner, Azets</b>
<b>Recommendation to Members</b>	<b>For Discussion</b>
<b>Appendix Attached</b>	<b>Management Progress on Internal Audit Actions – Q4</b>

**PURPOSE**

This paper summarises management progress in completing management actions arising from internal audit reports.

The paper is presented in line with the Scottish Police Authority Internal Audit contract.

The paper is submitted for discussion.

## **1. BACKGROUND**

- 1.1 A follow up tracker is maintained by Police Scotland (PS) to record updates on the progress made by management across PS to implement actions from previous internal audits. We have agreed with Police Scotland that they will make the tracker available to Internal Audit on a quarterly basis for review. We also liaise with SPA staff to obtain updates in relation to SPA-specific actions.
- 1.2 For recommendations graded priority 3 or above, we request evidence to validate completion of any actions marked for closure by management.

## **2. FURTHER DETAIL ON THE REPORT TOPIC**

- 2.1 We have validated the closure of 39 actions (62%) completed in the period to April 2021, 22 of which are higher grade (grade 3 or 4). This includes 5 long-standing Grade 3 actions in relation to Non-Pay Expenditure. 14 actions (23%) were not yet due at the time of our validation work and a further 7 actions (13%) have passed their original due date and have been assessed as in progress.
- 2.2 1 action is no longer applicable in the light of changed circumstances.
- 2.3 We received updates and revised due dates for all actions.
- 2.4 We therefore consider that management has made good progress in implementing agreed audit actions, and in particular with finalising aged actions from prior audit years, with only 1 action which pre-dates 2020/21 remaining outstanding.

## **3. FINANCIAL IMPLICATIONS**

- 3.1 The Internal Audit Report considers the impact our review findings may have on organisational risk registers. Committee members should consider this section when considering the overall implications of our findings.

#### **4. PERSONNEL IMPLICATIONS**

- 4.1 The Internal Audit Report considers the impact our review findings may have on organisational risk registers. Committee members should consider this section when considering the overall implications of our findings.

#### **5. LEGAL IMPLICATIONS**

- 5.1 The Internal Audit Report considers the impact our review findings may have on organisational risk registers. Committee members should consider this section when considering the overall implications of our findings.

#### **6. REPUTATIONAL IMPLICATIONS**

- 6.1 The Internal Audit Report considers the impact our review findings may have on organisational risk registers. Committee members should consider this section when considering the overall implications of our findings.

#### **7. SOCIAL IMPLICATIONS**

The Internal Audit Report considers the impact our review findings may have on organisational risk registers. Committee members should consider this section when considering the overall implications of our findings.

#### **8. COMMUNITY IMPACT**

- 8.1 The Internal Audit Report considers the impact our review findings may have on organisational risk registers. Committee members should consider this section when considering the overall implications of our findings.

#### **9. EQUALITIES IMPLICATIONS**

- 9.1 The Internal Audit Report considers the impact our review findings may have on organisational risk registers. Committee members should consider this section when considering the overall implications of our findings.

## 10. ENVIRONMENT IMPLICATIONS

10.1 The Internal Audit Report considers the impact our review findings may have on organisational risk registers. Committee members should consider this section when considering the overall implications of our findings.

### **RECOMMENDATIONS**

Members are requested to discuss the report.

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# Scottish Police Authority

## Internal Audit Report

### Management Action Follow-up –Q4 2020/21

April 2021



# Scottish Police Authority

## Internal Audit Report

### Management Action Follow-up – Q4 2020/21

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# Introduction and background

## Introduction

As part of the internal audit programme, we complete a follow up review every quarter to provide the Scottish Police Authority with assurance that management actions agreed in previous internal audit reports have been implemented appropriately. This report summarises the progress made by management in implementing agreed management actions during Q4 2020/21.

## Scope

A follow up tracker is maintained by Police Scotland (PS) to record updates on the progress made by management across PS to implement actions from previous internal audits. We have agreed with Police Scotland that they will make the tracker available to Internal Audit on a quarterly basis for review. We also liaise with SPA staff to obtain updates in relation to SPA-specific actions.

For recommendations graded priority 3 or above, we request evidence to validate completion of any actions marked for closure by management.

## Action for the Audit, Risk, and Assurance Committee

The Committee is asked to note the progress made by management in implementing agreed management actions. The Committee is also asked to consider and approve those actions for which revised timescales have been provided by management (these are detailed at Appendix 2).

## Acknowledgements

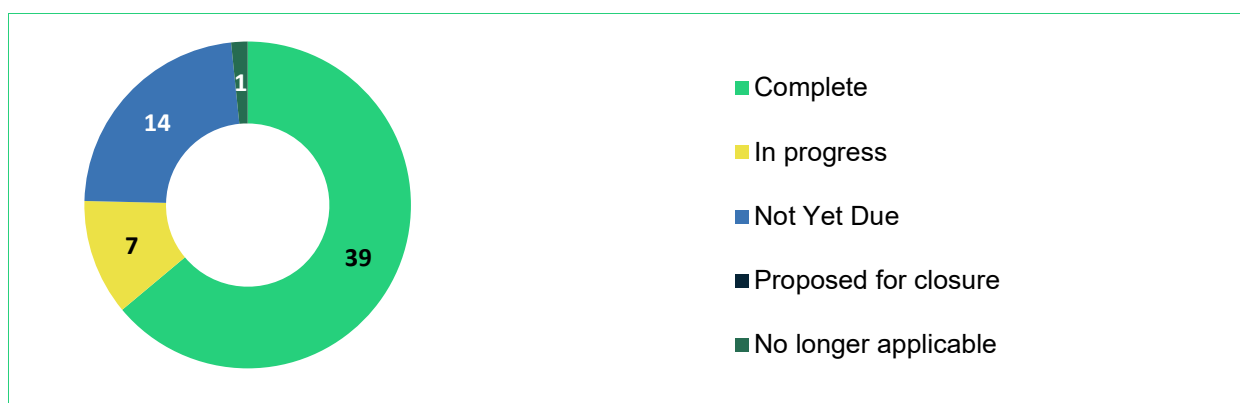
We would like to thank all staff who provided updates for their assistance and co-operation.

# Summary of progress

The table below shows the movement in actions included on the Audit Recommendation Tracker, including any outstanding actions brought forward from the previous review in December 2020:

	Number of Actions
Open actions brought forward	39
Actions added to tracker	22
<b>Total actions to follow-up</b>	<b>61</b>
Actions closed	39
Actions no longer applicable	1
<b>Open actions carried forward</b>	<b>21</b>

## Status of Actions as at April 2021



We have validated the closure of 39 actions (62%) completed in the period to April 2021, 22 of which are higher grade (grade 3 or 4). This includes 5 long-standing Grade 3 actions in relation to Non-Pay Expenditure. 14 actions (23%) were not yet due at the time of our validation work and a further 7 actions (13%) have passed their original due date and have been assessed as in progress. Further detail on all actions that have passed their original due dates for completion is included at Appendix 2.

1 action is no longer applicable in the light of changed circumstances.

We received updates and revised due dates for all actions.

We therefore consider that management has made good progress in implementing agreed audit actions, and in particular with finalising aged actions from prior audit years, with only 1 action which pre-dates 2020/21 remaining outstanding.

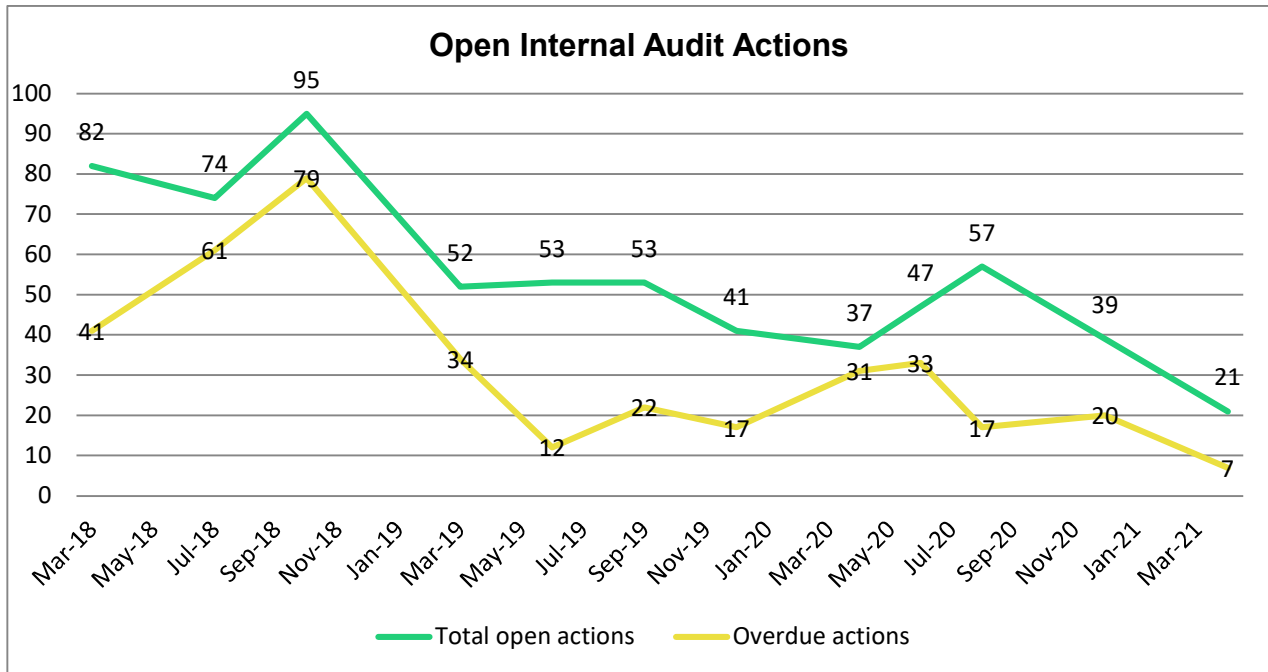
A summary of the status of actions by report is shown at Appendix 1.



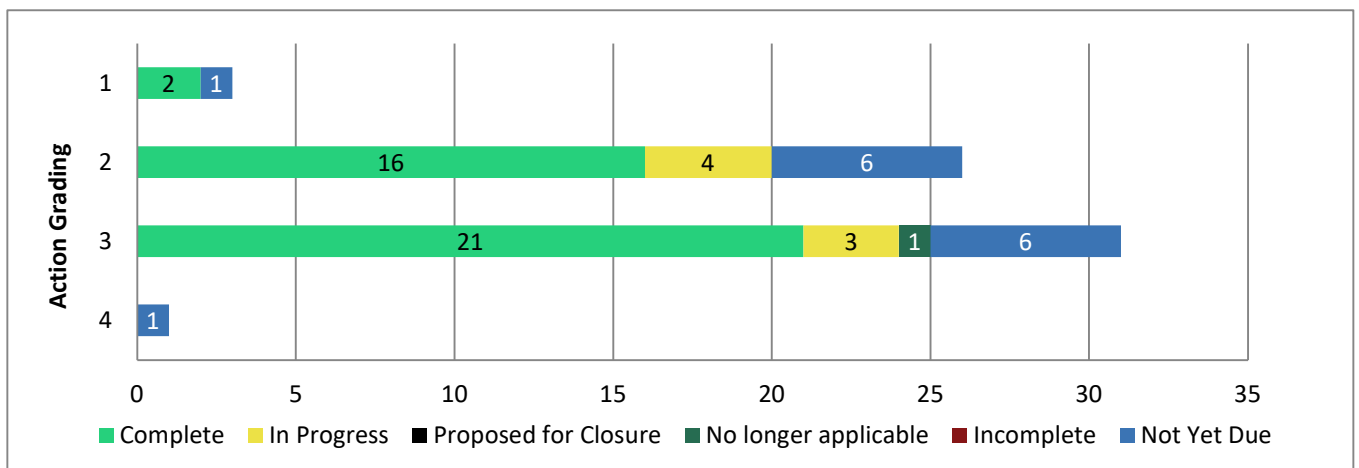
## Open Internal Audit actions

The following graph illustrates management's progress in implementing actions since March 2018. The two lines show the total number of open actions, which includes those not yet due for completion, and the number of overdue actions that have passed their original completion date.

There is an overall downwards trend in both open and overdue actions, following a peak in open actions towards the end of 2020.



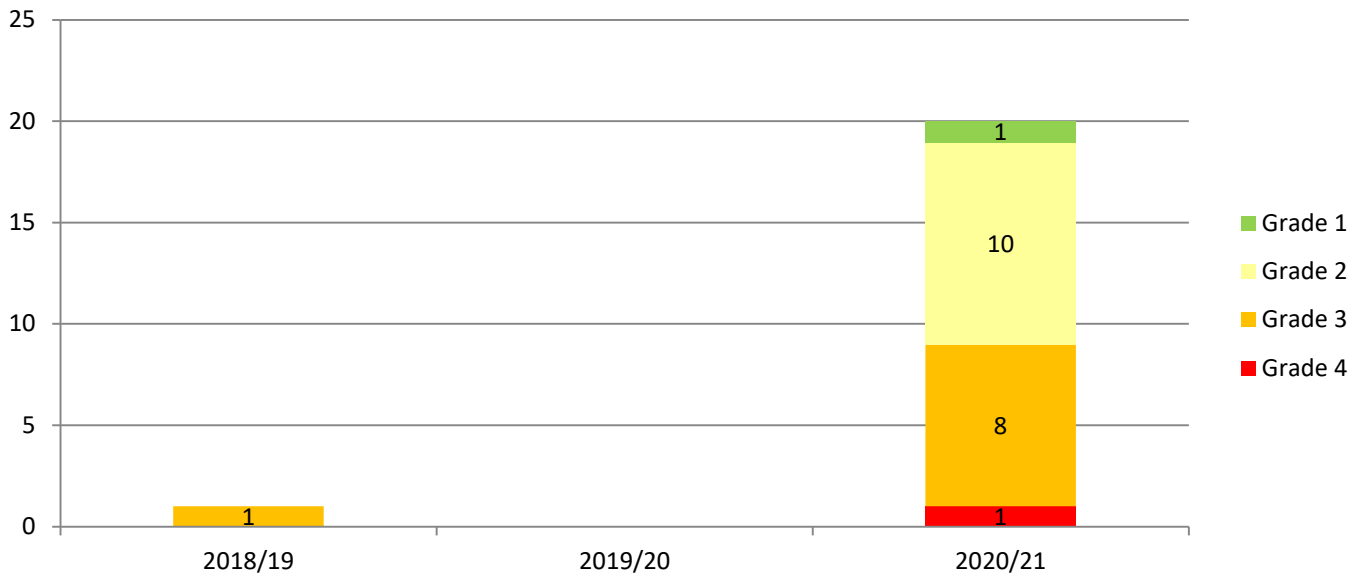
## Status by Grading



Of the 39 actions closed this quarter, the majority (shown in green) were higher risk (Grade 3). Of the 7 overdue actions, 3 are Grade 3 and 4 are Grade 2 (higher and moderate risk exposure, respectively). This indicates that management attention is generally being appropriately directed towards the areas of higher risk exposure, as opposed to being concentrated on lower risk recommendations.

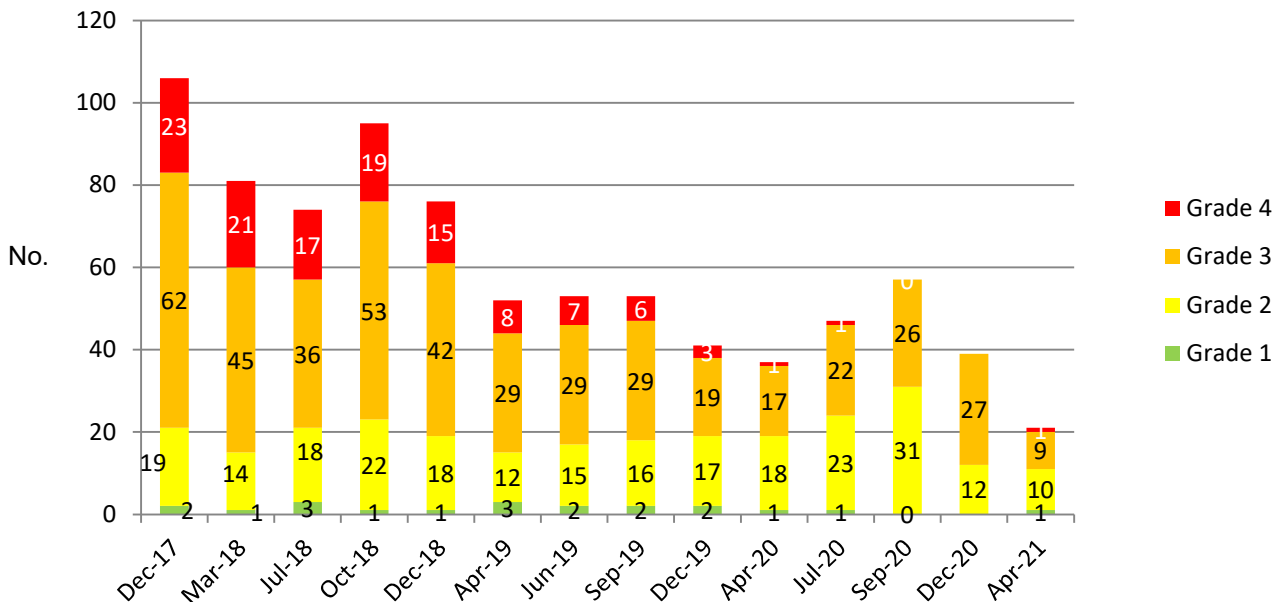
## Age and grade of open actions

The chart below shows the number and grade of open actions categorised by the year in which the actions were raised:



## Movement in Audit Actions

The graph below prioritises the outstanding actions by grade, as reported in our follow up reports since December 2017.



Appendix 2 sets out the current status of actions classed as “partially complete” or “incomplete” based on updates provided by management.

# Appendix 1: Action status by report

Report title	Date of Issue	Audit Sponsor	Total report actions	Completed in previous quarters	Open in Qtr 4	Breakdown of Outstanding actions			
						Complete or no longer applicable	In Progress	Incomplete	Not Yet Due
Non-Pay Expenditure	Aug 17	Chief Financial Officer	9	4	5	5	-	-	-
2016-17 Sub Total			9	4	5	5	-	-	-
Financial Planning	Jun 19	Chief Financial Officer	4	3	1	1	-	-	-
SPA/PS/Forensics Joint Working	Jun 19	SPA CO, PS Deputy CO, Director of Forensics	3	2	1	-	1	-	-
2018-19 Sub Total			7	5	2	1	1	-	-
General Computer Controls (eFinancials & Asset 4000)	Aug 19	Chief Financial Officer Interim Director of ICT	9	7	2	2	-	-	-
Payroll	Dec 19	Chief Financial Officer	6	4	2	2	-	-	-
Strategic Workforce Planning	Apr 20	DCC People and Professionalism	5	4	1	1	-	-	-
Cyber Risk and Resilience	Jun 20	Deputy Chief Officer Director of Forensics	4	-	4	4	-	-	-
Demand and Productivity	Jun 20	Deputy Chief Officer	7	4	3	3	-	-	-
Non-pay expenditure	Jun 20	Chief Financial Officer	1	-	1	1	-	-	-
2019-20 Sub Total			32	19	13	13	-	-	-
Data Protection	Jun 20	ACC Professionalism and Assurance Interim Chief Executive	17	9	8	2	5	-	1
Staff Wellbeing	Sept 20	Director of People and Development	11	-	11	8	1	-	2
Benefits Realisation and Efficiency Targets	Oct 20	Chief Digital Information Officer	11	-	11	3	-	-	8
Management Response to COVID-19	Oct 20	Deputy Chief Officer	3	-	3	2	-	-	1
Core Financial Systems	Nov 20	Chief Financial Officer	5	-	5	5	-	-	-
Forensic Case Management	Nov 20	Director of SPA Forensic Services	3	-	3	1	-	-	2
2020-21 Sub Total			50	9	41	21	6	-	14
<b>TOTAL</b>			<b>98</b>	<b>37</b>	<b>61</b>	<b>40</b>	<b>7</b>	<b>-</b>	<b>14</b>

## Appendix 2: Summary of actions past their current due date

Report/Action	Recommendation	Action Owner	Grade	Original timescale	Revised timescale	Update 2020/21 Q4 Follow Up	Status
<b>2018/19 Reviews</b>							
SPA/PS/Forensics Joint Working	2.1 Corporate Services Board	SPA CEO	3	30/09/2019	31/05/2021	<p>Joint work between PS and SPA Corporate has continued during Q4 to develop the formal Section 83 agreement for sign-off by SPA CEO and Police Scotland. It is anticipated that this will be achieved by early April 21/22.</p> <p>The Section 83 agreement is high-level and does not set out specific service standards in all areas. During Q4 the SPA Corporate Management Lead officer has liaised with relevant PS service back colleagues in support of specific service-back priorities.</p> <p>Delivery of this area of work to agree and measure service-back performance is dependent on a new SPA post. The post holder took up post on 15 March 2021 and will be responsible for regular reporting, liaison with SPA Corporate colleagues and PS counterparts as well as escalation of emergent service-back issues for SPA senior leaders.</p>	In Progress

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Report/Action	Recommendation	Action Owner	Grade	Original timescale	Revised timescale	Update 2020/21 Q4 Follow Up	Status
<b>2020/21 Reviews</b>							
Data Protection (SPA)	1.1 Review and Update of Policies and Procedures	Head of Information Management SPA CEO	2	31/03/2021	30/09/2021	Review and management approval of policy remains outstanding. The majority of new start are in the process of joining the SPA in March/ April 2021.  Accordingly, the revised timescale for structure of policy/process review is Q2 2021/22.	In Progress
Data Protection (SPA)	1.2 Policy and Procedure approval process	SPA CEO	2	31/03/2021	30/09/2021	As per Recommendation 1.1	In Progress
Data Protection (SPA)	2.2 Reporting of Security Incidents	Head of Information Management	3	31/12/2020	30/06/2021	A report with all security incidents for the preceding 6 months was presented to ARAC Jan 21. There has been no recurrence of any security incident which indicates learning from them. We are currently still formulating the IAO process and have just agreed the guidance and reporting templates for them moving forward so they are not yet at the stage that they have been providing reports.  A report has been prepared for SMG for Q4 2020/21	In Progress

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Report/Action	Recommendation	Action Owner	Grade	Original timescale	Revised timescale	Update 2020/21 Q4 Follow Up	Status
Data Protection (SPA)	4.1 Monitoring of compliance with policies and procedures	SPA CEO	3	31/03/2021	30/09/2021	<p>There are no additional IM SPA staff in place.</p> <p>Weeding / review of SPA corporate electronic data is in planning, however, further work is required to be understanding for Forensics.</p>	In Progress
Data Protection (SPA)	7.1 Clarity of decisions taken to inform retention periods within the retention schedule	Records Manager	2	31/03/2021	30/09/2021	<p>SPA do not own the document and as such cannot force changes. It is a living document always under review, however it has not been a priority for SPA or PSoS due to COVID-19.</p>	In Progress
Staff Wellbeing	3.2 Survey actions	Director of People and Development	2	28/02/2021	30/10/2021	<p>The survey launched on 2 March as planned, and comprises of two parts, A and B.</p> <p>The survey is being delivered by Durham University Business School, who have extensive experience and credibility in this field having worked with 30+ UK Forces to date. It will close at the end of April with the analysis of responses anticipated to take a number of months, and results being made available over the summer. The delivery of the survey has been overseen by the Survey Steering Group (SSG) which is the key decision making forum and will lead the organisational response to the survey findings.</p>	In Progress

# Appendix 3: Audit Risk Categorisations

## Management action grades

4	•Very high risk exposure - major concerns requiring immediate senior attention that create fundamental risks within the organisation.
3	•High risk exposure - absence / failure of key controls that create significant risks within the organisation.
2	•Moderate risk exposure - controls are not working effectively and efficiently and may create moderate risks within the organisation.
1	•Limited risk exposure - controls are working effectively, but could be strengthened to prevent the creation of minor risks or address general house-keeping issues.

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