

Minute of Scottish Police Authority Audit and Risk Committee

Meeting	Scottish Police Authority Audit & Risk Committee - Public Session	Date/Venue	Tuesday 22 nd March 2016
Meeting Called By	David Hume, Chair	Start Time	10:00
Reference Meeting No	SPAARC-220316	End Time	10:45

Members Present		In Attendance	
Name	Title	Name	Title
David Hume	Chair, Authority Member	John Foley	Chief Executive, SPA
Moi Ali	Authority Member	Amy McDonald	Director of Financial Accountability, SPA
Iain Whyte	Authority Member	Catherine McIntyre	Strategic Advisor, SPA
Elaine Wilkinson	Authority Member	David Williams	Business Support Manager
		Janet Murray	Director of Finance, Police Scotland
		CS Andy Morris	Chief Superintendent, Police Scotland
		T/Supt Fergus Bryne	Temporary Superintendent, Police Scotland
		Sarah Jane Hannah	Head of Financial Accountancy, Police Scotland
		CI Alan McDaid	Chief Inspector, Police Scotland
		Gillian Woolman	Assistant Director, Audit Scotland
		Liz Maconachie	Senior Audit Manager, Audit Scotland
		Gary Devlin	Relationship Partner, Scott Moncrieff
		Shelley Hughes	Head of Internal Audit, Scott Moncrieff
		Karen Vallance	Committee Co-ordinator, SPA

1. Chair's Opening Remarks: (David Hume)

1.1. The Chair welcomed everyone to the meeting, stating that the meeting had been called to recommend, if appropriate, the internal audit plan 2016/17 to the Board meeting scheduled for 31 March 2016.

1.2 There were no apologies.

1.3 There were no declarations of interest.

2. Internal Audit Plan 2016/17: (Gary Devlin)

2.1 G Devlin referred Members to the paper and highlighted there were changes to the previous draft which had been tabled at the Audit and Risk Committee held on 19 January 2016. The changes were the addition of a 'vetting of employees and contractors' audit, and a 'productions' audit. The contingency days had therefore been reviewed due to the two changes.

2.2 I Whyte referred to the 'Financial Strategy Implementation and Savings Delivery' audit and noted concern that the review timescale would not allow actions to be implemented for the 2016/17 financial and delivery planning process. G Devlin agreed that given the draft report and management responses are due in August 2016 with the final report due in September, the audit would not inform the 2016/17 planning processes but the 2017/18 process. J Foley responded that the timescale is not unhelpful and the intention is for all strategy and financial plans completed at the end of March 2016 to have continual review and further input from the Chief Constable. Members agreed that the timescales noted were appropriate. E Wilkinson advised that at the Finance and Investment Committee there had been agreement to develop, by quarter 1, a different suite of monthly monitoring reports to tie in with the implementation of savings delivery. E Wilkinson stated it would be advantageous for internal audit to look at how those reports were working and that the timescales would assist this, which G Devlin agreed.

2.3 G Woolman referred to the 'Core Financial Processes' audit and noted it was helpful to see comments relating to the Audit Scotland 2014/15 audit report but was disappointed that the audit would not take place until Quarter 3. S Hannah responded that she had met with S Hughes after the current draft plan had been circulated and a decision was taken to move the audit to July 2016 therefore the plan would be updated.

2.4 E Wilkinson suggested that the 'recruitment arrangements' audit and 'staff performance management' audit could be a lower priority due to other financial work which is ongoing. M Ali agreed that 'recruitment arrangements' audit timescale seemed premature and that she was keen to see work progress on higher risk areas. I Whyte also agreed but highlighted that workforce management should be taken into consideration as it is important for managing workforce against budget.

2.5 I Whyte questioned if Scott Moncrieff were aware of previous audit work on productions and questioned how the '2016/17 reviews' fit with the strategic plan. G Devlin responded that previous audit work on 'productions' would be revisited and that the '2016/17 reviews' were a snap shot and the scope will be re-defined.

2.6 T/Supt Byrne referred to the risk register references and requested that the plan have more dialogue and visibility of whether each risk is an SPA or Police Scotland risk.

2.7 G Woolman noted she welcomed sight of the plan and reminded the Committee it was important to not lose sight of the 5 bullet points, as recorded on page 2 of the paper, which underpin the objective of Internal Audit to provide assurance that:

- Management has identified, assessed and responded to SPA's key risks
- The responses to risks are effective but not excessive.
- Where residual risk is unacceptably high, further action is being taken.

- Risk management processes, including the effectiveness of responses, are being monitored by management to ensure the **NOT PROTECTIVELY MARKED**
- Risks, responses and actions are being properly classified and reported.

2.8 G Woolman referred to the 'follow-up' audit area and welcomed the intention to follow up outstanding audit actions as there were still various PricewaterhouseCooper (PwC) actions. The Chair advised that follow-up work would be taken into consideration during the review of the Committee. A McDonald added that an update on the progress of the 12 outstanding actions that PwC raised were circulated to Members but a further update could be provided. M Ali questioned if internal audit would be independently checking closed actions. G Devlin replied that the work could be incorporated. G Woolman added that Audit Scotland provide independent checking on some actions (for example all those which relate to financial systems) but not all, therefore it would be worthwhile having additional independent checking.

2.9 G Woolman referred to the Internal Audit Charter and commented there was no mention of the in-house audit team and requested that more information was provided. A McDonald added that there were two in-house auditors who take direction from Scott Moncrieff.

2.10 G Devlin questioned if the next steps for the internal audit plan were to work with A McDonald and J Foley in finalising the draft prior to D Hume having sign off as Chair of the Audit and Risk Committee before it is tabled at the SPA board meeting on 31 March 2016. The Chair agreed those next steps.

2.11 The Chair referred to the total of 600 days work for 2016/17 and questioned if there was any comparative information to show that the number was appropriate. G Devlin responded that there wasn't but the number was based on professional judgement.

2.12 Members **AGREED** to **RECOMMEND** the Internal Audit Plan 2016/17 to the SPA Board meeting with the following amendments:

- 'Core Financial Processes' audit to be moved to July 2016.
- 'Staff Performance Management' audit considered to be a lower priority.
- More visibility of whether each risk reference is an SPA or Police Scotland risk.
- More clarity on role of in-house auditors included.

3. Update on Audit and Risk Committee Review: (David Hume)

The Chair advised Members that initial work had been carried out using the CIPFA checklist and Scott Moncrieff, Audit Scotland and HMICS had been consulted. Information gathered had been used to complete the CIPFA checklist and this would be used to develop a plan for improvement which would cover a range of areas such as structure of meeting and set Agendas. Members have had the opportunity to comment on the checklist which has since been amended and re-circulated but further comments were still welcome. The Chair advised that a draft plan would be brought to the April Audit and Risk Committee.

4. Date of Next Meeting: 19 April 2016

End.