

**Minute of Scottish Police Authority Audit and Risk Committee**

<b>Meeting</b>	Scottish Police Authority Audit Committee	<b>Date/Venue</b>	Monday 9 <sup>th</sup> October 2017
<b>Meeting Called By</b>	David Hume, Chair	<b>Start Time</b>	10:00
<b>Reference Meeting No</b>	SPAAUDIT-091017 <b>PUBLIC SESSION</b>	<b>End Time</b>	12:05

<b>Members Present</b>		<b>In Attendance</b>	
<b>Name</b>	<b>Title</b>	<b>Name</b>	<b>Title</b>
David Hume	Committee Chair	David Page	Deputy Chief Officer, Police Scotland
Grant Macrae	Authority Member	James Gray	Chief Financial Officer, Police Scotland
Matt Smith	Authority Member	Mark Lundie	Chief Inspector, Police Scotland
		Kat McLaren	Inspector, Police Scotland
		Sarah Jane Hannah	Head of Financial Accountability, Police Scotland
		Kellymarie McLaughlin	Business Support Administrator, Police Scotland
		Colette Sherry	Head of Commercial Services, Police Scotland
		Hazel Irving	Head of Service Management, Police Scotland
		Fiona Davidson	Risk Manager, Police Scotland
		Stephen Boyle	Assistant Director, Audit Scotland
		Carole Grant	Audit Scotland
		Gary Devlin	Head of Internal Audit, Scott Moncrieff
		Helen Berry	Internal Auditor, Scott Moncrieff
		Fraser Nicol	Partner, Scott Moncrieff
		Avril Davidson	Police Division, Scottish Government
		Rosemary Glackin	HMICS
		Graham Stickle	Risk Manager, SPA
		Colette Craig	Committee Coordinator, SPA

## **1. Introduction / Welcome: (David Hume)**

### **1.1 Chair's Opening Remarks (David Hume)**

1.1. The Chair welcomed attendees Rosemary Glackin (HMICS) and Avril Davidson (Scottish Government) and Matt Smith, SPA Board Member as observers.

### **1.2 Apologies**

1.2 Apologies were received from John Foley, Robin McGill, Stephen Jones and Donna Adam.

### **1.3 Declarations of Interest:**

1.3 There were no declarations of interest.

### **1.4 Any other business**

1.4 There was no other business.

## **2. Minute and Actions from previous meeting:**

### **2.1 Minute of Public Committee Meeting held 23 August 2017**

2.1.1 Minutes from Audit Committee Meeting held 23 August 2017 were **APPROVED** as an accurate record of proceedings.

### **2.2 Rolling Action Log**

2.2.1 Refer to action log commentary.

2.2.2 Members **APPROVED** the action log from 23 August 2017.

## **3. Matters Arising**

There were no matters arising.

## **4. Annual Internal Audit Report 2016/17 (Gary Devlin)**

4.1 Gary Devlin (GDevlin) provided an overview of the report following completion of the 500 day internal audit work for the year.

4.2 The Chair noted that the detail of the report consisted of a summary of reviews previously considered in detail by the Audit Committee and thanked David Page (DPage) and the Finance and Audit team for their work and advised that the report was evidence that management were recognising and responding appropriately.

4.3 GDevlin advised that a progress update paper would be provided at a later date which would inform members around whether the agreed actions had been met and implemented. Members were advised that actions would go through improved proactive tracking with Finance and Internal Audit reviewing actions regularly.

4.4 The Chair thanked Internal Audit for their work.

4.5 Members **NOTED** the Annual Internal Audit Report 2016/17.

## 5. Internal Audit Reports:

### 5.1 Non-pay Expenditure Report (Gary Devlin)

5.1.1 GDevlin addressed the key findings and noted that non-pay expenditure was largely on the purchase of uniform. GDevlin informed Members that despite no consistent process in place within the area, there was good practise, therefore a need to gain consistency around systems and process along with policies and procedures with regards to non-pay.

5.1.2 Members had concerns around inadequate controls, requirement to ensure all expenditure was in line with available budgets and delivering value for money. The Chair sought clarity on whether actions time lined for the end of quarter 4 was the quickest timeline that could be identified. Colette Sherry (CSherry) advised that the end of quarter 4 was realistic as the actions spanned across both procurement and finance and noted the need for a Project Team to be put in place to allow them to undertake and assessment and report back with an implementation plan. CSherry advised that if actions could be addressed at an earlier stage then they would be.

5.1.3 The Chair sought clarity on how the Commercial Excellence work and the findings of the report place together. CSherry advised that Police Scotland would be working with Ernst & Young to develop the Project Team to move the project forward and advised that the purchase to pay project would fall under Commercial Excellence as a phase 2 project.

**091017-PAUDIT-001: Colette Craig to ensure that the report is passed to the Finance Committee for formal consideration.**

5.1.4 Members **NOTED** the Non-pay Expenditure Report.

### 5.2 National Fraud Initiative Report (Helen Berry)

5.2.1 HBerry provided an overview of the report in the new reporting format from Scott-Moncrieff. HBerry advised that the management responses reflected how work would be taken forward.

5.2.2 The Chair thanked Sarah Jane Hannah (SJHannah) and team for addressing issues highlighted in previous months. SJHannah noted that the structure of the process required to be imbedded further.

5.2.3 Members **NOTED** the National Fraud Initiative Report.

### 5.3 Q2 Follow Up Report (Helen Berry)

5.3.1 HBerry provided an overview of the report and referred Members to page 2 which set out a summary of the progress. HBerry advised that Internal Audit would be focusing on formalising the arrangements for obtaining management updates on internal audit actions from SPA Management.

5.3.2 The Chair asked David Page (DPage) to comment on the clearing of outstanding actions. DPage noted that previously there had not been enough resource within areas and advised that Police Scotland were substantially investing in capacity and capability. The Chair noted the considerable amount of actions arising around Business Continuity Planning (BCP) and asked Hazel Irving (HIrving) for comment. HIrving advised that work was being done to ensure that the plans that had been put in place had an IT input. H Berry advised that the actions with no update or revised timescale related to SPA and SPA Forensics work and advised that updates had been received from Police Scotland, further noting the importance of having the same process in place for addressing internal audit actions within SPA. GDevlin advised that some of the BCP actions were critical and noted that it would be helpful to receive assurance from the SPA on those actions. The Chair agreed the need for someone with the SPA to feed into the internal audit process in terms of progress and actions. The Chair further advised the need for the internal audit improvements to be picked up within the tracking processes that exist within the SPA.

**091017-PAUDIT-002: Graham Stickle to identify someone to feed into the internal audit process in terms of progress and actions.**

**091017-PAUDIT-003: Graham Stickle to ensure that internal audit improvements are picked up within the tracking processes that exist within the SPA.**

5.3.3 The Chair requested an updated report on the outstanding actions for the next Audit Committee.

**091017-PAUDIT-004: Graham Stickle to provide an update report to the January Audit Committee on all outstanding actions noted within the Q2 Follow Up Report.**

5.3.4 The Chair noted an area of concern around vetting with no revised timescale given. H Berry advised that processes were in place however advised the need to assist staff in understanding the audit process and the standard of updates required. DPage agreed there was an understanding gap of where Police Scotland are and need to be. The Chair asked DPage to provide an update report at the next Audit Committee on the progress around that area of work.

**091017-PAUDIT-005: David Page to report back to the Audit Committee in January on what progress had been made with staff around staff understanding the audit process and the standard of updates required.**

5.3.5 Grant Macrae (GMacrae) referred to payroll and advised the importance of having a proper reconciliation around paying staff who were current employees and noted that the update did not make it clear. J Gray advised that he would provide a clearer explanation, however, assured Members that it was being picked up.

**091017-PAUDIT-006: James Gray to provide a clearer explanation to Payroll – Staff Numbers Reconciliation to ensure it was explicit that staff who were current employees only were being paid.**

5.3.6 CSherry to provided assurance to Members for the January Committee around Corporate Off Contract Spend where no update was provided.

**091017-PAUDIT-007: Colette Sherry to provided assurance to Members for the January Committee around Corporate Off Contract Spend where no update was provided.**

5.3.7 Members **NOTED** the Q2 Follow Up Report.

#### **5.4 Progress Report (Helen Berry)**

5.4.1 HBerry provided an overview of the report which provided a summary of progress against the 2017/18 Internal Audit Plan with 4 of the 19 audits now complete.

5.4.2 HBerry referred to the review of risk management arrangements and advised that it was within the internal audit plan with opportunity to address in November to feed into the new design process, proposed arrangements to allow comment. If that would not be appropriate that review could be placed into the 2018/19 plan. Fiona Davidson (FDavidson) advised that her preference would be to move it into the 2018/19 plan once practises were in place, however, it would be useful to have some independent assurance of the strategy towards the latter part of the year. Members agreed that would be a sensible approach. GDevlin advised that taking into the 2 days to carry out a review of the strategy that would leave 23 days that could be reassigned to other work. Members agreed that variations to the audit plan required further discussion between Committee Members and Internal Audit and feed the conclusions back into the committee.

**091017-PAUDIT-008: Audit Committee and Internal Audit to discuss the variations of days within the Audit Plan and report back to the Audit Committee in January 2018.**

5.4.3 Members **NOTED** the Progress Report.

#### **6. General Data Protection Regulation Briefing (Fraser Nicol)**

6.1 Fraser Nicol (FNicol) provided committee members with a short presentation around General Data Protection Regulation (GDPR) which would into effect in May 2018.

6.2 Superintendent Mark Lundie (SuptMLundie) advised that he was assured by the presentation and advised that much of the information was already documented within Police Scotland's 12 point plan in more detail and would hope that a majority of risk could be mitigated through that.

6.3 Members sought clarity on whether any guidance was expected from the Information Commissioner Office (ICO) to clarify what information could be exchanged between public bodies. SuptMLundie advised that there was information sharing protocols in place that would require updating to ensure they were GDPR compliant. SuptMLundie noted the difficulties Police Scotland were experiencing in recruiting in this area.

6.4 The Chair referred to awareness and comparativeness and sought clarity on whether there was a level of awareness around GDPR. SuptMLundie advised that heads of departments had

been made aware and in addition it had been addressed at a number of governance board meetings. SuptMLundie added that part of Police Scotland's communication plan was around awareness, ensuring that updates and discussions took place over the coming months. SuptMLundie advised that he would return in January to offer Police Scotland's position on GDPR.

**091017-PAUDIT-009: Superintendent Mark Lundie to report back to the January Committee around Police Scotland's preparedness in relation to GDPR.**

6.5 The Chair advised that the same presentation being provided to the SPA Board would be helpful. SuptMLundie advised that he would be able to support that presentation from a Police Scotland perspective.

**091017-PAUDIT-010: Fraser Nicol to provide a presentation to the SPA Board around on GDPR and to be supported by Police Scotland on their preparedness.**

6.6 The Chair referred to assurance and sought clarity on what the plan was from Internal Audit to report back on the 40 days being used on the capability around GDPR. HBerry advised that she would report back in January 2018.

**091017-PAUDIT-011: Helen Berry to report back to the January Audit Committee on Police Scotland, SPA and SPA Forensics capability around GDPR.**

6.7 Members **NOTED** the General Data Protection Regulation Briefing.

## **7. Improvement Tracker**

7.1 SuptMLundie provided an overview of the report and noted that there had been limited movement from the 23<sup>rd</sup> August 2017 when it was previously reported, however, significant progress had been made over the previous 3 months. SuptMLundie advised that benchmarking work had taken and would report back to the Audit Committee in January regarding how Police Scotland intend to handle all recommendations.

**091017-PAUDIT-012: Superintendent Mark Lundie to report back to the January Audit Committee on how Police Scotland intended to handle all recommendations noted within the Improvement Tracker.**

7.2 Members advised that it would be helpful to have sight of actual completion dates at future Committee dates.

**091017-PAUDIT-013: Superintendent Mark Lundie to ensure that actual completion dates were noted within the Improvement Tracker at future Committee Meetings.**

7.3 Graham Stickle (GStickle) advised that it was the intention of the SPA to bring forward their Improvement Tracker and process that is utilised to the January Committee.

**091017-PAUDIT-014: Graham Stickle to bring forward the SPA Improvement Tracker and process utilised to the January Audit Committee.**

7.4 Members **NOTED** the Police Scotland Improvement Tracker.

**8. Committee Workplan**

8.1 This item was deferred until the completion of the Audit Committee Self-Assessment.

**9. AOCB**

9.1 There was no other AOCB.

**13. DATE OF NEXT MEETING:**

**TBC.**