

SCOTTISH POLICE
AUTHORITY

Meeting	Audit Committee Public Session
Date	18 April 2018
Location	Pacific Quay, Glasgow
Title of Paper	Internal Audit Follow Up Report
Item Number	5.6
Presented By	Gary Devlin, Partner, Scott-Moncrieff
Recommendation to Members	Members are requested to note the report and the progress that is being made to deliver the 2017/18 plan.
Appendix Attached	Internal Audit Progress Report

PURPOSE

This paper presents our internal audit progress report. The report provides a summary of internal audit activity, and confirms the reviews planned for the coming quarter, identifying any changes to the original Annual Plan.

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

The paper is submitted for noting.

1. BACKGROUND

1.1 The Internal Audit Progress Report provides a summary of progress against the 2017/18 internal audit plan and agreed KPIs.

2. FURTHER DETAIL ON THE REPORT TOPIC

2.1 2017/18 Audit Plan progress: We have completed 7 of the 19 audits in the Internal Audit Plan for 2017/18.

The paper contains a summary of proposed changes to the Annual Internal Audit Plan 2017/18, following discussions with management and the Audit Committee. These changes were communicated during the January Audit Committee.

Appendix 1 reflects the internal audit plan for 2017/18, incorporating the proposed changes.

Appendix 2 shows progress against our KPIs for 2017/18. We have currently met 8 of our 10 KPIs. For the two KPI's not met:

- KPI 4, Management responses are received within 15 working days and final report issued within 10 working days, is "yellow"; and
- KPI 9, submission of IA outputs to SPA 10 days before the A&RC meeting, is "yellow".

3. FINANCIAL IMPLICATIONS

3.1 There are no financial implications in this report.

4. PERSONNEL IMPLICATIONS

4.1 There are no personnel implications associated with this paper.

5. LEGAL IMPLICATIONS

5.1 There are no further legal implications in this paper to those listed above.

6. REPUTATIONAL IMPLICATIONS

6.1 There are no reputational implications associated with this paper.

7. SOCIAL IMPLICATIONS

7.1 There are no social implications associated with this paper.

8. COMMUNITY IMPACT

8.1 There are no community implications associated with this paper.

9. EQUALITIES IMPLICATIONS

9.1 There are no equality implications associated with this paper.

10. ENVIRONMENT IMPLICATIONS

10.1 There are no environmental implications associated with this paper.

RECOMMENDATIONS

Members are requested to note the progress that is being made to deliver the 2017/18 plan



Scottish Police Authority Internal Audit Progress Report

April 2018



Scott-Moncrieff
business advisers and accountants

Scottish Police Authority

Internal Audit Progress Report

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Summary of Progress

This paper provides a summary of internal audit activity, and confirms the reviews planned for the coming quarter, identifying any changes to the original Annual Plan.

Action for Audit Committee

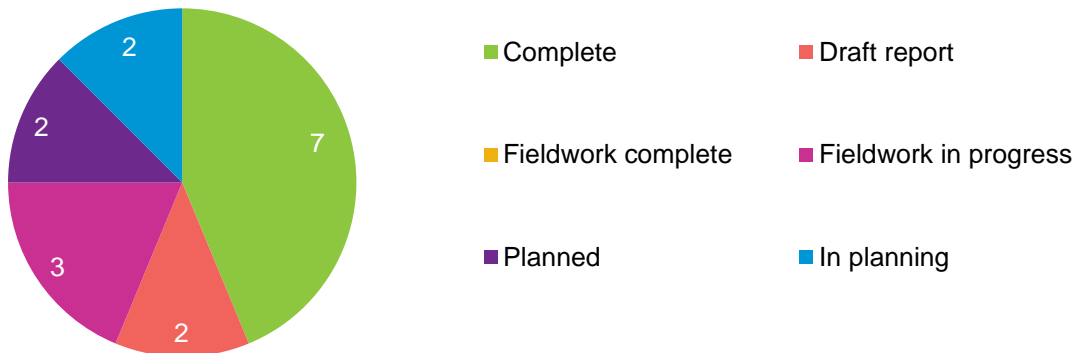
The Audit Committee is asked to note the contents of this report and to approve the plan for the next quarter. We also invite any comments on the format or content of this report. Contact details are as follows:

Gary Devlin, Partner	gary.devlin@scott-moncrieff.com	0131 473 3500
Helen Berry, Audit Director	helen.berry@scott-moncrieff.com	0131 473 3500

Progress against annual audit plan

We have completed seven of the 16 audits in the 2017/18 Internal Audit Plan since the last Audit Committee meeting. A more detailed summary of the 2017/18 internal audit programme is set out in Appendix 1.

Status of Annual Plan



Plan for next quarter



We plan to present the following reports to the July 2018 Audit Committee:

- Risk Management Strategy
- Training (incl. Income Generation)
- Performance Management
- Workforce Management
- Workforce Planning
- BTP Project Governance
- Organisational Change Management
- Budgeting and Reporting
- Internal Audit Annual Report
- HR Management System

Summary of Findings

Reports Issued

The table below summarises the internal audit reports finalised since the January 2018 Audit Committee:

Review	Control objective assessment	No. of issues per Grading				
		5	4	3	2	1
A.8 Financial Ledger		-	1	1	1	1
B.5 Governance		-	-	1	6	1
E.3 Annual Accounts Preparedness	Not applicable					
Follow Up – Q4 2017/18	Not applicable					

The full reports will be presented to the Audit Committee under separate agenda items. Definitions of the ratings used for management actions and control objectives are set out below.

Control assessments

- R** Fundamental absence or failure of key controls.
- A** Control objective not achieved - controls are inadequate or ineffective.
- Y** Control objective achieved - no major weaknesses but scope for improvement.
- G** Control objective achieved - controls are adequate, effective and efficient.

Management action grades

4	3	2	1
<ul style="list-style-type: none"> •Very high risk exposure - major concerns requiring immediate senior attention that create fundamental risks within the organisation. 	<ul style="list-style-type: none"> •High risk exposure - absence / failure of key controls that create significant risks within the organisation. 	<ul style="list-style-type: none"> •Moderate risk exposure - controls are not working effectively and efficiently and may create moderate risks within the organisation. 	<ul style="list-style-type: none"> •Limited risk exposure - controls are working effectively, but could be strengthened to prevent the creation of minor risks or address general house-keeping issues.

Appendix 1 – Progress against 2017/18 internal audit plan

Ref and Name of report	Audit Sponsor	Status	Quarter	Planned A C'ttee	Actual A C'ttee
A.4 Budgeting and Reporting	CFO	In Progress	Q4	Jul 2018	
A.8 Financial Ledger	CFO	Complete	Q4	Apr 2018	Apr 2018
B.2 Performance Management	TBC	In Progress	Q4	Jul 2018	
B.3 Estates Strategy	DCO	Complete	Q3	Jan 2018	Oct 2017
B.4 Risk Management (2)	Chief Executive	Planned	Q4	Apr 2018	
B.5 Governance	DCO	Complete	Q3	Apr 2018	Apr 2018
C.2 Workforce Management	Director of P&D	In progress	Q4	Jul 2018	
C.3 Workforce Planning	Director of P&D	Draft Report	Q2	Jan 2018	Apr 2018
C.5 Staff Performance Management (1)	Director of P&D	N/A	Q3	Jan 2018	N/A
C.5 British Transport Police Project Governance (1)	Interim Chief Officer	Planning	Q4	Jul 2018	
C.6 HR Management Reporting	Director of P&D	Draft Report	Q4	Jul 2018	Apr 2018
C.8 Training (incl. income generation)	Director of P&D	Planning	Q4	Jul 2018	
C.11 Call Handling (1)	TBC	N/A	Q2	Apr 2018	N/A
C.13 Organisational Change Management	Director of Change	Planned	Q2	Apr 2018	
D6. GDPR review	Director of ICT	Complete	Q3	Jan 2018	Jan 2018
E.1 Follow Up - Q1		Complete	Q1	Jul 2017	Jul 2017
E.1 Follow Up - Q2		Complete	Q2	Oct 2017	Oct 2017
E.1 Follow Up - Q3		Complete	Q3	Jan 2018	Jan 2018
E.1 Follow Up - Q4		Complete	Q4	Apr 2018	Apr 2018

Ref and Name of report	Audit Sponsor	Status	Quarter	Planned A C'ttee	Actual A C'ttee
E2. National Fraud Initiative	CFO	Complete	Q2	Oct 2017	Oct 2017
E.3 Annual Accounts Preparedness	CFO	Complete	Q3	Apr 2018	Apr 2018
Internal Audit Annual Report	n/a	n/a	n/a	Jul 2018	

Notes:

- (1) We have agreed to replace Call-handling and Staff Performance Management reviews with a review of British Transport Police Project Governance.
- (2) Detailed review of risk management deferred to 2018/19. We planned to undertake a desk-top review of the draft Risk Management Strategy during March 2018 however we were asked to postpone the review to allow sufficient time to finalise the policy. We will undertake the review during April and present our findings to the July 2018 meeting of the Audit Committee.

Key:

Complete	Report has been agreed and finalised	In progress	The audit work is in progress.
Draft Report	A draft report has been issued	Planned	The assignment plan has been agreed
Fieldwork complete	The audit work is complete but the draft report has not yet been issued.	Planning	The scope of the audit has yet to be agreed with management

Appendix 2 – Progress against KPIs

KPI description	Status	Comments
1. The annual internal audit plan is presented to and approved by the Audit Committee prior to the start of the audit year.	GREEN	Delivered in line with management expectation for the 2017/18 annual year.
2. 90% of audit input is provided by the core team and continuity of staff is maintained year on year.	GREEN	Our core team has been defined and planned for the full 2017/18 audit year.
3. Draft reports are issued within 15 working days of completing fieldwork.	GREEN	All 7 reports issued to date have been issued within 15 working days.
4. Management responses are received within 15 working days and final report issued within 10 working days.	AMBER	We do not collate management responses for follow up reports and responses have been received within 15 days for all draft reports for 2017/18, with the exception of Workforce Planning and HR Management System.
5. At least 90% of the audit recommendations we make are agreed with and accepted by management.	GREEN	Over 90% of audit recommendations agreed and accepted by management.
6. At least 75% of Audit Committee meetings are attended by an Internal Audit Partner.	GREEN	All 2017/18 Audit Committees have been attended by Gary Devlin, the Internal Audit Partner.
7. The annual internal audit plan is fully delivered within agreed cost and time parameters.	GREEN	
8. The annual internal audit report and opinion is presented to and approved by the A&RC at the first meeting after the year-end each year.	GREEN	Subject to agreeing timings with management, we anticipate that all work will be delivered by year end.
9. All internal audit outputs are finalised and submitted to the SPA at least 10 working days before the A&RC meeting.	AMBER	Internal audit papers submitted in line with A&RC deadline for 2017-18 plan meetings, but not within 10 working days.
10. Members of senior management and the Audit Committee are invited to participate in the firm's client satisfaction survey arrangements.	N/A	The client satisfaction survey will be issued in November 2017.

Key

RED

More than 15% away from target

AMBER

Within 15% of target

GREEN

Achieved

RESTRICTED

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