

**Minute of Audit Committee**

<b>Meeting</b>	Audit Committee	<b>Date/Venue</b>	Tuesday 24 July 2018, Conference Room, Pacific Quay.
<b>Meeting Called By</b>	David Hume, Chair	<b>Start Time</b>	10:00
<b>Reference Meeting No</b>	SPAAUDIT-240718	<b>End Time</b>	14:30

<b>Members Present</b>		<b>In Attendance</b>	
<b>Name</b>	<b>Title</b>	<b>Name</b>	<b>Title</b>
David Hume	Committee Chair	Hilary Pearce	Interim Director of Improvement Assurance, SPA
Grant Macrae	Committee Member	Lindsey McNeill	Director of Governance and Assurance, SPA
Jane Ryder	Committee Member	ACC Alan Speirs	Assistant Chief Constable, Police Scotland
Caroline Stuart	Board Member	CS John Paterson	Chief Superintendent, Police Scotland
		James Gray	Chief Financial Officer, Police Scotland
		David Christie	Statutory Reporting Lead, Police Scotland
		Carole Grant	Senior Audit Manager, Audit Scotland
		Pauline Gillen	Senior Auditor, Audit Scotland
		Gary Devlin	Relationship Partner, Scott Moncrieff
		Paul Kelly	Director, Scott Moncrieff
		Helen Berry	Head of Internal Audit, Scott Moncrieff
		Campbell McLundie	Senior Consultant, Scott Moncrieff
		Karen Vallance	Committee Co-ordinator, SPA

## 1. Introduction/Welcome

### 1.1 Chair's Opening Remarks

1.1.1 The Chair welcomed all attendees to the meeting and introduced Jane Ryder who had joined as a new Committee Member. The Chair also welcomed Caroline Stuart who was in attendance. The Chair noted it was HBerrys last meeting of the Audit Committee and thanked her for the enormous amount of work she had done for the Committee.

### 1.2 Apologies

1.2.1 There were no apologies received.

### 1.3 Declarations of Interest:

1.3.1 There were no declarations of interest.

### 1.4 Any other business

1.4.1 There was no other business.

## 2. Minute and Actions from previous meeting

### 2.1 Minute of Committee Meeting held 6<sup>th</sup> March 2018

2.1.1 The Minute was agreed as an accurate record.

### 2.2 Minute of Committee Meeting held 18<sup>th</sup> April 2018

2.2.1 The Minute was agreed as an accurate record.

### 2.3 Minute of Committee Meeting held 20<sup>th</sup> June 2018

2.3.1 The Minute was agreed as an accurate record

### 2.4 Rolling Action Log

2.4.1 Members noted the action updates and agreed the actions proposed to close.

## 3. Matters Arising

3.1 There were no matters arising.

## 4. Decision on taking business on private

4.1 Members agreed to take items 12 to 15 in private.

## 5. Internal Audit Reports

### 5.1 Follow up – Quarter 1

5.1.1 PKelly provided a summary of the paper, confirming that the one grade 5 noted in 2016/17 was from the Payroll Audit and had been downgraded to grade 4 with completion due this financial year following the phased rollout of the single payroll system.

5.1.2 With regard to appendix 2, Members sought further information on why multiple updates were noted as '... awaiting evidence to confirm this action is complete', noting that it raised the question of requirements for assurance against evidence. HBerry advised that Internal Audit had been informed that recommendations were completed and an update had been provided, but not the evidence. Members were advised that Police Scotland had set up an internal co-ordination to provide assurance and evidence needed against recommendations.

5.1.3 Members noted that Internal Audit had received no update on actions against the Organisational Change Management report and requested this was followed up and reported to Members. **ACTION 20180724- AUD-001.**

## 5.2 Workforce Management

5.2.1 H Berry provided a summary of the report.

5.2.2 Members raised concern that all recommendation due dates were 2019 and as pay roll was the organisations biggest cost, they should be implemented before. It was noted that the actions were inter-dependent and on this basis, it was requested that management reconsider the due dates and provide an update via email **ACTION 20180724- AUD-002.**

5.2.3 The Chair requested the report be referred to the Transformation working group **ACTION 20180724- AUD-003.**

5.2.4 Members highlighted to management that when considering the recommendations, all locations should be managed, not just the 5 sample sites noted within the report.

5.2.5 J Ryder noted that all Internal Audit reports with the exception of 5.1 were recommended as 'For Noting' and suggested that future reports should be brought to the Committee as 'For Consideration'.

## 5.3 Workforce Planning

5.3.1 H Berry provided a summary of the report.

5.3.2 Members raised concern that the report did not consider either SPA or Forensic Services and that the report's findings were in stark contrast to the Scottish Fire and Rescue report. Members were advised that it was a key piece of work but would be different to the Scottish Fire and Rescue report and matters such as warranted powers needed to be addressed. Initial work had been progressed and the next phase was to develop a strategy.

5.3.3 Members noted that the plan against the recommendation relating to workforce strategy had a due date of 30 November 2018 and requested further information on the timing and implementation **ACTION 20180724- AUD-004.**

5.3.4 The Chair requested the report be referred to the Transformation working group **ACTION 20180724- AUD-003.**

## 5.4 Performance Reporting

5.4.1 H Berry provided a summary of the report.

5.4.2 The Chair noted that of all the Internal Audit reports, this one raised the most concern. All due dates given were 2019 and as some actions need to be taken on a sequential basis, questions were raised if some due dates should be sooner if the ultimate delivery date is 2019. Members were advised that some dates were not brought forward as the work was reliant on other timelines which may not be met on time. Some actions which may have been anticipated to done quicker have not been, due to the failure to recruit a project manager. Members were advised that development of the new performance reporting framework would be in a better position by the end of the financial year.

5.4.3 The Chair advised that he would raise the four Grade 4's with the full Board and requested an Interim follow up report be made available in November 2018 **ACTION 20180724- AUD-005.**

5.4.4 The Chair requested David Page provide assurance on the nature of the project management of the linkage between strategic development and strategic change **ACTION 20180724- AUD-006.**

5.4.5 The Chair requested the report be referred to the Transformation working group  
**ACTION 20180724- AUD-003.**

## **5.5 Organisational Change Management**

5.5.1 CMcLundie provided an overview of the report.

5.5.2 Members noted that the findings were encouraging and both the updates and deadlines were good. Members thanked CMcLundie for his work on the report.

5.5.3 The Chair requested the report be referred to the Transformation working group  
**ACTION 20180724- AUD-003.**

## **5.6 Internal Risk Management Report**

5.6.1 HBerry provided an overview of the report. GDevlin added that the process is the best Internal Audit have seen in the public sector. Members thanked Fiona Davidson and her team for the work that has been done and praised the commitment from force management.

5.6.2 Members discussed their desire to hold a full board session on risk appetite. HPearce advised that the SPA Senior Management Group have a risk session scheduled for the end of July and a request for a full Board one has already been made and is anticipated for September 2018.

## **5.7 HR Performance Reporting**

5.7.1 The Chair highlighted that the report did not make clear whether or not recommendations had been accepted. On that basis, Members agreed to defer the report to the next Committee so that the report can be updated.

## **5.8 Budgeting and Reporting**

5.8.1 HBerry provided a summary of the report.

5.8.2 Members agreed it was an encouraging report and the Chair advised he would highlight the report to Susan Deacon as an example of positive progress.

## **5.9 Accounts Preparedness Review**

5.9.1 GDevlin provided a summary of the report, noting that while it was a good report, consideration should be given as to whether it is provided in future years. The Chair responded that the report had been of considerable reassurance for Members but agreed consideration should be given as to whether there is a future requirement for it.

5.9.2 JGray assured Members that all compliance areas have been included and/or updated within the draft annual accounts and financial statements (Item 14).

## **5.10 Internal Audit Annual Report 2017/18**

5.10.1 GDevlin provided a summary of the report.

5.10.2 HPearce agreed to circulate the paper to all Board Members for their information  
**ACTION 20180724- AUD-007.**

## **6. Information and Data Protection**

### **6.1 SPA – GDPR End of Project Report**

6.1.1 LMcNeill provided a brief summary of the report.

6.1.2 Members advised they were extremely reassured by the updates provided and thanked LMcNeill for the work undertaken.

## **6.2 Police Scotland – GDPR Update**

6.2.1 JPaterson referred Members to the appendix, advising that the format is what had been presented previously and is what the Information Commissioners Office will report on.

6.2.2 With reference to legacy systems within Appendix A, Members raised concern regarding the date of May 2023 for compliance with the Law Enforcement Directive. Members agreed it was a short timescale to complete the work required.

6.2.3 Members noted that the current completion for all three briefing packages is approx. 70% and questioned how it can be increased. Members were advised that the third package had only recently been released, however, once the number of staff of who are off long term sick or out the country have been counted, the remaining staff will be contacted individual by the end of August.

## **6.3 ICO Audit Report and Recommendations Tracker - SPA**

6.3.1 LMcNeill provided a summary of the report to Members, highlighting that the ICO recommendations tracker had been updated and the report presented superseded the one presented in June 2018. Members were advised that all actions are reported to the newly set up Information and Assurance Group. Members were advised that the return visit by the ICO had been postponed (by ICO) to October 2018 at the earliest.

6.3.2 Members agreed that they were hugely reassured and the report had changed the perception previously given. Members thanked LMcNeill for the work undertaken.

6.3.3 The Chair reminded attendees that following the June Committee, Internal Audit had been requested to work with Information Management to review the process on addressing recommendations, however, on receipt of the updated tracker there would potentially be less work required.

## **6.4 ICO Audit Report and Recommendations Tracker – Police Scotland**

6.4.1 JPaterson referred Members to the paper and advised that, unlike the SPA paper, the tracker could not be made public due to content relating to security systems. JPaterson confirmed that ICO had also not made the report public and have refused FoIs relating to it on the same basis.

6.4.2 Members agreed to ask questions under Item 13, taken in private.

## **7. Whistleblowing**

### **7.1 SPA Whistleblowing Progress Report**

7.1.1 HPearce advised Members that there were no current open whistleblowing cases within SPA. The most recent case had been closed by an Employment Tribunal on 18<sup>th</sup> July 2018, which had found in favour of the SPA in 16 of the claims and in favour of the whistleblower in 1 claim. HPearce confirmed a lessons learned exercise would be undertaken which would include consideration of any revisions needed to the whistleblowing policy and procedures.

7.1.2 Members were content with the update provided and requested to meet with HPearce to discuss what the lessons learned exercise would entail **ACTION 20180724- AUD-008.**

### **7.2 Police Scotland Whistleblowing Progress Report**

7.2.1 ACC Speirs advised Members that the ongoing review of officers' whistleblowing operating procedures would be concluded by the end of August 2018. At the Audit

Committee in April 2018, Members had questioned the number of referrals in the category 'Other'. ACC Speirs advised that this category had been broken down further for more clarity.

7.2.2 Members were advised that there had been 234 whistleblowing cases raised so far during the financial year. If this number were to continue, there would potentially be a rise of 20% by the year end, compared to 2017/18.

## **8. Progress on Recommendations from the Scott Moncrieff Special Investigations Report**

8.1 HPearce provided an overview of the paper.

8.2 With the exception of raising concern over the extent of potential limitations on reimbursement for travel or preparation time in the Board Entitlement Policy, Members were content with the report.

## **9. Technical Updates**

9.1 DChristie provided an overview of the paper, confirming that the International Financial Reporting Standard 16 (Leases) would result in more work but would have no financial implications.

## **10. Reports circulated to Committee Members Since Last Meeting**

### **10.1 Audit Scotland Report on the Scottish Fire and Rescue Service**

10.1.1 Members confirmed they had received the report.

### **10.2 Audit and Assurance Committee Handbook**

10.2.1 Members confirmed they had received the handbook and agreed to discuss it in more detail at the upcoming Committee development day.

## **11. AOCB**

11.1 There was no other business.

*Items 12- 15 were taken in private  
end*