

**SCOTTISH POLICE  
AUTHORITY**

<b>Meeting</b>	<b>Audit Committee</b>
<b>Date</b>	<b>24 July 2018</b>
<b>Location</b>	<b>Pacific Quay, Glasgow</b>
<b>Title of Paper</b>	<b>Progress on recommendations from the Scott-Moncrieff report</b>
<b>Item Number</b>	<b>8</b>
<b>Presented By</b>	<b>Hilary Pearce</b>
<b>Recommendation to Members</b>	<b>For noting</b>
<b>Appendix Attached</b>	<b>No</b>

**PURPOSE:**

To advise members on progress made to date to implement all recommendations made by the internal auditors in their report 'Whistleblowing investigation – Summary of Findings'.

## 1. BACKGROUND

- 1.1 In June 2017 the SPA's internal auditors, Scott-Moncrieff, were made aware of a series of allegations made to the SPA by a whistleblower. The Chair of the Audit Committee asked Scott-Moncrieff to investigate the allegations and to identify any areas for improvement or remedial actions to be taken.
- 1.2 The internal auditor's report 'Whistleblowing investigation – Summary of Findings' was finalised in January 2018 and made four recommendations to make key improvements. All the recommendations were accepted by the SPA and the management response, included in the report, set out the course of action to be taken.
- 1.3 Work has progressed to implement each recommendation and the current position is set out below.
- 1.4 The SPA's Accountable Officer (the interim Chief Officer) and the interim Director for Improvement Assurance have held regular meetings with Scott-Moncrieff to discuss this work, alongside progress against recommendations arising from internal audit reports. Meetings were held on 20 March, 3 May, and 13<sup>th</sup> June 2018 and further meetings are scheduled over the coming months. These will continue until all recommendations have been agreed to have been fully discharged.

## 2. PROGRESS TO IMPLEMENT THE 4 RECOMMENDATIONS

- 2.1 **Recommendation 1 (Settlement agreements):**  
"The SPA should review the delegated limits for officers and ensure that any unusual payments should be reported through the committee process. This should include the requirement that: any settlement agreements reached with senior members of staff should be reported to and approved by the board. All settlement agreements for all staff should be reported to and approved by the Board".
- 2.2 **Management Response:**  
"Agreed. The review recommended is underway and will be completed by the end of June".
- 2.3 **Progress to date**  
The delegated limits for SPA officers who are budget holders have been reviewed and revisions agreed, as set out in the SPA's internal Scheme of Financial delegation. The Accountable Officer (the interim

Chief Officer) is the only officer with delegated authority for unusual payments, including payments in respect of settlement agreements. The role and responsibilities of the Accountable officer, as set out in the Scottish Public Finance Manual and the Memorandum for designated Accountable Officers of public bodies, are now clearly understood and promoted, including the requirement to ensure propriety, regularity and value for money in all transactions.

2.4 With regard to the approval of settlement agreements by the Board and committees, following the approval by the board of its revised Governance Framework on 28 June 2018, the 'Matters reserved to the Board' is now being reviewed and it is intended to include settlement agreements reached with senior members of staff. The Terms of Reference of the Committees are also being reviewed in the light of the proposed new committee which is expected to assume the responsibilities of the current People, Policing and Finance Committees.

2.5 There have been no settlement agreements reached, or proposed, since the tenure of the SPA's current designated Accountable Officer.

2.6 **Recommendation 2 (Board Entitlement policy):**

"The SPA should review the Guidance for Board Entitlement policy to ensure that: time recording requirements are clarified, including the incorporation of travel time; a system is in place to monitor the level of time claimed by Board members and this should be used to support claims by Board members; Any claims for time commitment exceeding the level agreed within a member's appointment letter should be subject to approval by the chair of the board".

2.7 Management response:

"Agreed. The review recommended is underway and will be completed by end June 2018. Any changes to existing Guidance will require agreement with Scottish Government".

2.8 Progress to date:

The current Board Entitlement Policy was clarified to all members (including new members) in the SPA Members' Pack issued in April 2018. The current policy has been reviewed and proposed revisions are currently with the chair of the board for consideration before being submitted to Scottish Government. A monitoring system for time commitment has been in place since January 2018, and all required approvals are strictly adhered to.

2.9 **Recommendation 3 (Relocation policy):**

“The Board should review the relocation policy to ensure that: The policy sets out a specific expenditure limit. The HMRC sets a relocation costs threshold of up to £8,000 of qualifying costs that are exempt from reporting and paying tax and National Insurance; any extensions to the time limit outlined within the policy for relocation expenses should be subject to board approval.; the policy should make clear that all relocation expenses will be paid through the payroll system”.

#### 2.10 Management response:

“Agreed. By end June 2018 SPA will undertake a review to ensure that the relocation current policies/SOPs are being adhered to. Changes to the policies which would be deemed to be a change to terms and conditions will be required to be negotiated and agreed through the Police Negotiating Board (PNB). In line with the letter sent by Scottish Government/SPA/Police Scotland to the Staff side of PNB on 8 December 2017, there are ongoing discussions through the Technical Working Group. As part of this process, SPA management will seek to explore the scope for making such changes with those parties by end March 2019”.

#### 2.11 Progress to date:

A 3-phased approach to implementation has taken place. The first phase has included the following immediate changes to finance processes

- additional monthly procedures in order to ensure early identification of future relocation expenses; and
- an additional period of review of the remuneration report by the Executive Team as part of the year end procedures.

The second phase involved the development of an improved governance process for senior officer relocation expenses, which was implemented in advance of the recent senior officer appointments. In summary these changes are:

- The firm commitment that all payments will be processed through payroll;
- A clear process of early engagement between new appointees and People and Development to ensure a clear understanding of what is likely to constitute reasonable expenses;
- Confirmation that any claims made out with the 18 month period requires SPA Board approval;
- The SPA CEO rather than the Chief Constable will approve expenses beyond normal limits following submission of a report from People and Development if: payments of Mortgage Interest and Council Tax for previous home beyond 26 weeks; or approval of incidental expenses beyond £2,000;

or include reimbursement of expenses for the purchase of a second home;

- An annual update on Chief Officer relocation expenses to the relevant Committee; and
- The opportunity for the SPA CEO to seek approval from the SPA Board on reimbursement decisions where there is a concern re best value

The current phase of improvement involves Internal Audit carrying out an audit of financial controls related to relocation expenses. The SPA will seek to identify further improvements from this process before determining whether further discussion is required through the Police Negotiating Board. This was discussed with Scott-Moncrief on 27 June 2018.

**2.12 Recommendation 4 (Reporting of relocation payments)**

“Details of relocation payments made should be reported to the People Committee on at least an annual basis.”

**2.13 Management response:**

“Agreed”.

**2.14 Progress to date:**

As the remits of the several of the SPA committees are currently under review, the annual reporting of relocation payments made will be included in the Terms of Reference of the proposed new committee which is expected to assume the responsibilities of the current People Committee.

### **3. FINANCIAL IMPLICATIONS**

- 3.1 There are no direct financial implications in this report. The indirect financial implications arising from the implementation of each recommendation are set out in progress to date as described.

### **4. PERSONNEL IMPLICATIONS**

- 4.1 There are no direct personnel implications associated with this paper. Implications which will be subject to PNB agreement, may arise from the implementation of recommendation 3 – as described in the progress to date.

**5. LEGAL IMPLICATIONS**

5.1 There are no legal implications in this paper.

**6. REPUTATIONAL IMPLICATIONS**

6.1 There are reputational implications associated with this paper – in that reputational damage to the SPA could ensue if the recommendations fail to be implemented.

**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.

**RECOMMENDATION:**

Members are requested to note the progress made to date against each of the recommendations.