

SCOTTISH POLICE
AUTHORITY

Meeting	SPA Audit Committee
Date	11 September 2018
Location	Pacific Quay, Glasgow
Title of Paper	Internal Audit Protocol for Commissioning of Additional Work
Item Number	4.4
Presented By	Elizabeth Young, Director, Scott-Moncrieff
Recommendation to Members	Members are requested to note the report.
Appendix Attached	Internal Audit Protocol for Commissioning of Additional Work

PURPOSE

This paper presents a proposed protocol for the commissioning of additional internal audit work by Police Scotland and the SPA.

The paper is submitted for noting.

1. BACKGROUND

- 1.1 The internal audit team provides audit, assurance and consultancy services to the Scottish Police Authority (SPA) including the Forensic Service, Police Scotland and is commissioned by the Accountable Officer and the Board on the recommendation of the Audit Committee.
- 1.2 The core of internal audit is agreed through the annual internal audit plan. This plan is approved each year by the Board, on the recommendation of the Audit Committee following wide ranging consultation with the Executive teams in the SPA and Police Scotland.
- 1.3 The annual internal audit plan includes a number of contingency days to enable the internal audit team to react and respond effectively to changing priorities and risk whilst still delivering the agreed audit programme. In addition, there are some occasions which may require the internal audit team to undertake additional work which requires resourcing that exceeds the available contingency days or is of a specialist nature.

2. FURTHER DETAIL ON THE REPORT TOPIC

- 2.1 Requests for additional work from the internal audit team can emerge from a range of sources within Police Scotland or the SPA (including the Forensic service) or can come directly from the Board, normally through the Audit Committee. The arrangements for commissioning internal audit to undertake additional work have not yet been formalised and the paper sets out a proposed framework for this going forward.

3. FINANCIAL IMPLICATIONS

- 3.1 There are no financial implications arising as a direct result of this report.

4. PERSONNEL IMPLICATIONS

- 4.1 There are no personnel implications associated with this report.

5. LEGAL IMPLICATIONS

5.1 There are no legal implications associated with this report.

6. REPUTATIONAL IMPLICATIONS

6.1 There are no reputational implications arising from with report.

7. SOCIAL IMPLICATIONS

7.1 There are no social implications directly associated with this report

8. COMMUNITY IMPACT

8.1 There are no community impact implications directly associated with this report.

9. EQUALITIES IMPLICATIONS

9.1 There are no equalities implications directly associated with this report.

10. ENVIRONMENT IMPLICATIONS

10.1 There are no environmental implications associated with this report.

RECOMMENDATIONS

Members are requested to note the report.



Scottish Police Authority

Internal Audit – Commissioning Protocol

September 2018



Scott-Moncrieff
business advisers and accountants

Scottish Police Authority

Internal Audit – Commissioning Protocol

Introduction

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Commissioning Protocol

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Introduction

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control and governance processes.

Section 3 – Definition of Internal Auditing, Public Sector Internal Audit Standards

The internal audit team provides audit, assurance and consultancy services to the Scottish Police Authority (SPA) including the Forensic Service, Police Scotland and is commissioned by the Accountable Officer and the Board on the recommendation of the Audit Committee.

The core of internal audit is agreed through the annual internal audit plan. This plan is approved each year by the Board, on the recommendation of the Audit Committee following wide ranging consultation with the Executive teams in the SPA and Police Scotland.

The annual internal audit plan includes a number of contingency days to enable the internal audit team to react and respond effectively to changing priorities and risk whilst still delivering the agreed audit programme. In addition, there are some occasions which may require the internal audit team to undertake additional work which requires resourcing that exceeds the available contingency days or is of a specialist nature.

Requests for additional work from the internal audit team can emerge from a range of sources within Police Scotland or the SPA (including the Forensic service) or can come directly from the Board, normally through the Audit Committee. The arrangements for commissioning internal audit to undertake additional work have not yet been formalised and this document sets out a proposed framework for this going forward.

Commissioning Protocol

The annual audit plan

1. The primary source for commissioning internal audit work will continue to be through the annual audit plan which must be approved by the Accountable Officer and Board on the recommendation of the Audit Committee. Any proposed changes to the audit plan, including for the use of contingency days, should, wherever possible, be approved in advance by the audit committee.
2. In exceptional circumstances, such as where an urgent response is required, the Accountable Officer or the Board can commission additional work from the internal audit team and authorise the use of contingency days from the annual audit plan to resource this additional work.
3. A recommendation by the Audit Committee Chair should be sought for such changes and, wherever possible, this should be in advance of the work commencing.

Additional work

4. Police Scotland and the SPA may also require internal audit resource outwith the internal plan to undertake consultancy work or specific or specialist assurance or investigatory reviews. These may include, for example, reviews of whistleblowing allegations or the provision of project or programme assurance work.
5. The need for additional internal audit resource may be identified from a variety of sources within Police Scotland or the SPA. The Accountable Officer should approve all such commissions and the Audit Committee Chair should be informed as soon as the commission is approved.
6. The applicable rates for all additional work will be agreed during the commissioning process with reference to the skillset and seniority of the team required. Where contingency days from the annual audit plan are to be used to resource additional work, the standard day rate will apply as well as the arrangements outlined in paragraphs 1-3 above.
7. All work undertaken by internal audit that results in a report to management must be shared with the Accountable Officer for the SPA and the Audit Committee Chair. The Audit Committee Chair will determine if internal audit reports relating to assignments not contained in the annual audit plan should be reported to the Audit Committee.

Mandatory considerations

8. This Protocol must be read in conjunction with the SPA's and Police Scotland's procurement policies. Commissions for internal audit work outwith the annual audit plan must be compliant with existing procurement policies.
9. The internal audit team must remain independent if it is to undertake its functions and role effectively. The internal audit team must not agree to undertake any audit work which may undermine its independence. Importantly, internal audit cannot undertake activities which require management decision making or which do not comply with Public Sector Internal Audit Standards. It is the responsibility of the Chief Audit Executive to inform the Audit Committee Chair and Accountable Officer of the SPA if there are any threats to the independence of the internal audit team.

Following consultation with the chairs of the Audit Committee and the Board, this Protocol was agreed and approved by:

SPA Accountable Officer

xx September 2018

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