

**SCOTTISH POLICE  
AUTHORITY**

<b>Presented To:</b>	<b>Board Meeting</b>
<b>Date:</b>	<b>Thursday 25 February 2016</b>
<b>Location:</b>	<b>John McIntyre Conference Centre, Edinburgh</b>
<b>Agenda Item:</b>	<b>6.3</b>
<b>Presented By</b>	<b>Amy McDonald</b>
<b>Title of Paper:</b>	<b>External Audit Action Plan</b>
<b>For Approval / For Consultation</b>	<b>For Consultation</b>
<b>Appendix Attached: Yes or No</b>	<b>No</b>

### 1. PURPOSE

1.1 The purpose of this paper is to provide SPA members with an update on the actions required to discharge the external audit recommendations made by Audit Scotland both within the 2014/15 interim, year end and Section 22 report.

### 2. OUTSTANDING AUDIT SCOTLAND RECOMMENDATIONS

2.1 Audit Scotland has made recommendations to the SPA and PS on how financial processes, controls and oversight require to be improved. These recommendations are within the following reports:

Report	No. of Recommendations	Action Update	Closure Date
Interim Review of Internal Controls and Governance 2014/15	32	21 completed, 11 ongoing – actions have lead individual with executive oversight.	Majority by 31 March 2016. Remainder through to end of June 2016.
Annual Audit Report 2014/15	13	3 completed, 10 ongoing – actions have lead person and executive oversight.	Varying, through to end of June 2016.
ICT follow up and governance report 2014/15	7	2 completed, 5 ongoing.	Varying, through to end of 2016 in line with ICT delivery programmes.

Section 22 Report	No specific number, within report requirement to address: <ul style="list-style-type: none"> <li>• Long term financial strategy</li> <li>• Financial leadership</li> <li>• SPA strategic direction</li> <li>• Budgetary pressure</li> <li>• Reporting financial performance</li> <li>• Improved disclosure of Police Reform budget expenditure</li> <li>• Fixed asset accounting</li> </ul>	As noted below at 2.1.	Varying, through to end of June 2016.
-------------------	---	------------------------	---------------------------------------

2.2 All outstanding audit actions are reported and monitored by the SPA Audit and Risk Committee members.

2.3 All actions have an owner in addition to executive owner to ensure the work is being completed and there is appropriate oversight and review.

2.4 SPA will monitor the closure of actions. If there is concern that the task work does not meet the recommendations requested by Audit Scotland then additional actions will be considered i.e. compensating controls or appropriate actions to close off these items within the required timeframes.

### **PROCESS TO CLOSE ACTIONS**

2.5 The Section 22 Report actions are a focus for the organisation to close.

- a) Work continues on the long term financial strategy
- b) Fixed asset action plan created and work ongoing
- c) Clear audit trail for Reform expenditure being provided
- d) Continued budgetary pressure managed under 2015/16 action plan
- e) Financial management issues being addressed by SPA Chair and CEO.

2.6 In addition to the Section 22 Report the 2014/15 interim audit report provides 32 recommendations to be addressed and the year-end report 13 items. SPA will work to complete their own recommendations and with PS finance to ensure actions put in place are sufficient to both address the recommendation and are completed in the agreed timelines.

2.7 SPA will work with PS ICT to ensure appropriate work is being done to cover the specific ICT audit recommendations.

2.8 SPA members will be kept up to date with the progress on all actions. This will be reviewed by the April Audit & Risk Committee meeting as part of the Improvement Tracker paper.

2.9 An SPA assurance report on fixed assets will be brought to the April Audit

& Risk Committee. The assurance report will cover a review of Fixed Assets remediation to ensure all required recommendations are appropriately closed or otherwise and a general review of the quality of the record keeping within the register – a specific request of Audit Scotland. Internal audit will cover the function and general computer controls of the fixed asset register, Asset 4000.

### **3. FINANCIAL IMPLICATIONS**

3.1 The financial implications are outlined within this report.

### **4. PERSONNEL IMPLICATIONS**

4.1 There are no direct personnel implications arising from this report.

### **5. LEGAL IMPLICATIONS**

5.1 There are no direct legal implications associated with this report.

### **6. REPUTATIONAL IMPLICATIONS**

6.1 There are significant reputational issues surrounding the failure to close the current Audit Scotland issues.

### **7. SOCIAL IMPLICATIONS**

7.1 There are no social implications directly associated with this report.

### **8. COMMUNITY IMPLICATIONS**

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

### **9. EQUALITIES IMPLICATIONS**

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

### **10. ENVIRONMENTAL IMPLICATIONS**

10.1 There are no environmental implications directly associated with this report.

**11. RECOMMENDATION**

11.1 Members are requested to note the content of this report and the work underway to close the open audit recommendations.