

Minute of Scottish Police Authority Audit and Risk Committee

Meeting	Scottish Police Authority Audit & Risk Committee - public session	Date/Venue	Tuesday 19 th January 2016
Meeting Called By	David Hume, Chair	Start Time	10:00
Reference Meeting No	SPAARC-190116	End Time	12:20

Members Present		In Attendance	
Name	Title	Name	Title
David Hume	Chair, Authority Member	Amy McDonald	Director of Financial Accountability, SPA
Moi Ali	Authority Member	Tom McMahon	Director of Strategy and Performance, SPA
Iain Whyte	Authority Member	Graham Stickle	Risk and Policy Specialist, SPA
Morag McLaughlin (Items 4.1 – 10)	Authority Member	Lynne Clark	Programme Development Manager, SPA
Elaine Wilkinson	Authority Member	CS Andy Morris	Chief Superintendent, Police Scotland
		Supt. Andy McKay (Item 1 – 8.1)	Superintendent, Police Scotland
		Janet Murray	Director of Finance, Police Scotland
		CI Lynne Ratcliff	Chief Inspector, Police Scotland
		CI Fergus Bryne	Chief Inspector, Police Scotland
		DCI Andy Goodwin (Item 1 – 8.1)	Detective Chief Inspector, Police Scotland
		Sarah Jane Hannah	Head of Financial Accountancy, Police Scotland
		ACC Thomson (Items 8.2 – 10)	Assistant Chief Constable, Police Scotland
		CS Alan Speirs (Items 8.2 – 10)	Chief Superintendent, Police Scotland
		Gillian Woolman	Assistant Director, Audit Scotland
		Liz Maconachie	Senior Audit Manager, Audit Scotland
		Gary Devlin	Relationship Partner, Scott Moncrieff
		Shelley Hughes	Head of Internal Audit, Scott Moncrieff
		Karen Vallance	Committee Co-ordinator, SPA

1. Chair's Opening Remarks: (David Hume)

1.1 David Hume welcomed all attendees to the meeting and introduced Gary Devlin, Shelley Hughes and Liz Maconachie who were attending the meeting for the first time.

1.2 Apologies were received from John Foley. Interim apologies were received from Morag McLaughlin who was expected to join the meeting.

1.3 There were no declarations of interest.

1.4 David Hume advised that the Committee was in a period of transition and it was anticipated an improvement plan in relation to how the Committee operates would be presented at the April Committee.

2.1 Minute from Meeting held 11 December 2015: (David Hume)

2.1.1 Approval was sought for the Minutes of the meeting held 11 December 2015.

2.1.2 Supt McKay highlighted that the front page and paragraph 5.2 should be amended to 'Supt. McKay'.

2.1.3 Moi Ali requested that paragraph 5.2 be amended to read '*Moi Ali referred to recommendation 2, noting that there was a lack of evidence presented to allow it to be discharged. Supt McKay responded that a survey had gone out to Officers looking at perception, in which the results had been received so that outcome could be brought back to the Committee*'.

2.1.4 The Minutes were **APPROVED** with the aforementioned changes.

2.2 Matters Arising: (David Hume)

2.2.1 There were no matters arising.

3. Rolling Action Log: (David Hume)

3.1 Refer to the updated action commentary reflected in the Rolling Action Register.

3.2 The Chair referred Members to the updated commentary within the Rolling Action Register.

4 Improvement Tracker

4.1 SPA Improvement Tracker (Lynn Ratcliff)

4.1.1 Lynne Clark referred Members to the paper highlighting updates and changes to recommendations since the last review. David Hume thanked Lynne Clark for the update and noted that the summary sheet was helpful.

Morag McLaughlin joined the meeting.

4.1.2 Moi Ali advised that some of the low level actions don't need to come to the Committee in detail but the Committee need assurance that they are being progressed. Moi Ali also suggested that the source is validated before an action is closed. Moi Ali questioned what is noted in the Terms of Reference for the Committee with regard to PIRC recommendations and whether the Audit and Risk Committee should seek assurance on them or whether that responsibility rests with the Complaints and Conduct Committee.

4.1.3 Gary Devlin noted that it was difficult to know progress on high risk actions. David Hume added

that it would be helpful to speak with Tom McMahon and have an integrated look at the improvement tracker and risk.

NOT PROTECTIVELY MARKED

ACTION - 190116-ARCPL-001 - Consideration should be given to how the tracker can be integrated with risk register and business plan.

4.1.4 Iain Whyte suggested that the Audit Scotland section needs to be reviewed as some actions read that they are completed but are not noted as closed. Morag McLaughlin agreed with the suggestion and highlighted it was important to document where actions are currently sitting.

4.1.5 Gillian Woolman recommended that ownership of actions be noted in the paper. Gillian Woolman also suggested that the content of the 'progress section' needs to be improved. Moi Ali added that an overview or dashboard of high, medium and low risk actions could be helpful.

4.1.6 Amy McDonald replied that the observations were welcome and highlighted that SPA, Police Scotland and Audit Scotland had met to discuss the improvement tracker and the content but that the outcome of those discussions had not yet been incorporated into the paper. Iain Whyte added that it was important for the Committee to be aware of how the SPA Senior Management team was progressing the actions.

4.1.7 Elaine Wilkinson stated that it would be helpful if the management responses to recommendations were dealt with in the same way as to audit report and noted concern that some actions had had to be re-opened.

ACTION - 190116-ARCPL-002 - Review format of tracker reporting to ARC taking cognisance of member feedback and role of ARC including consideration of adopting Internal Audit methodology to categorise actions, categorising actions based on risk and dashboard reporting.

4.1.8 Morag McLaughlin referred to how the CONTEST work is focussed on Forensics and sought clarity on whether the tracker would incorporate Deloitte's work on forensics. David Hume responded that it should.

ACTION - 190116-ARCPL-003 - Consideration given to including recommendation from the Deloitte report on Forensics within improvement tracker.

4.1.9 David Hume stated a meeting was needed between SPA, Police Scotland and HMICS to discuss how the trackers can be written and formatted in a way that allows the Audit and Risk Committee to fully carry out their duties. CS Morris agreed that a discussion which would allow a better understanding of what the Committee wants would be helpful in reporting the trackers.

4.2 Police Scotland Improvement Tracker (Lynne Ratcliff)

4.2.1 CI Ratcliff referred to the paper and highlighted that a significant number of HMICS recommendations were outstanding but advised that Police Scotland were meeting HMICS the week commencing 25th January 2016 with a further update due to take place in March 2016. CI Ratcliff suggested that the meeting between Police Scotland, SPA and HMICS, previously discussed, take place between those two meetings. David Hume agreed.

ACTION - 190116-ARCPL-004 - Police Scotland and HMICS meeting week commencing 25th January 2016 with a follow up meeting in March 2016. Police Scotland, SPA and HMICS to meet in between those dates to discuss and provide a better understanding of what the Committee needs from the improvement tracker.

ACTION - 190116-ARCPL-005 - Ensure that all actions are updated fully showing target dates.

4.2.2 David Hume asked if the paper brought to the Committee was the same paper taken to management meetings. CI Ratcliffe confirmed the paper was taken to management meetings along with in depth papers on actions that were proposed for closure. David Hume replied that it would be helpful for the Committee to have sight of the more in depth documents.

4.2.3 David Hume questioned if the flow chart (Appendix B (HMICS Process

Flow) accurately reflects the process. CS Morris replied that the flow chart represented the discussions on action plans. CS Morris highlighted that 235 recommendations for Police Scotland amounts to approximately 2000 actions so the suggestion made earlier for an overview/dashboard of actions would be difficult. Moi Ali responded that an overview/dashboard of recommendation progress would suffice instead of individual actions.

4.2.4 David Hume noted that comments previously made on the SPA tracker were relevant to the Police Scotland tracker. Elaine Wilkinson reiterated that the Committee needed assurance that progress is being made as opposed to going through the detail.

4.2.5 Members **NOTED** the SPA Improvement Tracker and the Police Scotland Improvement Tracker.

5 Internal Audit

5.1 Scott Moncrieff – Presentation of Updated 2015/16 Audit Plan (Gary Devlin)

5.1.1 Gary Devlin referred Members to the paper and highlighted that the plan produced by PwC had been replicated and updated to show what was still outstanding.

5.1.2 Elaine Wilkinson sought clarity on whether the business units were content that there was the capacity to undertake the work. Elaine Wilkinson referred to B.3.1 and E.2 noting that it seemed a lot of work. Gary Devlin replied that B.3.1 was intended to be an overview on gap analysis, not an in depth deep dive. CI Byrne added that he thought that audit had already been completed. Gary Devlin commented that E.2 would be an overview and a deep dive would be carried out at a later date.

5.1.3 CS Morris referred to the question on capacity and noted it was hard to say currently the effect on capacity. CS Morris noted his disappointment that this was the first time Police Scotland had had sight of the audit plan. David Hume responded that the original plan had already been circulated by PwC. Gary Devlin agreed that there had been a breakdown in process if Police Scotland had not seen the updated Audit Plan.

5.1.4 Elaine Wilkinson referred back to E.2 and noted concern on the timing as there was a lot of work ongoing on the financial management plan and suggested it be looked at once the financial management plan was complete. David Hume asked if other Members shared those concerns. Moi Ali responded that it was important that work was carried out before the year end which David Hume agreed with.

5.1.5 David Hume suggested he meet regularly with Gary Devlin and Shelley Hughes until the end of the financial year and that any other Members were welcome to join the meeting.

5.1.6 Members **AGREED** the Audit Plan 2015/2016.

5.2 Draft Audit Plan 2016/17 (Gary Devlin)

5.2.1 Gary Devlin referred to the paper highlighting that the proposals were linked to the Risk Register and it was anticipated that the final plan would be brought to the next Committee for agreement.

5.2.2 Iain Whyte highlighted that there would be a lot of change happening within the organisation due to a number of things such as the new Chief Constable starting, organisational change work and the change budget, and questioned how those changes would be addressed. Iain Whyte also referred to B.3.2 – Lean Delivery, stating that it was noted as transformation work and sought clarity on how it would be linked to other work of business continuity.

5.2.3 Shelley Hughes responded that with regards to Lean Delivery the audit would be taking a fresh perspective on it, looking at how it is being delivered, if there are any gaps and whether Police Scotland are getting the benefits from it they expect. Shelley Hughes noted that as further

discussions take place over the next couple of months, there would be flexibility to update the plan within the next 100 days. NOT PROTECTIVELY MARKED

5.2.4 David Hume advised he thought it was a good idea that the plan was derived from the risk register. David Hume also requested that a draft plan from Scott Moncrieff be circulated to Members so that they can see the format and layout of Scott Moncrieff documents.

ACTION – 190116-ARCPL-006 - Draft audit report from Scott Moncrieff to be circulated to Members to allow Members to have early sight of format and layout of Scott Moncrieff audit reports.

5.2.5 Elaine Wilkinson advised that the risk registers may not fully articulate the current issues so the Committee should be prepared for the audit plan to change through the year.

5.2.6 Gillian Woolman said it was good to see the level of auditing planned for 2016/17. She reminded the Committee that if this is the level of internal audit required to enable the Accountable Officer to sign off the annual governance assurance statement for the 2016/17 accounts then the lower level of internal audit work undertaken in 2015/16 will need to be taken into account when drafting the 2015/16 annual governance assurance statement.

5.2.7 Janet Murray confirmed that Police Scotland would work with Scott Moncrieff in the next few weeks with regard to the 2016/17 plan.

5.2.8 Members **NOTED** the paper.

6. Integrity Matters (DCI Goodwin)

6.1 Moi Ali noted disappointment that the paper submitted did not present any assurances on the whistleblowing process. Iain Whyte added that the paper concentrated on criminal matters and that the Committee needed assurances on the whistleblowing process and how it is being processed and tracked.

6.2 DCI Goodwin responded that referrals are higher in comparison to Safecall, showing there is more confidence in the system. DCI Goodwin also advised that feedback had been positive.

6.3 David Hume questioned where the key information is reported to. DCI Goodwin replied that it is reported to the Head of Intelligence.

6.4 Moi Ali stated that assurance is needed to show the process is working effectively and that that assurance needs to be reported to the Committee. Elaine Wilkinson added that the Committee needed to see trends and themes to see if there are potential problems, without breaking confidentiality. CS Morris suggested that proposals on how assurances are presented to the Committee are brought to the next meeting.

ACTION – 190116-ARCPL-007 - Proposals on how assurances can be recorded and reported to the Committee to be brought to future meeting.

7. Update on Stop and Search Recommendation Plan (Supt. McKay)

7.1 Supt McKay provided an overview of the paper which gave a further update to action 111215-ARCPL-002 relating to SPA Review Recommendation 2.

7.2 Moi Ali responded that the information provided shows that recommendation 2 should not be closed.

7.3 Members **NOTED** the paper agreeing to keep recommendation 2 open.

DCI Goodwin and Supt. McKay left the meeting.
ACC Thomson and CS Speirs joined the meeting.

8. Contact, Command and Control NOT PROTECTIVELY MARKED

8.1 PS Response to HMICS Review of Call Handling

8.1.1 ACC Thomson circulated an up to date action plan as changes had been made throughout the previous week. ACC Thomson advised that a significant number of actions supported the recommendation. CS Speirs provided an overview of the paper.

8.1.2 David Hume noted that the plan looked reassuring and logical. ACC Thomson added that with Tom McMahon they would be meeting the centre of excellence to look at gateway reviews and that HMICS was providing independent assurance on the plan as it was in response to HMICS recommendations. ACC Thomson advised that Cambridge Constabulary were also providing independent assurance.

8.1.2 Iain Whyte questioned if HMICS providing independent assurance led to a conflict of interest with regard to the C3 project. ACC Thomson responded that none of the recommendations provided by HMICS contradicted the project so there was no conflict of interest. Iain Whyte further asked if the recommendations fit with the long term aim, ACC Thomson confirmed that it did.

8.1.3 Members **NOTED** the update.

8.2 SPA Reponse to HMICS Review of Call Handling

8.2.1 Tom McMahon referred Members to the paper, highlighting that the SPA Response had already been discussed at the Board meeting in December 2015 and that it had been tabled at the Committee to provide reassurance. Tom McMahon also advised Members that he would be joining the Police Scotland project on the HMICS review as an observer.

8.2.2 Elaine Wilkinson referred to the Police Scotland document in Item 8.1 and requested the paper be updated to show that all actions have target dates against them. ACC Thomson suggested that an updated paper be brought back to another meeting to facilitate further discussion. David Hume agreed and requested the updated Police Scotland response be circulated to Members

ACTION – 190116-ARCPL-008 - Paper to be updated to include target dates against all actions.

ACTION – 190116-ARCPL-009 - Paper to be brought back to Members to facilitate further discussion.

ACTION – 190116-ARCPL-010 - Updated paper to be circulated to Members.

9. Fixed Assets (Amy McDonald)

9.1 Amy McDonald provided an update to Members highlighting that an assurance report would be brought to the next Committee meeting.

9.2 Gillian Woolman responded that an update to actions on the section 22 report were welcome.

9.3 David Hume requested that the update be circulated to Members

ACTION – 190116-ARCPL-011 - Written brief on fixed assets to be circulated to Members.

9.4 Members **NOTED** the update.

10. Date of Next Meeting: 19 April 2016

End.

Minute of Scottish Police Authority Audit and Risk Committee

Meeting	Scottish Police Authority Audit & Risk Committee - Public Session	Date/Venue	Tuesday 22 nd March 2016
Meeting Called By	David Hume, Chair	Start Time	10:00
Reference Meeting No	SPAARC-220316	End Time	10:45

Members Present		In Attendance	
Name	Title	Name	Title
David Hume	Chair, Authority Member	John Foley	Chief Executive, SPA
Moi Ali	Authority Member	Amy McDonald	Director of Financial Accountability, SPA
Iain Whyte	Authority Member	Catherine McIntyre	Strategic Advisor, SPA
Elaine Wilkinson	Authority Member	David Williams	Business Support Manager
		Janet Murray	Director of Finance, Police Scotland
		CS Andy Morris	Chief Superintendent, Police Scotland
		T/Supt Fergus Bryne	Temporary Superintendent, Police Scotland
		Sarah Jane Hannah	Head of Financial Accountancy, Police Scotland
		CI Alan McDaid	Chief Inspector, Police Scotland
		Gillian Woolman	Assistant Director, Audit Scotland
		Liz Maconachie	Senior Audit Manager, Audit Scotland
		Gary Devlin	Relationship Partner, Scott Moncrieff
		Shelley Hughes	Head of Internal Audit, Scott Moncrieff
		Karen Vallance	Committee Co-ordinator, SPA

1. Chair's Opening Remarks: (David Hume)

1.1. The Chair welcomed everyone to the meeting, stating that the meeting had been called to recommend, if appropriate, the internal audit plan 2016/17 to the Board meeting scheduled for 31 March 2016.

1.2 There were no apologies.

1.3 There were no declarations of interest.

2. Internal Audit Plan 2016/17: (Gary Devlin)

2.1 G Devlin referred Members to the paper and highlighted there were changes to the previous draft which had been tabled at the Audit and Risk Committee held on 19 January 2016. The changes were the addition of a 'vetting of employees and contractors' audit, and a 'productions' audit. The contingency days had therefore been reviewed due to the two changes.

2.2 I Whyte referred to the 'Financial Strategy Implementation and Savings Delivery' audit and noted concern that the review timescale would not allow actions to be implemented for the 2016/17 financial and delivery planning process. G Devlin agreed that given the draft report and management responses are due in August 2016 with the final report due in September, the audit would not inform the 2016/17 planning processes but the 2017/18 process. J Foley responded that the timescale is not unhelpful and the intention is for all strategy and financial plans completed at the end of March 2016 to have continual review and further input from the Chief Constable. Members agreed that the timescales noted were appropriate. E Wilkinson advised that at the Finance and Investment Committee there had been agreement to develop, by quarter 1, a different suite of monthly monitoring reports to tie in with the implementation of savings delivery. E Wilkinson stated it would be advantageous for internal audit to look at how those reports were working and that the timescales would assist this, which G Devlin agreed.

2.3 G Woolman referred to the 'Core Financial Processes' audit and noted it was helpful to see comments relating to the Audit Scotland 2014/15 audit report but was disappointed that the audit would not take place until Quarter 3. S Hannah responded that she had met with S Hughes after the current draft plan had been circulated and a decision was taken to move the audit to July 2016 therefore the plan would be updated.

2.4 E Wilkinson suggested that the 'recruitment arrangements' audit and 'staff performance management' audit could be a lower priority due to other financial work which is ongoing. M Ali agreed that 'recruitment arrangements' audit timescale seemed premature and that she was keen to see work progress on higher risk areas. I Whyte also agreed but highlighted that workforce management should be taken into consideration as it is important for managing workforce against budget.

2.5 I Whyte questioned if Scott Moncrieff were aware of previous audit work on productions and questioned how the '2016/17 reviews' fit with the strategic plan. G Devlin responded that previous audit work on 'productions' would be revisited and that the '2016/17 reviews' were a snap shot and the scope will be re-defined.

2.6 T/Supt Byrne referred to the risk register references and requested that the plan have more dialogue and visibility of whether each risk is an SPA or Police Scotland risk.

2.7 G Woolman noted she welcomed sight of the plan and reminded the Committee it was important to not lose sight of the 5 bullet points, as recorded on page 2 of the paper, which underpin the objective of Internal Audit to provide assurance that:

- Management has identified, assessed and responded to SPA's key risks
- The responses to risks are effective but not excessive.
- Where residual risk is unacceptably high, further action is being taken.

- Risk management processes, including the effectiveness of responses, are being monitored by management to ensure the **NOT PROTECTIVELY MARKED**
- Risks, responses and actions are being properly classified and reported.

2.8 G Woolman referred to the 'follow-up' audit area and welcomed the intention to follow up outstanding audit actions as there were still various PricewaterhouseCooper (PwC) actions. The Chair advised that follow-up work would be taken into consideration during the review of the Committee. A McDonald added that an update on the progress of the 12 outstanding actions that PwC raised were circulated to Members but a further update could be provided. M Ali questioned if internal audit would be independently checking closed actions. G Devlin replied that the work could be incorporated. G Woolman added that Audit Scotland provide independent checking on some actions (for example all those which relate to financial systems) but not all, therefore it would be worthwhile having additional independent checking.

2.9 G Woolman referred to the Internal Audit Charter and commented there was no mention of the in-house audit team and requested that more information was provided. A McDonald added that there were two in-house auditors who take direction from Scott Moncrieff.

2.10 G Devlin questioned if the next steps for the internal audit plan were to work with A McDonald and J Foley in finalising the draft prior to D Hume having sign off as Chair of the Audit and Risk Committee before it is tabled at the SPA board meeting on 31 March 2016. The Chair agreed those next steps.

2.11 The Chair referred to the total of 600 days work for 2016/17 and questioned if there was any comparative information to show that the number was appropriate. G Devlin responded that there wasn't but the number was based on professional judgement.

2.12 Members **AGREED** to **RECOMMEND** the Internal Audit Plan 2016/17 to the SPA Board meeting with the following amendments:

- 'Core Financial Processes' audit to be moved to July 2016.
- 'Staff Performance Management' audit considered to be a lower priority.
- More visibility of whether each risk reference is an SPA or Police Scotland risk.
- More clarity on role of in-house auditors included.

3. Update on Audit and Risk Committee Review: (David Hume)

The Chair advised Members that initial work had been carried out using the CIPFA checklist and Scott Moncrieff, Audit Scotland and HMICS had been consulted. Information gathered had been used to complete the CIPFA checklist and this would be used to develop a plan for improvement which would cover a range of areas such as structure of meeting and set Agendas. Members have had the opportunity to comment on the checklist which has since been amended and re-circulated but further comments were still welcome. The Chair advised that a draft plan would be brought to the April Audit and Risk Committee.

4. Date of Next Meeting: 19 April 2016

End.