

**Minute of Scottish Police Authority Audit and Risk Committee**

<b>Meeting</b>	Scottish Police Authority Audit & Risk Committee	<b>Date/Venue</b>	Tuesday 11th March 2015
<b>Meeting Called By</b>	Brian Barbour, Chair	<b>Start Time</b>	10:00
<b>Reference Meeting No</b>	SPAARC-110315	<b>End Time</b>	11:45

<b>Members Present</b>		<b>In Attendance</b>	
<b>Name</b>	<b>Title</b>	<b>Name</b>	<b>Title</b>
Brian Barbour (BB)	Chair, Authority Member	John Foley (JFo)	Chief Executive, Scottish Police Authority (SPA)
David Hume (DH)	Authority Member	Catherine MacIntyre (CMacI)	Strategic Business Advisor (SPA)
Iain Whyte (IW)	Authority Member	Sarah-Jane Hannah (SJH)	Principal Accountant, Police Scotland
Jeane Freeman (JFr)	Authority Member	Eleanor Walker (EW)	Business Services Manager (SPA)
Morag McLaughlin (MM)	Authority Member	Amy McDonald (AMcD)	Director of Financial Accountability (SPA)
		David McLaren (DMcL)	Senior Manager (PwC)
		John Whitehill (JW)	Senior Manager (PwC)
		Lindsey McNeil (LMcN)	Director of Governance and Assurance (SPA)

## AGENDA

<b>PUBLIC SESSION (10:00 – 11:00)</b>	<b>Lead</b>
<b>STANDING ITEMS:</b> <b>1. Welcome / Apologies</b> <b>2. Declarations of Interest</b> <b>3. Any Other Competent Business</b> <b>4. Matters Arising</b>	Brian Barbour Brian Barbour Brian Barbour Brian Barbour
<b>5. Section 22 Report (final) and Action Plan</b>	John Foley
<b>6. Audit Recommendations 2013/14 Update</b>	Amy McDonald
<b>7. FOR APPROVAL</b> <b>Internal Audit: Agreement of Internal Audit Plan</b>	Amy McDonald
<b>8. Any Other Business – Internal Audit Contract Update (Verbal)</b>	Amy McDonald

### **1. Welcome/Apologies: (Brian Barbour)**

BB welcomed all to the special Audit and Risk Committee to discuss a few specific items noting it was only a public meeting. BB welcomed to the meeting John Whitehill from PWC and Sarah Jane Hannah from Police Scotland who is representing Janet Murray and Susan Mitchell.

Apologies were noted from Moi Ali. Morag McLaughlin and Iain Whyte were running late and until they arrived the meeting would not be quorate and any items which needed decision would require another Member to join the meeting.

### **2. Declarations of Interest: (Brian Barbour)**

There were no declarations of interest.

### **3. Any Other Competent Business: (Brian Barbour)**

There was no other competent business.

### **4. Matters Arising (Brian Barbour)**

BB noted that Minutes and Action Logs would be brought to the next meeting on 15<sup>th</sup> April.

### **5. Section 22 Report (final) and Action Plan (John Foley)**

Reference ITEM NO 5 contained within pack.

AMcD referred Members to the paper and sought any questions or comment.

BB asked SJH if there were any comments from Police Scotland. SJH highlighted Bank and Cash reconciliations, citing that there had been a lot of work on-going nearing the financial year end with further work on the bank and cash reconciliations being prepared and made up-to-date.

DH sought clarity on what discussions had taken place between AMcD and Audit Scotland on the intention for the financial strategy being approved by September 2015 and if Audit Scotland are comfortable with that date. AMcD confirmed that JF had spoken with GW and had reached an agreement that the date would need to be pushed back until later in the year as the underpinning strategy to the financial strategy had not been put before the Board. The financial strategy consolidates all the underlying strategies so the timing of September was appropriate. AMcD confirmed that GW was content that the work was ongoing as there is currently a financial strategy in place and there was sufficient time for the new strategy to be in place by April 2016.

DH requested more detail on post-merger baseline data development within the paper, specifically on the lack of information of baseline data. AMcD replied that from a financial perspective the data is very thorough from the point of the new force coming into being and the data is known for each individual cost centre. AMcD advised that Audit Scotland were content with this. DH sought clarity that as far as the baseline situation is, all stakeholders are in agreement that there is an established baseline portion and that the work being done is moving forward and documented. AMcD replied this was correct.

BB questioned if there was a completion date for the performance data measures being put in place. AMcD confirmed that they were in place and that the completion date needed was for Audit Scotland to close it off.

**ACTION - 110315-ARCPL-001 - Amy McDonald to liaise with Gillian Woolman, on when performance data measures can be closed off with Audit Scotland as date has been put in place.**

BB questioned when the fixed and tangible assets which were in the process of being uploaded would be complete. SJH confirmed that they were being progressed through March and April 2015 and that an update on progress would be given at the next meeting.

**ACTION - 110315-ARCPL-002 - Uploading 2014/2015 transactions on to ledger to be progressed throughout March and April 2015. Update to be given on progress.**

DH sought clarity if there was confidence that the actions in relation to SCOPE would be completed before the year end. SJH advised there was a team dedicated to the resource and SCOPE details were being updated and then Line Managers would have responsibility for ensuring all staff had up to date details on SCOPE. BB requested assurance that the conversion from Annual leave to additional hours automatically on SCOPE for officers had been progressed. SJH confirmed that this would be double checked but she believed everything was up-to-date on SCOPE.

**JOHN FOLEY JOINED THE MEETING.**

## **DECISION**

Members **NOTED** the paper and **AGREED** the actions.

## **6. Audit Recommendations 2013/14 Update (Amy McDonald)**

Reference ITEM NO 6 contained within pack.

AMcD referred Members to the paper and sought any questions or comment. JF noted he had no additional comment on the paper as accountable officer.

DH noted that additional resource will be employed at the year end to assist with preparation of financial statements and sought clarity on what the additional resource was. AMcD confirmed it was a temporary contractor role for 6 months to cover the short term need for the year end. DH questioned if there were people on "call on, call off" contracts that can be brought in for this type of work which AMcD replied that Framework Contracts were used for the procurement of temporary labourers for this purpose.

DH sought clarity if tenders had been received for suppliers in respect of provision of internal audit services, AMcD confirmed tenders had been received.

DH sought clarity on how SPA knows that the ICT scrutiny is effective. AMcD advised that the effectiveness of the scrutiny would need to be determined by Members and suggested that JF, as Chair of the scrutiny forum, would be best placed to answer. JF added that the ICT Scrutiny being discharged was because of the creation of the scrutiny forum over ICT and that the forum had evolved over 4/5 meeting and had moved into looking at data integrity. DH requested a formal process to look at ICT Scrutiny to assess if the initial drivers of forum set-up have been addressed including project and programme management which BB agreed.

**ACTION - 110315-ARCPL-003 - Discussion to take place around effectiveness and progress of ICT Scrutiny Forum to assess if initial drivers of forum set-up have been addressed including project and programme management.**

JF added the ICT Board report into the ICT Scrutiny Forum so issues that arise within Police Scotland will now be highlighted at the forum.

## **DECISION**

Members **NOTED** the paper and **AGREED** the actions.

**JEANE FREEMAN JOINED THE MEETING**

## **7. Internal Audit: Agreement of Internal Audit Plan**

Reference ITEM NO 7 contained within pack.

DMcL referred Members to the 6 step approach. DMcL highlighted that he had worked closely with AMcD and management since January 2015 on the plan where the approach was agreed and recognised at the Audit and Risk Committee in January 2015. DMcL noted that a clear mapping of risk register to the plan would be brought to the next Committee.

**ACTION - 110315-ARCPL-004 - Clear mapping of Risk Register to the plan to be brought to next Committee.**

BB sought confirmation that all committee chairs had had an opportunity to provide comment which AMcD replied that meeting had taken place with all chairs apart from Paul Rooney.

JFo added it was important for Chairs to have input and approve the plan as it is the Members internal audit plan.

JFr advised she had spoken to AMcD who had took on board comments regarding scope and clarity around areas that are specific to HR. JFr noted she would like to see some change to when some of the work is undertaken in terms of HR such as staff performance management, HR management system, business continuity and project and programme management which she believed could all come forward into the year instead of being toward the end of the year. JFr advised she was happy to speak to AMcD outside of the meeting in terms of priority. BB noted recruitment and retention is planned for quarter one and asked if JFr would be keen for this to be swapped with staff performance management which JFr agreed and added that business continuity should be looked at with urgency.

BB requested assurance that GS was comfortable with the plan with regard to current risk framework and GS agreed he was content with the plan. GS added that the assurance map is being revised and updated and when if that work shows any weaknesses then it will come to the Committee. GS also advised that any business continuity work would be undertaken along with James Bertram, SPA, to avoid any duplication of work.

SJH advised that the feedback was positive from Police Scotland and that the timings within the plan looked acceptable.

JFo requested clarity from DMcL on what audits are being carried over into the first quarter of 2015. DMcL confirmed there are a number of exercises being carried forward, mainly due to pressures within finance. DMcL highlighted there were a number being covered from March into April but resource capacity was adequate and they were not being over-committed.

DH requested further information on the risk assessment carried out for the plan. DMcL replied that work ensured SPA identified risks were covered plus other areas within operations that require audit coverage such as finance. DH requested a description of the other risks that are not being identified by SPA.

**ACTION - 110315-ARCPL-005 - Other areas or perceptions of risks picked up by PWC but not identified by SPA to be included in regular PWC report.**

JW highlighted that PWC bring insight into various areas from working with other organisations.

DH highlighted he was pleased to see that project and programme management was included within the plan but was disappointed to see it within the plan for quarter 3. DH asked if the inclusion of project and programme management would lead to a more generic approach to performance management being taken out the plan or to be rescheduled for a later plan. DH requested a further conversation with JFo and Martin Levin on the itil framework. JW added that itil and cobit were very different systems and he would be happy to join the discussion. DMcL noted that there is a performance review in the plan and it will be reported to the committee at a subsequent meeting.

BB asked if each review that looks at policy covers the adequacy and completeness of the policy and the level of compliance as an organisation. DMcL confirmed that the policy would not be changed by audit but the procedures and guidance in place would be what is commented on by PWC.

BB requested that the development process for ICT could be brought forward in the plan which would assist work ongoing on stop and search and scope.

**IAIN WHYTE JOINED THE MEETING.**

IW requested an early report at end of Quarter 1 2015/16 on action output with regard to organisational change management.

**ACTION - 110315-ARCPL-006 - Early report at end of Quarter 1 2015/16 on action output with regard to organisational change management.**

## **DECISION**

Members **APPROVED** with plan with the following changes:

- (i) A straight swap of HR slots in quarter two/three/four with quarter one.
- (ii) A more detailed plan brought to the Committee in April
- (iii) Priority in quarters 2-4 to be re-evaluated at a later date

**JEANE FREEMAN, DAVID MCLAREN AND JOHN WHITEHILL LEFT THE MEETING  
MORAG MCLAUGHLIN AND LINDSEY MCNEILL JOINED THE MEETING**

## **8. Any Other Business**

### **Internal Audit Contract Update (verbal) (Amy McDonald)**

AMcD confirmed that 5 tenders had been received and they would be formally marked before interviews are invited. Top ranking tenders would be interviewed within the next week and a half with a view for appointment by the end of March.

BB sought clarity if the Audit and Risk Committee had to approve the appointment of the auditors. JFo confirmed that the Committee would have to approve and that this could be done by either meeting or tele-conference.

BB requested what the Plan B was if Member approval cannot be sought before the end of March given there is also a 14 day appeal process. AMcD noted that Members should have time to approve as interviews should be held shortly. JFo added that PWC would be extended if there were any appeals received. AMcD added that there are terms of reference in place and for continuity PWC would stay on to provide support and a handover should they not receive the contract. JFo said there would be no issue on this. JFo confirmed that a timeline could be circulated to Members.

IW asked if the interview process would be carried out with more than 2 or 3 tenders and also sought clarity on who would be involved with the interview process. AMcD confirmed that 2 would be brought to interview and the interview panel would include AMcD and Lindsey McNeil as SPA representatives. IW further questioned if a Member should sit on the panel which JFo answered that it would be appropriate for a Member to sit on the panel but not BB as since he is Chair he would be formalising any approval. DH noted concern over having a Member sit on the panel as Members had not been involved in the evaluations and felt Members should stay out of procurement decisions. JFo confirmed that no Members had been involved in any procurement decisions. IW confirmed he was content for there to be no Member on the panel if the majority felt it was not appropriate. BB noted that it would be helpful for the Members to have an early meeting with the successful tender.

**Memory Stick Loss (John Foley)**

JFo advised Members that a second encrypted data stick had been lost by a forensic scientist and that it had been reported through the correct process but that it had took 12 days to contact SPA management, which would be investigated separately. JFo advised that Lindsey McNeil had attended Gold Group meetings and once further information had been received from Gold Command, that could be communicated. JFo confirmed that a report would be brought to the April Committee.

**Data Publication (John Foley)**

JFo advised that Police Scotland were unable this week to provide data publication on a number of national statistics which are needed to be published. BB asked why there is an issue with providing the data which JFo confirmed it would appear that there are issues on the consolidation of legacy statistics from previous years as data was held on different data sets and held different types of data in different forms. JFo confirmed that the cabinet secretary was aware and that there is an announcement expected imminently from Police Scotland. BB suggested that this be added as a reputational risk and JFo added there would be more transparency and feedback within performance steering group.

End.