



Audit, Risk and Assurance Committee

9 May 2024

Minutes of the Audit, Risk and Assurance Committee held on Tuesday 6 February 2024 at 10am via MS Teams

Committee Members present:	Mary Pitcaithly (Committee Chair) Paul Edie Katharina Kasper Grant Macrae Catriona Stewart
Committee Member apologies:	None
In attendance:	<u>Scottish Police Authority</u> Lynn Brown, Chief Executive Officer John McNellis, Head of Finance, Audit and Risk Graham Stickle, Audit and Risk Lead Karen Vallance, Governance Support Officer <u>Forensic Services</u> Fiona Douglas, Director Craig Donnachie, Head of Quality and Assurance <u>Police Scotland</u> Deputy Chief Constable Alan Speirs Assistant Chief Constable Wendy Middleton (Items 1-3.3) Assistant Chief Constable Gary Ritchie (Items 1-2.2, 3.3) Katy Miller, Director People and Development (Items 3.1-3.2)

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	<p>Andrew Hendry, Chief Digital and Information Officer James Gray, Chief Financial Officer Patrick Brown, Head of Finance Angelo Gustinelli, Head of Accounting and Control Alastair Corfield, Head of Best Value (Items 1-2.1, 3.3) Angela Wood, Head of Policy, Audit, Risk and Assurance Donna Adam, Audit Manager - transformation Sara Mackenzie, Enterprise Risk Manager Kerry Harvey, Data Protection Officer</p> <p><u>Grant Thornton</u> Joanne Brown, Partner (Items 1-2.1, 3.3) Rebecca Lister, Senior Manager</p> <p><u>BDO</u> Claire Robertson, Risk and Advisory Services Director</p> <p><u>HMICS</u> Debbie Kyle</p>
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1. WELCOME AND STANDING ITEMS

The Committee Chair opened the meeting and welcomed all attendees. The Chair confirmed should any Committee Member drop off the call, Grant Macrae would Chair the meeting until the Committee Chair was reconnected.

The Committee **RESOLVED** to:

- **NOTE** no apologies.
- **NOTE** no declarations of interest.
- **ADOPT** the Minute of the 7 November 2023 meeting.
- **NOTE** the action log on the condition action 20230331-AUD-001 is kept open.
- **AGREE** that, in accordance with paragraph 20 of the SPA Standing Orders, the Committee would consider items 6-8 in private for the reasons set out on the agenda.

2. AUDIT AND IMPROVEMENT

2.1 INTERNAL AUDIT UPDATE

Members considered the report which provided an Internal Audit progress update and Q3 management Action follow up review. Claire Robertson (CRobertson) highlighted a number of key points within the report.

In discussion the following matters were raised:

- Referring to the delay of the Budget Setting report, Members questioned whether recommendations would be known before the budget is set. CRobertson confirmed the draft recommendations are in place and unlikely to change so could be shared. The Chief Executive advised she had seen the draft report, and the recommendations pose no concerns for setting this years' budget.
- The Chief Executive reported that she had requested a meeting with DCC Alan Speirs (DCCSpeirs) and relevant teams to ensure that Internal Audit Reports are responded to appropriately.
- The Committee Chair advised that an additional Committee meeting would be scheduled for March 2024 to discuss the delayed Internal Audit Reports.

The Committee **RESOLVED** to:

- **NOTE** the report.

2.2 POLICE SCOTLAND AUDIT AND IMPROVEMENT RECOMMENDATION TRACKER Q3

Members considered the report which provided an update of current open recommendations from all audit and improvement activity. DCCSpeirs introduced the paper and Donna Adam (DAdam) highlighted a number of key points within the report.

In discussion the following matters were raised:

- Members questioned why pending recommendations relating to benefits realisation had no completion dates. DAdam explained that the recommendations are connected and the requirement for closure is evidence of the process in place and impact of savings, but there are currently no projects that show those metrics. Notwithstanding, Members requested future reports detail a timeline of a preliminary route to ascertain if the process is working.
- Members were assured that the number of high risks were small in relation to the total number.

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- Members sought clarity on what the independent reviews were, and heard it is a collective name for anything not Internal Audit or HMICS. Dadam confirmed Appendix B of the paper details the publication titles that come under the term.
- The Committee Chair questioned how Police Scotland measure whether the closed recommendations have had the desired impact and heard that recommendations are not closed until a positive performance outcome can be demonstrated. Whilst a small number might take alternative action, there is a focus on demonstrating where risk can be mitigated.
- Members were assured that high and very high risks are prioritised, and internal governance meetings focus on these.

The Committee **RESOLVED** to:

- **NOTE** the report.
- **AGREE** the following action:

Members requested future reports detail a timeline of a preliminary route to ascertain if the process is working regarding benefit realisations recommendations.

20240206-AUD-001

2.3 SPA AUDIT AND IMPROVEMENT RECOMMENDATION TRACKER

Members considered the report which provided an update on Progress against the SPA Corporate Strategy for 2023/24, and open recommendations from all SPA corporate audit and inspection activity. John McNellis (JMcNellis) highlighted a number of key points within the report.

In discussion the following matters were raised:

- JMcNellis echoed DAdams earlier comments regarding measuring impacts of closed recommendations.
- The Chief Executive raised concerns over two recommendations being re-opened from the HMICS Toxicology Inspection. Actions for recommendation 17 had been taken through the SPA governance review which was approved by the Authority in September 2023. This was reopened as HMICS wanted to provide feedback following the October '23 Forensic Services Committee, which has not yet been done. The Chief Executive considered Recommendation 6 to be pushing the boundary of SPA, but it was accepted, and SPA spoke to relevant bodies. It was thereafter closed as deemed a

research piece and had been subject to correspondence between HMICS and Scottish Government who had confirmed they had no intention to include in medium or long term planning. HMICS reopened it, requesting wider evidence and a proposal to Scottish Government and the fiscal service on changing the current approach. The Chief Executive commented that she felt this was not the role of SPA, and as Scottish Government had already commented, she was reluctant to allocate resource to areas of work they had already ruled out. Members shared the Chief Executive's concerns and supported her decision to not allocate resource. The Committee accepted the Chief Executive's suggestion that a report to the full Authority may be required to gain a definitive SPA position.

- Members questioned how they gain assurance that superseded recommendations are being addressed. JMcNellis confirmed they are replicated through Police Scotland's audit and recommendation work so progress will be conveyed through their reports.

The Committee **RESOLVED** to:

- **NOTE** the report.

3. INTERNAL AUDIT REPORTING

3.1 INTERNAL AUDIT REPORTS

Members considered the New Legislation internal audit report from the 2023/24 internal audit plan. CRobertson highlighted a number of key points as detailed within the report.

In discussion the following matters were raised:

- Members questioned whether the single point of entry would include non-policing-specific legislation. CRobertson confirmed horizon scanning was undertaken and testing showed that a broad look was taken. ACC Wendy Middleton (ACCMiddleton) further assured the Committee that horizon scanning is undertaken internally, and policing division will work with Scottish Government so will receive early indication of anything that will have a big impact.
- Members noted the focus was primarily on financial impacts but encouraged Police Scotland to look at wider impacts and provide insights that only they can. ACCMiddleton confirmed the main driver was financial, to enable Police Scotland to articulate costs of new legislation and to provide feedback on the cumulative financial

impact. Nevertheless, monthly meetings of the Legislation Oversight Group with Scottish Government continue, where Police Scotland can influence, have discussions on delivery, and track legislation from consultation through process. CRobertson confirmed BDO looked at the cumulative impact of legislation and were assured there were plans to evaluate.

The Committee **RESOLVED** to:

- **NOTE** the report.

3.2 INTERNAL AUDIT ANNUAL PLAN

Members considered the report which sought approval for the proposed internal audit plan 2024/25. CRobertson highlighted a number of key points as detailed within the report.

In discussion the following matters were raised:

- JMcNellis highlighted that Internal Audit is a core function of SPA therefore robust planning discussions had taken place.
- Members questioned whether BDO look at what is topical in other public bodies, and CRobertson confirmed they are cognisant of what other auditors are undertaking and what is currently relevant. Members were assured that contingency days would allow for any other relevant work.

The Committee **RESOLVED** to:

- **APPROVE** the Annual Internal Audit Plan.

3.3 EXTERNAL AUDIT PLAN 2023/24

Members considered the External Audit Plan which provided an overview of the planned scope and timing of the statutory audit of the SPA. Joanne Brown (JBrown) introduced the report and Rebecca Lister highlighted a number of key points as detailed within the report.

In discussion the following matters were raised:

- Members sought clarity on whether the materiality threshold is reviewed annual and heard it would be assessed each year as part of planning. JBrown advised that a benchmark of 2% is operated across public sector entities but it would likely sit around 1.7% dependent on circumstances.

- Members questioned why there might be additional costs to the SPA for the audit work of pensions. JBrown advised that the initial fee was based on standard public sector bodies, but Police Scotland pensions are more complex.

The Committee **RESOLVED** to:

- **NOTE** the report.

4. ASSURANCE REPORTING

4.1 ICO AUDIT OF POLICE SCOTLAND – RECOMMENDATION ACTION TRACKER

Members considered the report which provided a summary of current work undertaken within the Police Scotland Change Portfolio progress update of activity undertaken in respect of ICO Audit Recommendation Action plan for Governance and Accountability and Personal Data Breach audit strands. DCCSpeirs introduced the report and Kerry Harvey (KHarvey) thereafter highlighted a number of key points within the report.

In discussion the following matters were raised:

- Members were assured ICO were content with the actions and timelines proposed, and in March they would review progress and evidence in addressing the high risks.
- Members were assured that all recommendations should be concluded by September, however if there was any change, both ICO and SPA would be provided with advance notification.
- Members sought detail on the role of the Resource Maximisation Group and heard it was a newly formed People Board which studies resource movement within the organisation.

The Committee **RESOLVED** to:

- **NOTE** the report.

4.2 ICO AUDIT OF POLICE SCOTLAND – MOBILE PHONE DATA EXTRACTION PROJECT – REVIEW REPORT

Members considered the report which provided an initial update following a review of Police Scotland's mobile phone data extraction processing activities. DCCSpeirs introduced the report and KHarvey highlighted a number of key points within the report.

In discussion the following matters were raised:

- Members questioned why the Terms of Reference for the project had been kept confidential, and heard the review was at the request of the National Police Chief's Council and participants would remain anonymous. However, Police Scotland took the view there was nothing contentious so were happy to be open and transparent about their participation.
- Members were assured Police Scotland were confident that recommendations could be delivered within the timescales. Progress is reviewed monthly and escalated if necessary.
- KHarvey agreed to keep the Committee abreast of progress.

The Committee **RESOLVED** to:

- **NOTE** the report.
- **AGREE** the following action:

Committee to receive briefing over progress to deliver recommendations.

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4.3 HMICS INSPECTION – SPA VALIDATED SELF-ASSESSMENT UPDATE

Members considered the report which provided an update on the SPA Validated Self-Assessment being conducted by HMICS. The Chief Executive highlighted a number of key points within the report.

The Committee **RESOLVED** to:

- **NOTE** the report.

5. AUDIT, RISK AND ASSURANCE COMMITTEE WORK PLAN

Members were presented with the work plan which proposed Committee items for the next 12 months.

The Committee **RESOLVED** to:

- **NOTE** the plan.

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