



<b>Meeting</b>	<b>People Committee</b>
<b>Date</b>	<b>29 May 2025</b>
<b>Location</b>	<b>Webex</b>
<b>Title of Paper</b>	<b>Authority Benchmarking Review of Audit Scotland Reports</b>
<b>Presented By</b>	<b>John McNellis Head of Finance Audit and Risk</b>
<b>Recommendation to Members</b>	<b>For Consultation</b>
<b>Appendix Attached</b>	<b>No</b>

## PURPOSE

To provide the People Committee with an update on a benchmarking review undertaken of recent Audit Scotland reports.

## 1. BACKGROUND

- 1.1 The Authority is committed to continuous improvement in services and the highest standards of governance. One way we achieve this is by reviewing reports from audit and assurance reviews of other public bodies and considering where the Authority can learn lessons.
- 1.2 This demonstrates our ongoing commitment to Best Value and learning lessons from the wider public sector.
- 1.3 [Audit Scotland published two section 22](#) reports to the Public Audit Committee of the Scottish Parliament on the Water Industry Commission for Scotland (WICS). These reports have been subject to significant recent scrutiny and interest of the Public Audit Committee.
- 1.4 WICS is a non-departmental public body (NDPB) and is the economic regulator of Scottish Water.
- 1.5 Audit Scotland highlighted significant challenges within that organisation including:
  - Various instances of expenditure, requiring Scottish Government approval, not sought or received until raised by the auditor. Value for money and regularity of expenditure issues were highlighted.
  - Various issues related to expense claims. Including: claims not supported by receipts, exceeding approved rates and the purchase of alcohol.

## 2. FURTHER DETAIL ON REPORT TOPIC

- 1.1 The Authority has considered the detailed findings of the reports and carried out a benchmarking exercise across the police service. We sought to identify any lessons or actions that can be taken to improve our own controls.

### Review process

- 1.2 The process undertaken:
  - a) **Identify WICS issues** - Every issue or finding highlighted in the reports has been identified.

- b) **Identify SPA/ PS controls** - The equivalent Authority / Police Scotland regulations, policies and procedures were identified.
- c) **Comparative analysis** - Considered how the circumstances from the report would relate in the Authority / Police Scotland.
- d) **Lessons learned** – Identified areas for improvement or strengthening existing controls.

### Findings

- 1.3 A detailed review has been completed and is summarised in this paper.
- 1.4 The Authority has detailed and robust financial regulations. These clearly set out the delegations from Scottish Government to the Authority and Police Scotland. The regulations make clear where approval is required from Scottish Government, this is robustly followed internally with a clear audit trail of decisions.
- 1.5 The most significant recommendations identified from the reports are already in place at the SPA/ PS. However, there were some areas where opportunities have been identified to enhance our policies.
- 1.6 These include:
  - Further clarity on the policy for providing gifts and hospitality,
  - Enhancing policies on attendance at international courses and events; and,
  - Enhancing the travel and expenses policy to be clearer about the process for booking travel as well as the class of travel/ accommodation.

### Next steps

- 1.7 The Authority and Police Scotland to consider reviewing and revising the financial regulations, policies and procedures.

## **3. FINANCIAL IMPLICATIONS**

- 3.1 There are no direct financial implications associated with this paper; however, it is recognised that some of the policies under review relate to changes in financial regulations and policies.

#### **4. PERSONNEL IMPLICATIONS**

- 4.1 There may be workforce implications associated with this paper, if the review results in changes to officers or staff policies.

#### **5. LEGAL IMPLICATIONS**

- 5.1 There are not direct legal implications considered from this paper.

#### **6. REPUTATIONAL IMPLICATIONS**

- 6.1 If the Authority and Police Scotland was not in compliance with Government financial rules or did not have policies that achieved Best Value there could be reputational issues particularly if issues were publicly highlighted by Audit Scotland.

#### **7. SOCIAL IMPLICATIONS**

- 7.1 There are no social implications associated with this paper.

#### **8. COMMUNITY IMPACT**

- 8.1 There are no community implications associated with this paper.

#### **9. EQUALITIES IMPLICATIONS**

- 9.1 There are no specific equalities implications associated with this paper, however, should there be any changes to officer or staff policies the equalities implications would be considered.

#### **10. ENVIRONMENT IMPLICATIONS**

- 10.1 There are no specific environmental and sustainability implications associated with this paper.

### **RECOMMENDATIONS**

Members are requested to note the updates provided.