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| Meeting | Authority Meeting |
| Date | 19 February 2020 |
| Location | The Barracks, Stirling |
| Title of Paper | SPA Excellence Framework |
| Submitted By | Lynn Brown, SPA Interim Chief Executive |
| Presented By | Barry Sillers, Director of Strategy, Performance and Assurance |
| Recommendation to Members | For Approval |
| Appendix Attached | SPA Excellence Framework |

PURPOSE

The purpose of this paper is to seek SPA Board approval, following recommendation by the Audit Committee, of the SPA Excellence Framework.

1. BACKGROUND

- 1.1 The SPA Excellence Framework was presented to the SPA Audit Committee on the 30 January where it was endorsed to be presented to the Authority for approval.
- 1.2 The SPA Excellence Framework outlines the organisational approach to assurance and complements the SPA Risk Framework which together articulate the SPA approach to risk and assurance.
- 1.3 The SPA has a statutory duty to discharge key functions, including keeping the policing of Scotland under review, holding the Chief Constable to account for the policing of Scotland and promoting and supporting continuous improvement in policing. The SPA is also required to seek to secure Best Value, as is the Chief Constable. It is therefore important that the SPA has in place a comprehensive and proportionate approach to scrutiny and assurance activity, which is consistently applied and clearly articulated. This enables the SPA to communicate this role and positioning clearly, within a wider system of other sources and providers of assurance and to stakeholders. The development and ongoing maintenance of an Excellence Framework is intended to support discharging this requirement.
- 1.4 Note that the Framework once approved will form an input to the SPA 2020 corporate strategy and organisational development work.

2. SPA APPROACH TO ASSURANCE

- 2.1 The scrutiny of policing and the seeking of specific assurances about the state of various aspects of policing, is a responsibility that falls upon the SPA and a wider system of other public bodies that have a footprint in Scotland.
- 2.2 The SPA is not solely the oversight or scrutiny body for Police Scotland or the Policing System: the SPA also delivers services the most significant of which are forensic services, and must therefore have internal assurance mechanisms in place to govern its own approach to internal scrutiny. Any Excellence Framework for the SPA, based on core concepts such as risk, audit, performance, governance and assurance, must therefore take account of multiple dimensions and relationships.
- 2.3 The SPA's Audit Committee is key to the SPA's governance arrangements including audit, inspectorate and assurance activity. The Audit Committee draws from and informs, the work of other SPA Committees and also supports and provides assurance to the SPA

Board, requiring communication and coordination on the part of the Audit Committee Chair and SPA executive staff.

2.4 The Excellence Framework (Appendix 1) describes and illustrates the SPA's organisational approach to scrutiny and assurance. It is a document that aims to:

- i) Inform the public and stakeholders how the SPA works across a stratified approach to the provision of assurance by the SPA's own scrutiny activities and that provided by external bodies within a wider system of scrutiny, audit and regulation of policing, to generate a comprehensive system of assurance around policing in Scotland and the SPA's own operations.
- ii) Inform the work planning and business of the SPA's Audit Committee and the work internal audit work it commissions on behalf of the SPA Board, ensuring that opportunities for scrutiny are being maximised, carried out timeously, involve the most appropriate organisations and functions and are not duplicative.
- iii) Clarify the relationship between the SPA and Police Scotland with respect to audit and assurance work, the role of internal auditors, and the relationship between audit and assurance activity with related concepts such as risk management, performance assessment and continuous improvement

3. FINANCIAL IMPLICATIONS

3.1 There are no direct financial implications in considering this Excellence Framework at this stage, although a number of elements within the SPA's framework will require to be understood in terms of resource implications, including the design of an appropriately resourced function in the SPA Corporate team, as well as the requirements for training in various elements of the Framework, including self-assessment methodologies for continuous improvement.

4. PERSONNEL IMPLICATIONS

4.1 There are no personnel implications at this stage beyond recognition that supporting the Framework and keeping it under review will require to be resourced appropriately within the SPA Corporate team.

5. LEGAL IMPLICATIONS

5.1 There are no legal implications associated with this paper although the development of an Excellence Framework links to a number of statutory functions and responsibilities of the SPA set out in the Police and Fire Reform (Scotland) Act 2012.

6. REPUTATIONAL IMPLICATIONS

6.1 There are reputational implications associated with this paper. Developing and implementing an Excellence Framework for the SPA will strengthen the SPA's reputation as a public body with clear arrangements for scrutiny and assurance activity in partnership with other public bodies.

7. SOCIAL IMPLICATIONS

7.1 There are no direct social implications associated with this paper or the Excellence Framework.

8. COMMUNITY IMPACT

8.1 There are no direct community impacts associated with this paper or the Excellence Framework.

9. EQUALITIES IMPLICATIONS

9.1 There are no direct equality implications associated with this paper or the Excellence Framework.

10. ENVIRONMENT IMPLICATIONS

10.1 There are no direct environmental implications associated with this paper or the Excellence Framework.

RECOMMENDATIONS

Members are requested to approve :

The SPA Excellence Framework shown at Appendix One as the Organisational Approach to Assurance across the Policing System.

APPENDIX 1

SCOTTISH POLICE AUTHORITY

SPA Excellence Framework

Version 1.0

30 January 2020

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Introduction

The SPA's vision is:

"to maintain an Excellence Framework that adds value to the work of the SPA and fulfilment of its core functions and retains public trust and confidence in the effective oversight of policing in Scotland by

(1) providing clarity about how the SPA works to achieve assurance through its systematic arrangements for audit, scrutiny, risk management and performance assessment, and through engagement with scrutiny partners

(2) eliminating duplication of effort, reducing bureaucracy, and promoting better coordination of activity within the SPA and across the broader policing system and

(3) providing a central point of expertise in relation to how assurance is best derived".

"Excellent Organisations" achieve and sustain outstanding levels of performance that meet or exceed the expectations of all their stakeholders, and thus inspire and maintain confidence. Practically this means that Excellent Organisations have a clear understanding of their stakeholders, they develop ways to achieve or exceed expectations, they achieve excellent results today and in the future, and they communicate assurance effectively.

This Excellence Framework provides a conceptual structure intended to serve as a guide for the building, and ongoing development, of an Audit, Risk and Assurance Programme to deliver excellence within SPA, and derive assurance around excellence within Scottish policing. The framework complements Police Scotland's own Excellence Framework (the link to which can be accessed here:

<https://spi.spnet.local/policescotland/org-support/professionalism-and-assurance/Documents/Excellence%20Framework.pdf>), but takes account of SPA's positioning within the wider scrutiny landscape, as well as the SPA's core statutory functions of:

- maintaining the police service;
- promoting the policing principles;
- promoting and supporting continuous improvement in policing;
- keeping policing under review, and;
- holding the Chief Constable to account.

This Framework is based on the European Foundation for Quality Management (EFQM) Excellence Model and Best Value Characteristics. These assurance models are used in many public sector settings. The model has been altered slightly to reflect the inspection framework adopted by one of our SPA's scrutiny partners - HM Inspectorate of Constabulary Scotland (HMICS), who add value to overall framework for assurance around the policing system through professional inspection of policing practices.

The policing system in Scotland is dynamic and providing assurance within this setting can call for formal and informal methods of review. As such this framework is not intended to provide an exhaustive list of the roles, responsibilities or techniques linked to the work within the overall programme of assurance at the SPA. However it does provide the SPA with a simple structure for acquiring and examining evidence to support an assurance outcome.

This Framework will be formally reviewed on an annual basis by the SPA's Audit Committee, with support from SPA's Audit, Risk and Assurance function.

Governance Principles

The Excellence Framework is part of the SPA's overall Governance Framework. Good governance enables the SPA to achieve its vision and corporate objectives, as well as underpin these with mechanisms for the control and management of risk.

Governance principles provide a point of reference for the conduct of business, the establishment of structures and processes, and the method of decision-making. They cement the organisation's values within the high-level structures and represent our aspirations for the organisation.

Our governance principles are:

- being clear about, and having a strong focus on, our purpose and on outcomes for citizens and service users;
- being clear about our functions and responsibilities and performing effectively in carrying them out;
- promoting values for the whole organisation and demonstrating the values of good governance through behaviour;
- developing our capacity and capability to be effective in both non-executive and executive roles;
- managing risks and performance through robust internal control systems and strong public financial management; and
- implementing good practices in transparency, reporting and audit to deliver effective accountability.

Key Concepts and Principles

The purpose of the Audit, Risk and Assurance function within the SPA is to deliver an improved Audit Management capability and develop a business Assurance function that exists to protect the SPA, maintain compliance and exercise efficient governance providing assurance that policies and procedures are being followed.

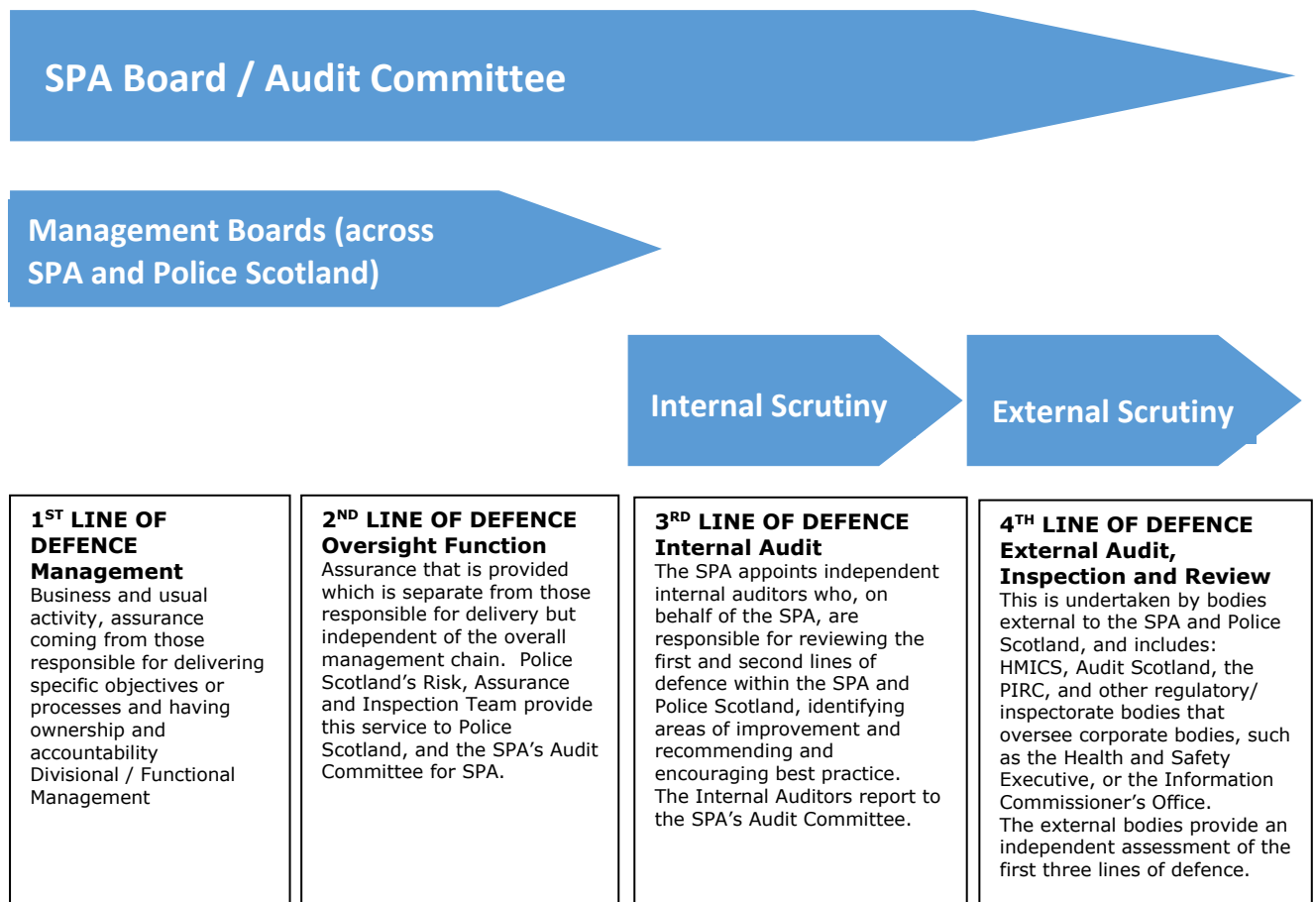
This function will act as an enabler to achieve the SPA's Vision to provide "sustained excellence in service and protection" across the policing system.

Our robust audit and assurance framework will provide a stronger basis for effective challenge by the SPA Board (and in particular by the SPA’s Audit Committee) and better-informed decision-making.

We will implement the recognised Four Lines of Defence Model, which is designed to assure effective and transparent management of control and risk by making accountabilities clear. This is illustrated below (Figure 1), shown in the context of the SPA’s positioning within the wider policing system.

The 'Four Lines of Defence' model is a way of explaining the relationship between functions in four broad categories, and it helps to understand how each area contributes to the overall level of assurance provided and how best they can be integrated and mutually supportive.

FIGURE 1 - Lines of Defence Model – Scottish Policing System



First Line of Defence

Within the SPA there are many arrangements already in place that are used to derive assurance on how well objectives are being met and risks managed.

This form of assurance is produced by staff and management within or managing operations at a *functional* level, using business as usual activities such as good policy, performance data, risk registers, reports on routine system controls and other management information. Functional areas report into a Director, who in turns reports into the Chief Executive Officer.

Assurance in SPA Forensic Services operates through a separate Quality Management Framework that governs practices across the first two lines of defence, and reports into the SPA's Audit Committee and Forensic Services Committee.

This level of assurance provides indication that performance is being monitored, risks are being identified and addressed, and objectives linked to SPA plans (e.g. its long term Strategic Police Plan and its annual Corporate Business/Improvement Plan) are being achieved, however it may lack independence and objectivity. It does ensure that functional teams have ownership, responsibility and accountability for controlling and mitigating risks through their processes and day to day activities.

Second Line of Defence

The second line of defence is a within-organisation oversight function. It is a step away from those who are responsible for delivery, but still not independent of the SPA. The SPA's Risk, Audit and Assurance function falls into this level of defence responsible for conducting compliance assessments and reviews to determine that policies and procedures are being met in line with the expectations obligations. This line of defence assures, monitors and facilitates the effective implementation of the first line of defence activity. In Police Scotland, a Risk, Assurance & Inspection team carries out assurance activity at the second line of defence stage. More details on their work can be found at this link:

<https://spi.spnet.local/policescotland/org-support/professionalism-and-assurance/Pages/assurance.aspx>

Third Line of Defence

This is objective and independent assurance, with the SPA's internal auditor forming SPA's third line of defence. An independent internal audit function will, through a risk-based approach to its work, provide assurance to the SPA, senior management, and our stakeholders. This assurance will cover how effectively the organisation assesses and manages its risks and will include assurance on the effectiveness of the first and second lines of defence.

Importantly, in the context of SPA's role and its relationship with Police Scotland, the Third Line of Defence (Internal Auditors) extends and acts as a Third Line of Defence for Police Scotland.

Fourth Line of Defence

Assurance from external independent bodies, such as the external auditors (Audit Scotland) and other external scrutiny bodies form the fourth line of defence.

External bodies may not have the existing familiarity with the organisation that an internal audit function has, but they can bring a new and valuable perspective. Additionally, their outsider status is clearly visible to third parties, so that they can be independent, and also seen as being independent. e.g. HMICS, Audit Scotland, the Health and Safety Executive, the Information Commissioner's Office.

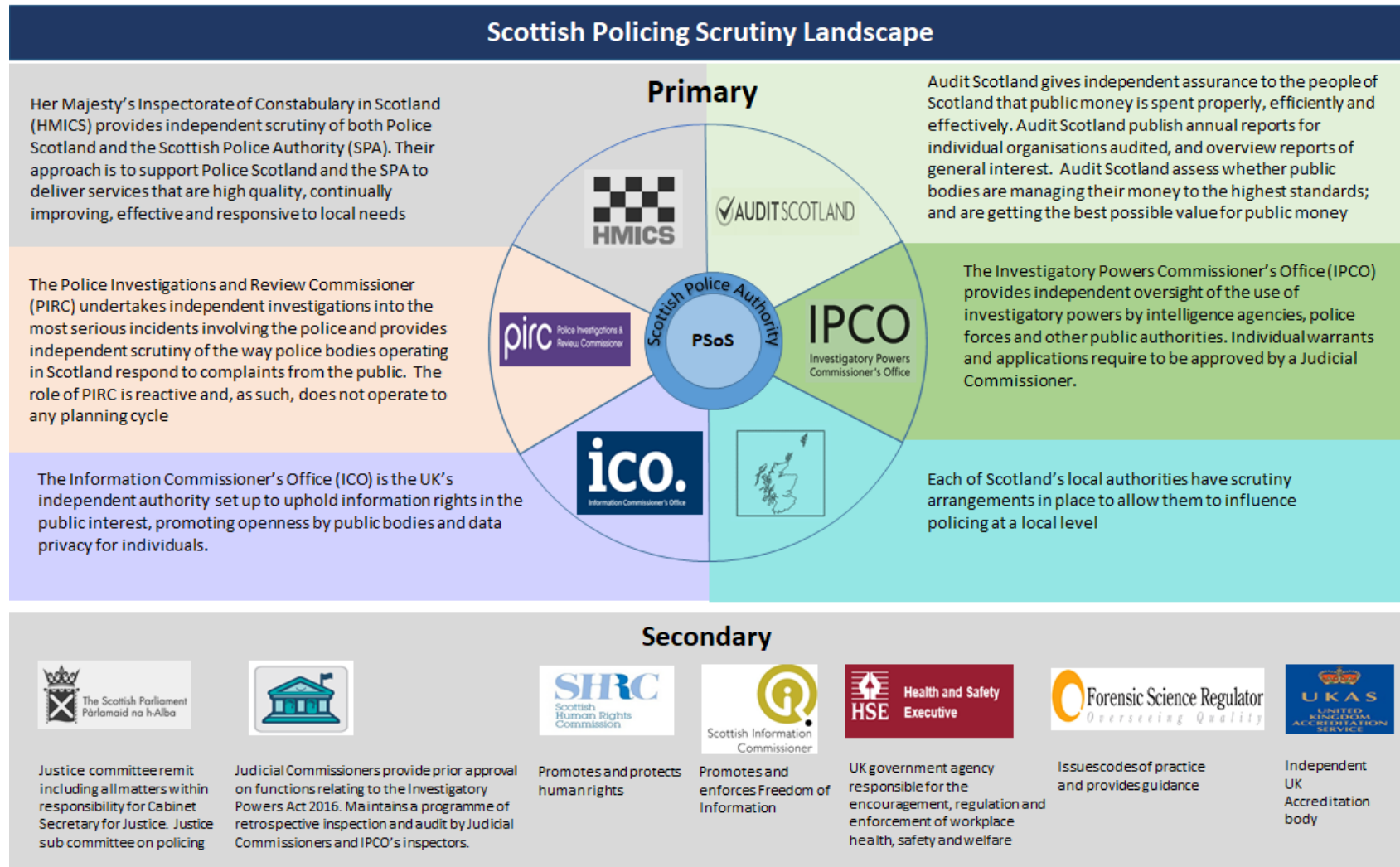
Each line of defence has a distinct purpose and performs a vital role in providing robust assurance throughout the entire policing system. There is no one line which provides better quality assurance than any of the others: lines of defence simply vary according to their proximity to, and independence from, day-to-day operations of the organisation. A range of assurance activities from across all lines of defence will provide a rich assurance picture.

The Fourth Line of Defence brings together a wide range of organisations, some of whom are closely linked to policing e.g. HMICS and the PIRC, others to the regulation of powers and information, and others to issues common across the public sector, e.g. health and safety. Within this landscape, the SPA is the primary statutory body designed to provide general and broad-ranging scrutiny of Police Scotland, as a service provider with powers, and as a publically accountable body.

The SPA works closely with HMICS, the PIRC, the Information Commissioner's Office, Local Authorities, Audit Scotland and the Investigatory Powers Commissioner's Office, ensuring that accepted

recommendations are being acted upon by Police Scotland and that the expected improvements are being realised. The SPA is also subject to scrutiny, audit and inspection by some of these bodies, principally, HMICS and Audit Scotland. The organisations that form part of the overall scrutiny landscape, as represented in the diagram below, is non-exhaustive.

Figure 2 – The Scrutiny Landscape – including indicative examples of assurance providing bodies

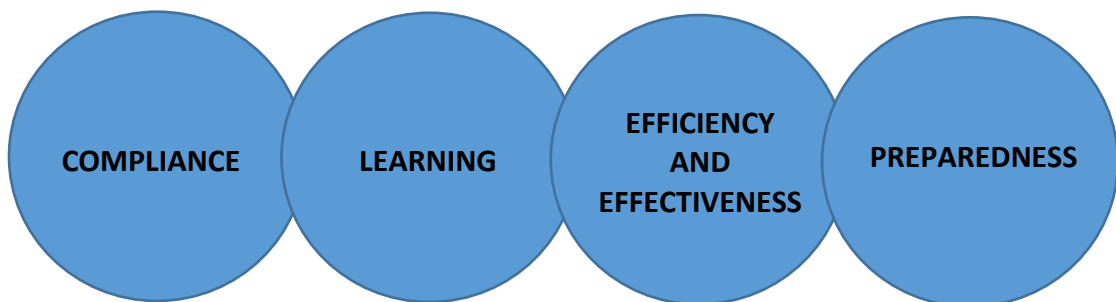


Authority Meeting
SPA Excellence Framework
19 February 2020

Audit and Assurance Strategic Outcomes and Objectives

The Strategic Police Plan contains a strategic outcome of note:

- (1) 'The SPA and Police Scotland are sustainable, adaptable and prepared for future challenges.' The Police Scotland Risk, Assurance and Inspection Function and the SPA Audit and Assurance function support the delivery of this outcome through the following key themes.



Compliance

- We want assurance that the SPA and Police Scotland are performing well, ensuring that policies and procedures are complied with, and that effective action is being taken to mitigate against risks.

Learning

- We want assurance that the recommendations from internal and external scrutiny are implemented and we learn lessons from past events that contribute to achieving Outcomes and Objectives as they apply to Police Scotland, the SPA and both organisations collectively.

Efficiency and effectiveness

- We want assurance that policies, standard operating procedures, and quality standards are being adhered to and implemented in an efficient and effective way.
- We want, and have a duty to continually improve services provided by the SPA and Police Scotland, through a formal review process aligned to the priorities and objectives within the Strategic Police Plan and all underpinning plans.
- We want, and have a duty to strive to secure best value in all that we do.

Preparedness

- We want assurance that we are prepared for future events and changes and that we have mechanisms in place to learn the lessons of the past.

Audit and Assurance Roles and Responsibility

We are committed to providing leadership, knowledge, capability and capacity to enable reforms to improve the organisation's response to managing audits and inspections and provide assurances that policies and procedures are being followed and working efficiently and effectively in pursuit of the SPA's strategic objectives.

Effective Scrutiny and oversight are key elements that ensure that policing retains the trust and confidence of Scotland. The teams will deliver benefits in the areas of lessons learned and compliance by challenging, confronting and intervening in business processes to minimise service failure and promote a positive culture of audit and compliance.

The Audit, Risk and Assurance function of the SPA will deliver across three distinct work streams:

1. Self-Assessment Approach

This work stream deliver a self-assessment approach for the SPA. This will be delivered through our commitment to excellence.

As EFQM Accredited Practitioners the Audit, Risk and Assurance function will deliver professional advice and guidance through the self-assessment process.

- Self-Assessment Toolkits developed for each Division/Department detailing checks to perform, how to get the results, when to carry out the checks and what to do with the results
- A rolling programme of Self Assessments both Departmental and Divisional
- Through the SPA's membership of Quality Scotland, the team will become excellence champions delivering workshops and training to address organisational awareness and culture

All levels and functions within the SPA should actively participate in the Self-Assessment process on a regular basis to help raise standards and improve the overall effectiveness and efficiency of the organisation.

Individual level contributions form part of building the overall functional, and therefore organisational assurance picture.

2. Assurance Mapping, Compliance Programme

This work stream will focus on scoping out current assurance activities within SPA alongside internal and external scrutiny bodies, and works closely with Police Scotland's equivalent function to maintain an accurate, overarching view of assurance within both organisations. A key aim of this work is to produce a visual representation of all such work and assurance activity to identify gaps, risk and compliance requirements. Resources will be focused on engaging with business areas to identify compliance requirements linked to risk and objectives. The outcome of which will result in the implementation of an assurance framework so that the SPA is pro-active in identifying its own issues / risks, and aware of those within Police Scotland and how those are being addressed. The third line of defence is important at this point (Internal Audit). Key products will include:

- An assurance map – not as a one off activity, we will develop means of continually reviewing the effectiveness of our organisational assurances
- A framework for controls assurance that will be communicated throughout the SPA and a training and awareness programme to support Functions to identify and manage their compliance requirements
- A programme of pro-active compliance requirements focused on value protect and value enhance activities
- Assessing the assurances given – to ensure that controls are adequate and identifying positive assurances ensuring that the programme of work is continually reviewed

3. Management of Recommendations

The Audit, Risk and Assurance function within SPA will further develop a consolidated approach to managing, implementing and overseeing how recommendations and observations are received into the SPA. The team will address risk and achieve improvement outcomes, by:

- Actively engaging with external auditors and scrutiny bodies.
- Providing advice and consultation on the design of actions to address recommendations.
- Pre-audit / inspection approach for preparing the organisation for external audit and scrutiny.

- Deliver workshops and training to address organisational awareness and culture.
- Providing and co-ordinating second level assurance activities across SPA.
- Providing advice and guidance on the design of first and second level audit and assurance activities across the SPA.

The active, ongoing commitment and full support of the SPA Executive Leads and their delegated responsibility through the SPA Board / Audit Committee is an essential part of this function and its success.

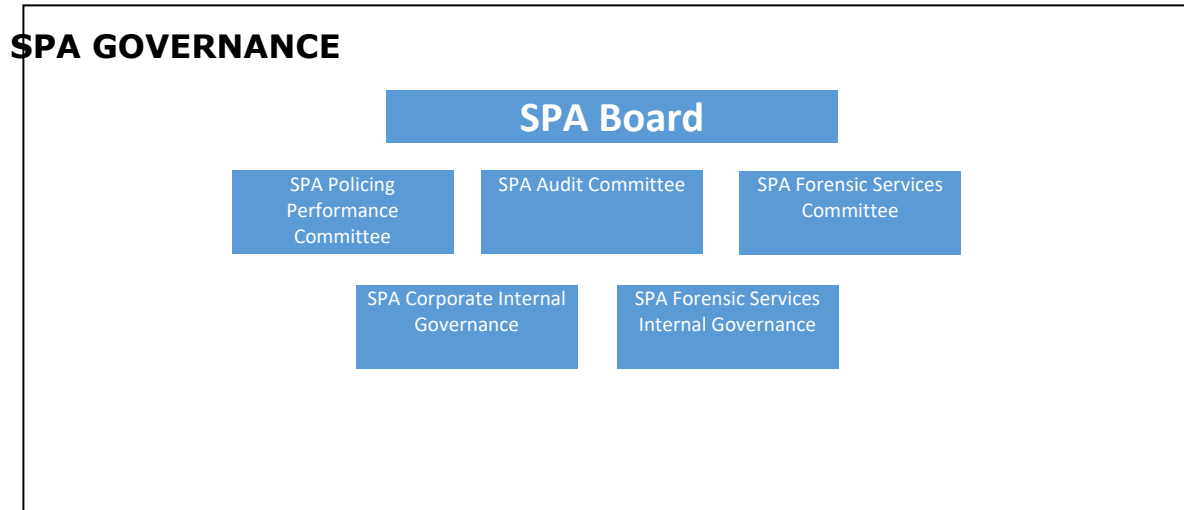
Governance Process and Arrangements

There is an established governance route to report on progress in relation to the delivery of the Audit, Risk and Assurance Function's objectives.

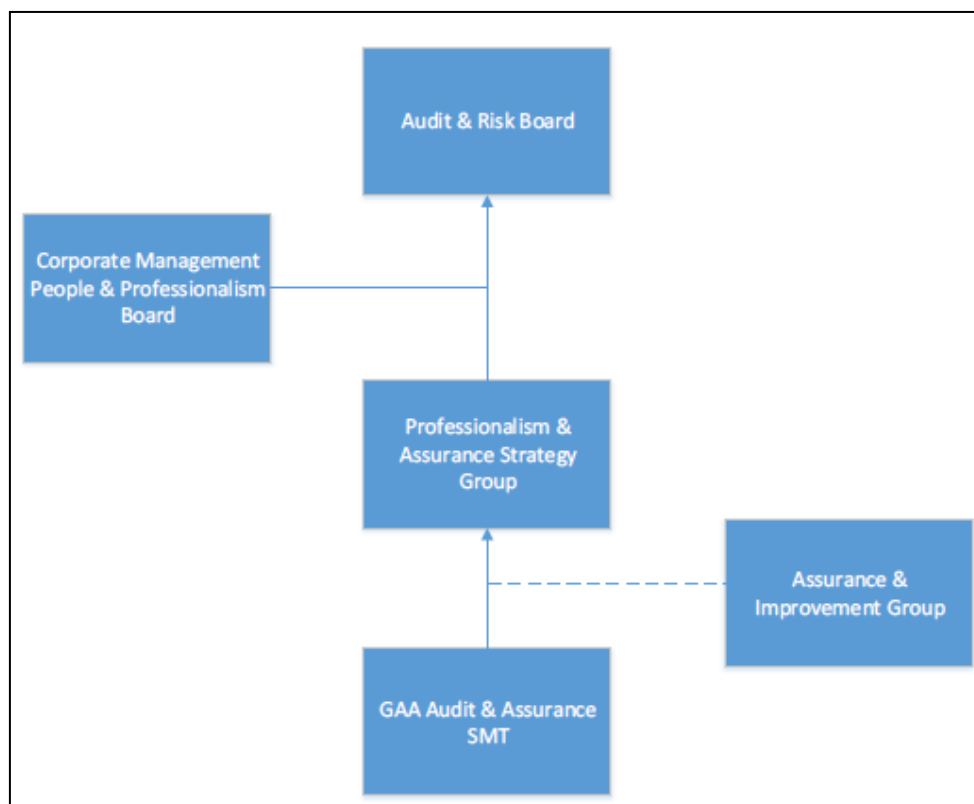
The Function also provides regular updates to the SPA Audit Committee, the remit of which is to provide oversight and governance in relation to recommendations from internal and external scrutiny bodies, driving improvement, learning and efficiency across the organisation.

The SPA Board has strategic oversight of governance and assurance arrangements across the work of the SPA and Police Scotland, although specific operational practice is determined at a more local level within both organisations according to requirements and structure.

Within SPA, a number of Committees directly seek assurance in relation to excellence, quality and continuous improvement, including the Audit Committee, the Forensic Services Committee and the Policing Performance Committee. In line with the SPA's governance framework, the SPA Board provides a means for escalation and decision-making from Committee level.



POLICE SCOTLAND INTERNAL GOVERNANCE



Below the level of the SPA Board and Committees, Police Scotland, SPA Corporate and SPA Forensic Services have their own executive management level governance arrangements, constituting the first line of defence. Those local arrangements are tested by Police Scotland's Assurance Function for Police Scotland, and by the SPA's Audit, Risk and Assurance Function in the case of the SPA. These form second lines of defence. The SPA appoints internal auditors to act as a third line of defence, and the internal auditor provides specific reports to the SPA Audit Committee. Depending on the nature of the audit topic, other SPA Committees may reference matters arising. Committee Chairs meet regularly to best manage parallel areas of scrutiny and review.

Reports emanating from external audit, inspection and scrutiny review are considered in detail by the SPA at Committee level, with more strategic level reporting on continuous improvement across policing being provided to the Board.

From time to time, the SPA Board may agree to form short-life oversight groups dedicated to specific matters, examples of which include call-handling, stop and search, and cyber technologies.

Further information about SPA's governance arrangements is set out in the SPA's Governance Framework, including the terms of reference for each Committee.

Related Products / Templates

The SPA's Excellence Framework does not sit to the side of core business at the SPA and assurance in relation to quality and excellence is not a standalone activity. This Excellence Framework integrates with a number of other important frameworks and products that form the overarching governance framework and planning cycle at the SPA, including risk, change oversight and performance assurance. The main related products are described as follows:

- **Assurance Map**

This is an industry-standard tool designed to show coverage and gaps in the assurance landscape at any particular point in time. It provides a level of assurance in itself, and assists with the audit and assurance planning cycle. The map or matrix is populated according to strategic risk areas and the four lines of defence model, and a version is maintained by the SPA Audit, Risk and Assurance function. The Assurance Map is provided regularly to the SPA's Audit Committee to assist with Committee Business Planning.

- **Scrutiny Calendar**

This important tool collates all known active and planned scrutiny activity into a calendar, referencing the organisation undertaking the scrutiny and the organisational areas of impact in Police Scotland and the SPA. The Scrutiny Calendar is searchable and is maintained by Police Scotland’s Assurance function. The SPA Audit, Risk and Assurance function provides information to the Police Scotland team for inclusion in the Calendar, and also utilises the calendar’s information for planning purposes.



- **Strategic Risk Framework and Register**

The Strategic Risk Framework (and the related Register) is closely linked to assurance activity within the SPA and Police Scotland, informing the Assurance Map and acting as a reference for the Scrutiny Calendar.

SPA Stratified Approach to Risk



- **Performance Assessment and Assurance**

A number of plans exist across the policing landscape to provide assurance that activity has been planned to address key challenges, threats and opportunities, deliver improvements, and contribute to delivering Best Value. Key plans include: the SPA's Strategic Police Plan and Corporate Strategy, the SPA's Forensic 2026 Strategy, the SPA's Annual Business Plan, Police Scotland's Annual Police Plan, and Local Police Plans.

Delivery against these various plans is overseen within the SPA by a number of Committees and the Board, who monitor the progress of projects and activities, as well as their impact on achieving objectives and agreed outcomes. The policing performance framework, and its associated regime of performance reporting, forms an important source of evidence for generating areas of further or more in-depth scrutiny and assurance, based on evidence in relation to measurable results and benefits realisation.

The Chief Constable, the SPA Chief Executive Officer, and the Director of Forensic Services each provide quarterly to the SPA Board and Committees for scrutiny. On an annual basis, the SPA undertakes a performance assessment of the previous financial year of both Police Scotland and itself in achieving objectives and delivering outcomes, and lays its findings within both the SPA's Annual Report and Accounts, and its more detailed Annual Review of Policing.