



Audit, Risk and Assurance Committee

2 August 2023

Minutes of the Audit, Risk and Assurance Committee held on Thursday 22 June 2023
via MS Teams

Committee Members present:	Mary Pitcaithly (Committee Chair) Paul Edie Catriona Stewart
Committee Member apologies:	Katharina Kasper Grant Macrae
In attendance:	<u>Scottish Police Authority</u> Lynn Brown, Chief Executive Officer John McNellis, Head of Finance, Audit and Risk Lauren MacLeod, Audit, Risk and Assurance Officer Karen Vallance, Governance Support Officer <u>Police Scotland</u> Assistant Chief Constable Alan Speirs Tom McMahon, Director of Strategy and Analysis Andrew Hendry, Chief Digital and Information Officer Patrick Brown, Head of Finance (Items 1 – 3.2) Chief Superintendent Alan Waddell (Items 1 – 2.1) Chief Superintendent Gillian Docherty Superintendent Damian Armstrong Alastair Corfield, Head of Best Value Donna Adam, Audit Manager - transformation

OFFICIAL

	<p>Stevie Diamond, Force Resource Deployment Manager (Items 1 – 2.1) Angela Wood, Head of Policy, Audit, Risk and Assurance Angelo Gustinelli, Head of Accounting and Control</p> <p><u>Forensic Services</u> Craig Donnachie, Head of Quality and Assurance</p> <p><u>Grant Thornton</u> Rebecca Lister, Senior Manager</p> <p><u>Azets</u> Gary Devlin, Head of Internal Audit (Items 1 – 2.2) Paul Kelly, Head of Cyber Services (Items 1 – 2.2)</p> <p><u>BDO</u> Claire Robertson, Head of Digital, Risk and Advisory Services</p> <p><u>HMICS (observing)</u> Alan Wright</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, the meeting would be paused until they had re-joined, to ensure quorate.

The Committee **RESOLVED** to:

- **NOTE** apologies from Grant Macrae and Katharina Kasper;
- **NOTE** no declarations of interest;
- **ADOPT** the Minute of the 31 March 2023 meeting;
- **NOTE** the action log;
- **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. INTERNAL AUDIT REPORTING

2.1 INTERNAL AUDIT REPORTS

Members considered three new internal audit reports.

Change Management - DESC

Gary Devlin (GDevlin) highlighted a number of key points and the recommendations as detailed within the report.

The Committee Chair noted it was helpful that 5 of 8 recommendations had progressed, and the Committee noted resource and capacity issues need to be resolved.

Change Management – Resource Deployment Unit

GDevlin highlighted a number of key points as detailed within the report.

In discussion the following matters were raised:

- The Committee Chair noted that Police Scotland had previously highlighted the area would benefit from Internal Audit activity.
- Chief Superintendent Alan Waddell (ChSuptWaddell) thanked Internal Audit for the work undertaken. ChSuptWaddell paid tribute to the staff within the Resource Deployment Model (RDU), but acknowledged it is un-restructured since the inception of Police Scotland. Efforts are underway to bring consistency and nationwide standards. ChSuptWaddell also acknowledged management responses within the report are light in detail but assured the Committee more detail will be provided to progress actions. The Committee Chair welcomed the commitment to provide more detail.
- Members noted the findings, specifically the red risk actions, are within the Internal Audit annual report.
- Members referenced reporting to the People Committee regarding high levels of re-rostered rest days and TOIL, and were assured that the RDU had not contributed disproportionately to previous high levels.
- Members sought further information on timescales and heard high risk actions were due to be delivered by end of 2023. Work continues to ascertain levels of resource required to progress an Initial Business Case for RDU change.
- GDevlin commented that if the unit was resourced to enable it to work more effectively, the organisation would meet more strategic outcomes.

Forensic Services Physical Data Management

Paul Kelly highlighted a number of key points as detailed within the report.

In discussion the following matters were raised:

- Craig Donnachie (CDonnachie) commented that Forensic Services has a robust management system for accreditation, and welcomed input from Internal Audit. CDonnachie confirmed Forensic Services were aware of some factors and plans were already in place to address issues so the report provides support to take these actions forward. CDonnachie stated that whilst beholding to paper records and files, ensuring reconciliation is performed is difficult. Larger pieces of work regarding radio frequency identification of files and Core Operating Systems for management will help address issues.
- Member sought timeline detail for the introduction of radio frequency identification. CDonnachie agreed to provide that information.
- Members sought comment on why weeding and disposing of casefiles was not undertaken after 2019. CDonnachie advised weeding was done in collaboration with Police Scotland and changes in policy had attributed to delay. Agreed processes were now in place, along with plans to ensure work is taken forward.
- Members sought comment on why some recommendations were not accepted. Regarding the partially accepted recommendation, CDonnachie explained geography and estates meant it was not possible to have a single process. There could not be one policy to fit all but separate policies, which would be appropriate. Regarding the recommendation not accepted, CDonnachie explained this was due to resource and ability to do a full reconciliation. Of 42,000 casefiles, only ten were unaccounted for and investigations was carried out into each. At the time of the audit, only three were unaccounted for but now all had been found. The Director of Forensic Services felt it would be disproportionate when balancing the work required against the percentage of ones unaccounted. CDonnachie confirmed there was no risk in not accepting recommendation as appropriate policies were in place. The Committee Chair noted the recommendations not fully accepted but also acknowledged Forensic Services position on best value.

- GDevlin highlighted that the Committee require to be assured that correct policies and processes are in place going forward, which the report details.

The Committee **RESOLVED** to:

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

Members to be provided with project timeline for introduction of RFID.

20230622-AUD-001

2.2 INTERNAL AUDIT ANNUAL REPORT

Members considered the report which summarised the conclusions and key findings from the internal audit work undertaken during the year ended 31 March 2023, including the overall opinion on the internal control systems within Scottish Police Authority, Police Scotland and Forensic Services. GDevlin highlighted a number of key points as detailed within the report and commented that Police Scotland and SPA were markedly improved organisations, which was testament to SPA and Police Scotland staff.

In discussion the following matters were raised:

- SPA Chief Executive Lynn Brown commented that SPA were committed to continuous improvement and the role of Internal Audit was crucial to this.
- On behalf of the Committee, the Committee Chair thanked GDevlin and all Azets staff for their work over the previous years.

The Committee **RESOLVED** to:

- **NOTE** the report.

2.3 EXTERNAL AUDIT PROGRESS

Members considered the report which provided an update on the progress of the External Audit and highlighted key sector updates. Rebecca Lister provided a summary of the report and highlighted a number of key points.

In discussion the following matters were raised:

- The Committee Chair commented that the provided tracker was very useful.
- John McNellis (JMcNellis) confirmed Grant Thornton have a complete full draft of the Annual Report and Accounts.

The Committee **RESOLVED** to:

- **NOTE** the report.

3. AUDIT AND IMPROVEMENT

3.1 INTERNAL AUDIT UPDATE

Members considered the report which provided an update on progress against the Annual Internal Audit Plan and a summary of management progress in completing management actions arising from internal audit reports. Claire Robertson (CRobertson) highlighted a number of key points within the report.

The Committee **RESOLVED** to:

- **NOTE** the report.

3.2 INTERNAL AUDIT CHARTER

Members considered the report which provided the opportunity to review the Internal Audit Charter by the new internal audit provider, BDO. CRobertson highlighted a number of key points within the report.

The Committee **RESOLVED** to:

- **NOTE** the report.

3.3 POLICE SCOTLAND AUDIT AND IMPROVEMENT RECOMMENDATION TRACKER Q4

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

The Committee **RESOLVED** to:

- **NOTE** the report.

3.4 SPA AUDIT AND IMPROVEMENT RECOMMENDATION TRACKER

Members considered the report which provided an update on open recommendations from all SPA corporate audit and inspection activity. JMcNellis highlighted a number of key points within the report and thanked DAdam and her team for their collaborative work.

Members sought further information on timescales for progressing the three overdue actions from the 2018 ICO SPA Audit – GDPR compliance. JMcNellis agreed to provide further information.

The Committee **RESOLVED** to:

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

Members to be provided with timescales for progressing the three overdue actions from the 2018 ICO SPA Audit – GDPR compliance.

20230622-AUD-002

4. ASSURANCE REPORTING

4.1 POLICE SCOTLAND CHANGE PORTFOLIO UPDATE

Members considered the report which provided a summary of current work undertaken within the Police Scotland Change Portfolio. Andrew Hendry (AHendry) highlighted a number of key points within the report.

In discussion the following matters were raised:

- Members questioned why the overall programme was moving to amber when some programmes remain red. AHendry responded that resource challenges from COP26 and Operation Unicorn were starting to lessen which was having an impact. AHendry also commented the move to amber was due to smaller programme components being moved and these mitigating steps are reviewed to ensure timescales are realistic.
- Members commented on the level of detail within the report and agreed they would be better assured of key areas if the report presented a strategic overview of change. JMcNellis added that AHendry and SPA colleagues have been looking at wider oversight of change to ascertain what should be reported to the Audit, Risk and Assurance Committee and what is reported to the Resources Committee.
- Members sought comment on prioritisation and heard focus was on improving categories such as ICT and people, and those were the vehicles for delivery against demand. Prioritisation is how these work streams are joined up. AHendry stated that a lot of work stands up to individual scrutiny but collectively it is under review therefore Police Scotland are working to present an overview position.

- The Committee Chair agreed a strategic oversight position for the Committee was required, and consideration should be given as to whether certain projects are reported in more detail to allow an understanding of the current risks.

The Committee **RESOLVED** to:

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

Future reports to present a strategic overview of change. SPA and Police Scotland colleagues to also consider providing deep dives on key change projects.

20230622-AUD-003

4.2 INTERGRATED ASSURANCE STATEMENT

Members considered the report which provided a strategic summary of the systems of internal control across the four lines of defence and a summary of the findings from key audit and inspection bodies. JMcNellis highlighted a number of key points within the report.

In discussion the following matters were raised:

- Members were informed that the statement will inform evidence for the Annual Report and Accounts.
- LBrown highlighted that Audit Scotland had stated last year's integrated assurance statement was an example of best practice.

The Committee **RESOLVED** to:

- **NOTE** the report.

4.3 SPA YEAR END PERFORMANCE ASSESSMENT

Members considered the report which provided an overview of SPA year end performance for 2022/23. LBrown highlighted a number of key points within the report.

The Committee Chair commented that the report was testament to work of the SPA team. LBrown agreed, highlighting that in addition to the achievements in the report, there were other business as usual achievements throughout the year.

The Committee **RESOLVED** to:

- **NOTE** the report.

4.4 AUDIT, RISK AND ASSURANCE COMMITTEE ANNUAL REPORT

Members considered the annual report of the Audit Risk and Assurance Committee, completed in line with the Scottish Government Audit Committee Handbook. JMcNellis highlighted a number of key points within the report including a further evaluation using National Audit Office (NAO) guidance.

In relation to the one criteria from the NAO guidance which the Committee does not comply with, Members questioned whether there is anything that can be done to address the gap. JMcNellis responded that the criteria was around assurances of the risk and control environment encompassing services outsourced to external providers. Whilst there are KPI's and contract arrangements in place, the Committee don't see assurances. As such, SPA and Police Scotland procurement are discussing how this reporting can develop.

The Committee **RESOLVED** to:

- **NOTE** the report.

4.5 EVALUATION OF COMMITTEE EFFECTIVENESS

Members considered the report which provided the annual review of SPA committee effectiveness for 2022/23.

In discussion the following matters were raised:

- JMcNellis agreed it had been a useful exercise as it had resulted in discussions and changes to levels of transparency in some Committees.
- The Committee Chair confirmed a development day for the Audit, Risk and Assurance Committee will be scheduled.

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 Chair highlighted that, to accommodate availability, the Committee scheduled for 15 September would to earlier that same week.

The Committee **RESOLVED** to:

- **NOTE** the plan.

end

