



## Audit, Risk and Assurance Committee

31 March 2023

Minutes of the Audit, Risk and Assurance Committee held on Tuesday 17 January 2023  
via MS Teams

Board Members present:	Mary Pitcaithly (Committee Chair) Grant Macrae (Committee Member) Catriona Stewart (Committee Member)
Board Member apologies:	Paul Edie Katharina Kasper
In attendance:	<u>Police Scotland</u> David Page, Deputy Chief Officer Assistant Chief Constable Alan Speirs Andrew Hendry, Chief Digital and Information Officer (Item 4.1, 5) James Gray, Chief Financial Officer Alastair Corfield, Financial Controller Donna Adam, Audit Manager Transformation Charlotte Hope, Enterprise Risk Manager Angela Wood, Head of Policy, Risk and Assurance  <u>Scottish Police Authority</u> Lynn Brown, Chief Executive Officer (Items 3.1 – 5) John McNellis, Head of Finance, Audit and Risk Graham Stickle, Audit and Risk Lead Scott Ross, Head of Change and Operational Scrutiny (Item 4.1, 5)

	Lauren MacLeod, Audit, Risk and Assurance Officer  <u>Grant Thornton</u> Rebecca Lister, External Audit Senior Manager  <u>Azets</u> Rachael Weir, Senior Audit Manager Flo Barrett, Assistant Manager  <u>BDO</u> Claire Robertson,  <u>HMICS</u> Alan Wright  <u>SPA Secretariat</u> Karen Vallance, Governance Support Officer
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## 1. WELCOME AND STANDING ITEMS

The Committee Chair opened the meeting and welcomed all attendees, confirming Grant Macrae would Chair the meeting should she be disconnected from the call. The Committee Chair welcomed Claire Robertson from BDO who would be taking over as Internal Auditors from April.

The Committee **RESOLVED** to:

- **NOTE** apologies from Katharina Kasper and Paul Edie;
- **NOTE** no declarations of interest;
- **ADOPT** the Minute of the 3 November 2022 meeting;
- **NOTE** the action log;
- **AGREE** that, in accordance with paragraph 20 of the SPA Standing Orders, the Committee would consider items 6-9 in private for the reasons set out on the agenda.

## 2. AUDIT AND IMPROVEMENT PROCESS

### 2.1 INTERNAL AUDIT UPDATE

Members considered the report which provided an update on progress against the Annual Internal Audit Plan and summary of management progress in completing management actions arising from internal audit

reports. John McNellis (JMcNellis) introduced the report and noted that an additional Committee would be scheduled to discuss upcoming Internal Audit Reports. Rachael Weir (RWeir) highlighted a number of key points as detailed within the report.

In discussion the following matters were raised:

- Members agreed the report demonstrated good progress but were concerned that some of the follow up items were slipping, in terms of implementation.
- The Committee Chair welcomed the move away from having an increased number of open recommendations, and suggested consideration be given to implementing KPIs on this. JMcNellis agreed to discuss this further with BDO.

The Committee **RESOLVED** to:

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

John McNellis to discuss with BDO setting KPI's in relation to the number of open recommendations and the length of time they are open.

20230117-AUD-001

## 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. ACC Alan Speirs (ACCSpeirs) introduced the report and Donna Adam highlighted a number of key points as detailed within the report.

In discussion the following matters were raised:

- Members sought Azets opinion on Police Scotland's desire to close recommendations relating to benefits realisation. RWeir confirmed Azets had worked closely with Police Scotland colleagues on these and Azets have noted progress that has been made and are content with direction of travel. However, they were not content to close as Police Scotland had not yet been able to demonstrate evidence. Members agreed they were happy with progress reported but would endorse Azets judgement and request the recommendations remain open. The Committee Chair recognised there had been progress and a willingness to provide evidence however it was longstanding and high risk. Attendees discussed the project scale required for

evidence and Deputy Chief Officer David Page (DPage) agreed that he would discuss further with Azets and DAdam to establish what evidence was acceptable and thereafter update Committee Members.

- Regarding business continuity in terms of energy issues, Members heard that response vehicles are not electric, and electric vehicles are only used in non-priority and non-urgent roles. Within the infrastructure there is the ability to charge within the estate and elsewhere in Scotland but it would be tested through business continuity plans.
- Members sought further information on progress relating to the recommendations on discrimination culture and heard multiple work strands are progressing work in the area but the recommendation was being kept as pending until the findings of the Independent Review Group Report are received. Members noted the delay in the report was out with Police Scotland control.
- Regarding the demand baseline project recommendations, Members heard timescales were running behind however it was expected to be shared with HMICS in a matter of weeks and could thereafter be closed.

The Committee **RESOLVED** to:

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

David Page, Donna Adam and Azets to establish what evidence was acceptable to close the benefits realisations recommendations. Committee Members to be updated on outcome.

20230117-AUD-002

### 2.3 SPA AUDIT AND IMPROVEMENT RECOMMENDATIONS UPDATE

Members considered the report which provided an update on progress against the SPA business plan (2022/23), and open recommendations from all SPA corporate audit and inspection activity. JMcNellis summarised a number of key points as detailed within the report, highlighting that a review of ill health retirement documentation was ongoing and would be reported to the Legal Committee. Implementing changes may take longer than thought and a review has been requested from Internal Audit.

In discussion the following matters were raised:

## OFFICIAL

- Members questioned how HMICS recommendations were impacting work load and heard that as they are joint, SPA have working collaboratively with Police Scotland to address them. JMcNellis committed to bringing a response to actions to the People Committee in due course.
- Members agreed they were happy with the progress reported.

The Committee **RESOLVED** to:

- **NOTE** the report

### 3. INTERNAL AUDIT REPORTING

#### 3.1 INTERNAL AUDIT REPORTS

Members considered one new internal audit report on organisational learning. RWeir highlighted a number of key points as detailed within the report.

In discussion the following matters were raised:

- The Committee Chair welcomed the report and the work to seek views whilst something is ongoing.
- Members were assured a midpoint check would be undertaken, with the outcome reported to the Committee at its meeting in November 2023.

The Committee **RESOLVED** to:

- **NOTE** the report.

#### 3.2 INTERNAL AUDIT ANNUAL PLAN

Members considered the report which sought approval for the Internal Audit Annual Plan. JMcNellis highlighted a number of key points as detailed within the report and assured Members SPA would work with BDO to agree any work. RWeir praised the consultation process and confirmed the Internal Audit Plan will have a degree of flexibility, and timing and logistics would be for BDO to take forward.

In discussion the following matters were raised:

- Members praised the presentation agreeing it clearly explained how knowledge is built and consultation undertaken.
- Members questioned when the core financial work would take place if scope has to be agreed with BDO and whether External Audit

would take reliance of work. JMcNellis advised that the induction process with BDO was ongoing and will thereafter start to plan when work is timetabled. However, core financial controls and some ICT work would be scheduled early as they provide a natural introduction to the organisation.

- Members were assured that the plan had been discussed with HMICS to ensure there was no overlapping. Discussions take place on an ongoing basis to ensure duplication does not arise during year whilst also establishing if any work is complementary.
- Members were informed that discussion would take place with BDO to undertake some longer term horizon work to establish where audits will be scheduled over the next 3-5 years.

The Committee **RESOLVED** to:

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

## **4. ASSURANCE REPORTING**

### **4.1 POLICE SCOTLAND CHANGE PORTFOLIO UPDATE**

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

In discussion the following matters were raised:

- The Committee Chair noted it would be helpful to have an overall summary of how the portfolio is performing, referencing how the appendix provided to the last Committee showed this. The Committee Chair requested this be provided to the next Committee.
- Members requested further information on the DESC pilot and potential impacts to other work streams. AHendry advised the Committee that technology would be tested across the partnership. Given the nature of digital evidence, much of the work is around design. Road maps are being developed to help move from pilot to future delivery phases. Members were assured there were strong roadmaps and a strong partnership to manage the pilot and learn for future iterations. Members also heard the risks were within Business as Usual and the partnership has come together to try mitigate the risks such as cloud storage and legislative changes. Members were informed progress was mostly in a green to amber phase and SPA and all partners have been part of conversations on risk. Senior Information Risk Owners had accepted some risks can't



be removed and it is about mitigation. AHendry confirmed that the partnership was content that there are significant mitigations in place to allow the pilot to proceed.

- Members heard the challenge within the portfolio is around resourcing as some programmes, like Inleds, have a lot of deliverables.
- Members sought progress on Body Worn Video (BWV) and heard while the roll out for armed officer was straight forward, there were challenges in rolling out nationally due to procurement and ICT infrastructure. Design work has been progressed and current work is looking at storage constraints and day to day activity. The Full Business Case is currently being worked on and will note that funding for BWV purchasing and ongoing running costs is a new cost. Whilst there are benefits to extract, there is a realisation that it won't always pay for itself. Members noted that one advantage of other forces implementing first is that it allows Police Scotland the opportunity to understand their lessons learned.

The Committee **RESOLVED** to:

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

Future reports to have appendix detailing overall summary of progress. Similar to appendix provided in November 2022.

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#### 4.2 POLICE SCOTLAND BEST VALUE UPDATE

Members considered the report which provided an update on Police Scotland's recent progress in assuring adherence to the Best Value duty. Alasdair Corfield (ACorfield) highlighted a number of key points as detailed within the report.

In discussion the following matters were raised:

- Member sought further information on the team resource and work with both internal and external Audit. ACorfield advised that the pilot will be used to understand the level of resource and capability required but an audit background would be helpful. There would also be the potential for a virtual team to be set up that sits across different functions, to allow their expertise to be used. ACorfield confirmed he had spoken to External Audit and BDO to take their

views. Audit Scotland have the greatest experience and guidance can be taken from their work and focus on local authorities.

- Members heard the decision to pilot within procurement was due to that area recently being tested and undertaking a significant amount of work. As it is an area that is tightly defined, the pilot will be quicker and will give more information in terms of informing the Best Value approach. The outcome was expected to be relatively positive but with areas of learning.
- Members heard the Chief Constable was supported of the role and it would sit within DCOPage's remit so it was clear it was not a finance initiative. Best Value work is reported to Police Scotland' Audit Board then to its Senior Leadership Board. ACorfield proposed to bring a progress report twice yearly to the Committee which Members supported.

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.

*end*