



Agenda Item 2.1

Meeting	Audit, Risk and Assurance Committee
Date	12 November 2025
Location	Online
Title of Paper	Internal Audit Update
Presented By	Claire Robertson, BDO
Recommendation to Members	For discussion
Appendix Attached	Appendix A: Internal audit progress update Appendix B: Q2 Management action follow-up

PURPOSE

To provide the Audit, Risk and Assurance Committee (ARAC) with BDO’s Internal Audit Progress report. This includes Q2 Follow Up review results.

The paper is presented in line with the corporate governance framework of the Scottish Police Authority (SPA) and Audit, Risk and Assurance Committee (ARAC) terms of reference and is submitted for consultation.

1 BACKGROUND

- 1.1. This Internal Audit progress report provides an update on audit work completed between August and October 2025.
- 1.2. The Q2 Follow-up results cover the implementation status of all recommendations raised from the work carried out by Internal Audit which were due to be implemented by 30 September 2025 (Q2).

2 FURTHER DETAIL

Appendix A Internal audit progress update

- 2.1. The report provides an update on the status of each of the 13 scheduled audits within the 2025/26 plan.
 - Two audits have been completed and were presented to ARAC in August.
 - Three audits are 'final' and are being reported to ARAC at agenda item 3.1.
 - One audit (change) is "reporting" and will be presented to ARAC in February.
 - Four audits are "in progress" with fieldwork underway.
 - The audits for IT Systems and Productions are at "planning" and "scheduled" respectively.
 - Following engagement between SPA, Police Scotland and BDO it was concluded that the Communications and Engagement audit should be deferred. Since the internal audit plan was drafted, Police Scotland Corporate Communications has begun the process of implementing a new approach to the delivery of internal communication. This has been developed in conjunction with and validated by external subject matter experts. Reflecting this new approach, supported by external experts, it was concluded that deferral was appropriate. SPA/PS and BDO are considering options, including an alternative audit or no replacement audit, in the current financial year.

- 2.2. Eleven internal audit KPI's are outlined in the report.
- Ten KPI's are 'on track' / "green".
 - One KPI is "grey" which indicates these are 'not yet started', which is appropriate as this is linked to the production of the annual internal audit report/ opinion which is not due till May 2026 ARAC.

Appendix B – Q2 Management action follow-up

- 2.3. Appendix B summarises the progress made by Police Scotland, Forensic Services and SPA in implementing previously agreed internal audit actions. Internal audit validate the closure of actions with targeted timeline in Q2 2025/26.
- 2.4. Total 48 recommendations followed up in September 2025:
- 18 (38%) are fully implemented
 - 29 (60%) remain in the process of being implemented
 - 1 (2%) were not yet implemented
- 2.5 A PowerBI report giving full details of recommendations has been provided to ARAC members. This change supplements the summary being reported to the committee while also ensuring BDO comply with Global Internal Audit Standards in the UK Public Sector.

3 FINANCIAL IMPLICATIONS

- 3.1 The cost of providing the internal audit service is included in the 2025/26 budget.

4 PERSONNEL IMPLICATIONS

- 4.1 There are no specific personnel implications associated with this paper, however, reviews may have considered this aspect.
- 4.2 The internal audit service is provided by an external provider, BDO.

5 LEGAL IMPLICATIONS

- 5.1 There are no specific legal implications associated with this paper. Reviews will consider applicable legal implications.

6 REPUTATIONAL IMPLICATIONS

- 6.1 There are no specific reputational implications associated with this paper. The objective of the internal audit service is to provide an independent opinion on the organisation and the effectiveness of its operations. Its reviews aim to help the organisation promote improved standards of governance, better management, decision making and more effective use of funds. This aids transparency and contributes toward confidence in the Authority.

7 SOCIAL IMPLICATIONS

- 7.1. There are no specific social implications associated with this paper, however, reviews may have considered this aspect.

8 COMMUNITY IMPACT

- 8.1 There are no specific community impact implications associated with this paper, however, reviews may have considered this aspect.

9 EQUALITIES IMPLICATIONS

- 9.1. There are no specific equalities implications associated with this paper, however, reviews may have considered this aspect.

10 ENVIRONMENT IMPLICATIONS

- 10.1. There are no specific environmental implications associated with this paper, however, reviews may have considered this aspect.

RECOMMENDATIONS

Members are requested to note the internal audit progress report.

The background of the page is a photograph of a police officer in uniform. The officer is wearing a high-visibility yellow-green vest over a black t-shirt. The vest has reflective silver stripes and a blue badge that says 'POLICE'. The t-shirt has 'POLICE SCOTLAND' printed on the sleeve. A black radio is clipped to the vest. The background is slightly blurred, showing other officers in similar uniforms.

SCOTTISH POLICE AUTHORITY

Internal Audit Progress Report

November 2025

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The matters raised in this report are only those which came to our attention during the course of our audit and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. The report has been prepared solely for the management of the organisation and should not be quoted in whole or in part without our prior written consent. BDO LLP neither owes nor accepts any duty to any third party whether in contract or in tort and shall not be liable, in respect of any loss, damage or expense which is caused by their reliance on this report.

EXECUTIVE SUMMARY

ROLE OF INTERNAL AUDIT

Internal audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Responsibility for these arrangements remains fully with management, who should recognise that internal audit can only provide a reasonable level of assurance and cannot provide any guarantee against material errors, loss or fraud. Internal audit also plays a valuable role in helping management improve risk management control and governance, so reducing the effects of any significant risks faced by the organisation.

PURPOSE OF THIS DOCUMENT

The purpose of this document is to provide the SPA's Audit & Risk Assurance Committee (ARAC) with an update as to the status of internal audit activity against the 2025/26 Annual Internal Audit plan.

PROGRESSION UPDATE

Since the last ARAC in August 2025, please see below an update of internal audit activity against our 2025/26 plan:

- ▶ 3 reviews have been finalised - 'Overtime', 'Environment & Sustainability' and 'Complaints Management'
- ▶ 1 review is in the reporting stage, 'Change'.

See page 4 for further detail on the progression made to date against the internal audit plan. At the time of writing, we expect to deliver all audits within the Internal Audit plan by the end of 2025/26.

AMENDMENTS TO THE APPROVED INTERNAL AUDIT PLAN

Request deferral - Communications & Engagement:

Police Scotland has requested the deferral of the planned 2025/26 internal audit of Communications and Engagement. Since the audit was first proposed, the Corporate Communications team has introduced a new model for internal communications, developed with external experts AllThingsIC, which addresses many of the previously identified risks. Management have advised conducting the audit during 2025 could delay essential work and produce recommendations that would soon be outdated.

Management have advised deferring this review will allow the Service to focus on delivering the new approach, including a more fit-for-purpose intranet, online collaboration platforms, and improved engagement channels. Once fully implemented, an internal audit review can more effectively determine how well the new measures have been embedded and whether they are delivering the intended enhancements to internal communication.

Therefore, we seek the ARAC's approval to remove the Communications & Engagement review from the 2025/26 internal audit plan, with a view to reassessing at a later stage.

WORK OUTSIDE OF THE APPROVED INTERNAL AUDIT PLAN

An additional 'advisory' style Complaints Management review was requested from SPA/PS.

BDO's Forensics team have been supporting Police Scotland managing Inventory across the PS Estate. There have been no other amendments to the Internal Audit plan since the last meeting of the ARAC.

INTERNAL AUDIT STATUS UPDATE

SUMMARY OF WORK PERFORMED TO DATE

Internal Audit has made the following progress in delivering the agreed audits from the approved 2025/26 internal audit plan.

AUDIT ACTIVITY	STATUS	COMMENTARY
Management of Recommendations	FINAL & PRESENTED	> Report finalised. Presented during August ARAC.
Health & Safety	FINAL & PRESENTED	> Report finalised. Presented during August ARAC.
Overtime	FINAL	> Report finalised. To be presented during November ARAC.
Complaints Management	FINAL	> Report finalised. To be presented during November ARAC.
Environment and Sustainability	FINAL	> Report finalised. To be presented during November ARAC.
Change	REPORTING	> Closing meeting taken place. Currently in reporting phase.
Commonwealth Games	IN PROGRESS	> Fieldwork in progress.
Duty Modifications / Scenario Planning	IN PROGRESS	> Fieldwork in progress.
Implementation of Estates Plan	IN PROGRESS	> Fieldwork in progress.
Recruitment and Retention	IN PROGRESS	> Fieldwork in progress.
Communications and Engagement	REQUEST DEFERRAL	> Request deferral.
IT System	PLANNING	> Initial scoping meeting held. Review scheduled for January 2026.
Productions (Forensic type)	SCHEDULED	> Review scheduled for January/February 2026.

INTERNAL AUDIT PERFORMANCE KPI'S

Performance KPI	Status	Comments
Internal Audit Efficiency		
In-scope audits are completed to their planned ARACs.	On-Track	
All in-scope audits for FY 2025/2026 are completed by 31 March 2026.	On-Track	
Annual Internal Audit report/opinion is presented to the May 2026 ARAC.	Not yet started	
Internal Audit Quality		
All recommendations made to each audit are discussed with the management. Agreed recommendations are logged into the system for following up.	On-Track	
All audits are led and reviewed by qualified staff, with audits required to be involved with SMEs from other teams.	On-Track	
Customer Satisfaction survey results	On-Track	Surveys will be issued for all finalised 2025/26 reports.
Internal Audit Engagement		
Regular liaison meetings with SPA/PS Audit & Risk teams; with PS management; and with HMICS and external auditor.	On-Track	
Initial Term of Reference of the audit is issued 4 to 6 weeks ahead of fieldwork starting date.	On-Track	
Internal audit issues draft audit report within 10 working days of closing meeting.	On-Track	
Finalised audit report issued to stakeholders within 3 working days of final management responses being received and agreed.	On-Track	
Internal Audit Quality		
Actual vs Budgeted days of audits are provided to ARAC.	On-Track	

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POLICE SCOTLAND

INTERNAL AUDIT REPORT - FINAL

Q2 FOLLOW UP OF PRIOR RECOMMENDATIONS

SEPTEMBER 2025

IDEAS | PEOPLE | TRUST



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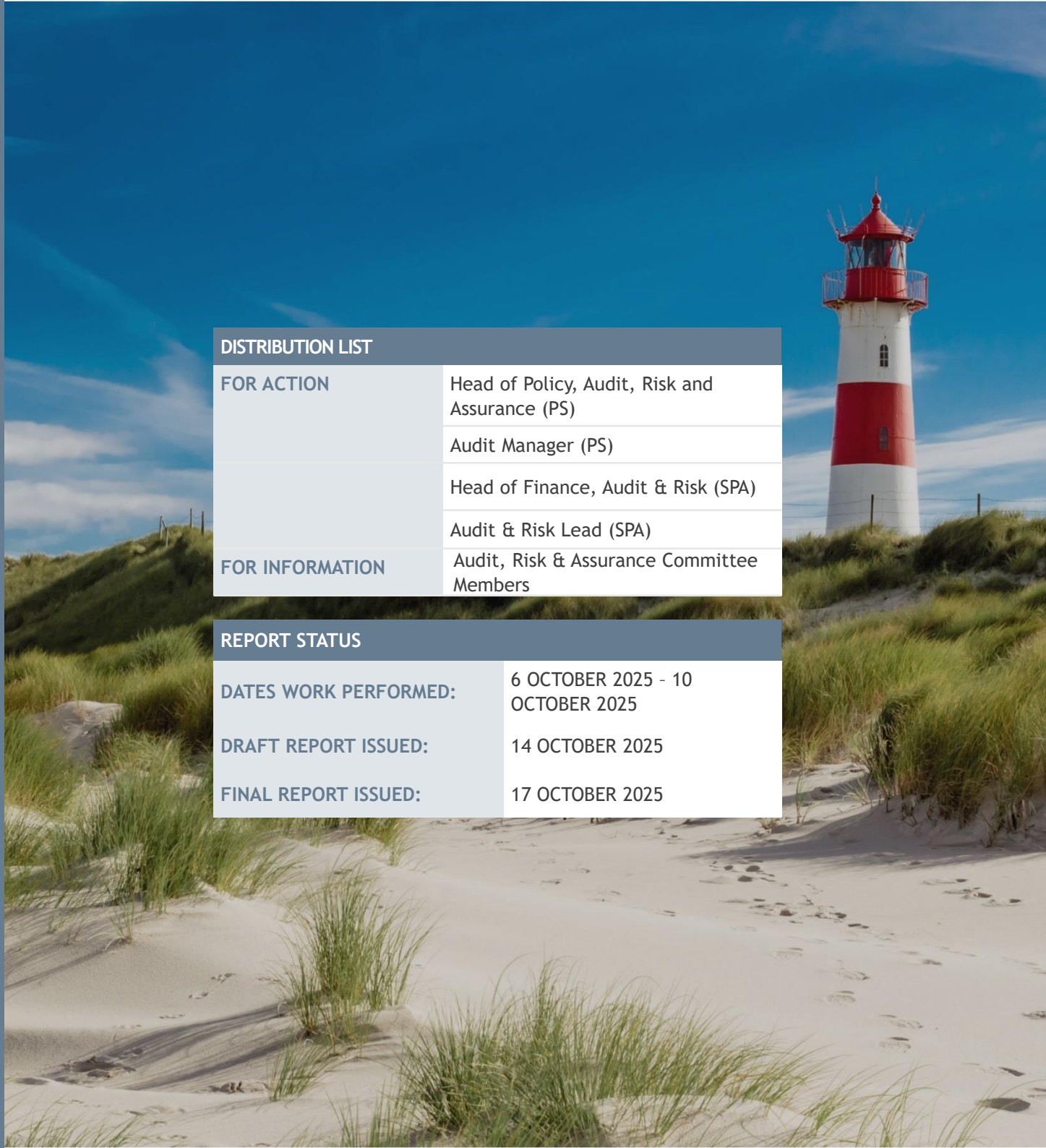
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	Audit Manager (PS)
	Head of Finance, Audit & Risk (SPA)
FOR INFORMATION	Audit & Risk Lead (SPA)
	Audit, Risk & Assurance Committee Members

REPORT STATUS

DATES WORK PERFORMED:	6 OCTOBER 2025 - 10 OCTOBER 2025
DRAFT REPORT ISSUED:	14 OCTOBER 2025
FINAL REPORT ISSUED:	17 OCTOBER 2025





EXECUTIVE SUMMARY

BACKGROUND

As part of the provision of continual assurance over the design, effectiveness of controls and closure on control gaps, we have undertaken a review to assess the degree of implementation of the recommendations made in prior years in accordance with the Annual Internal Audit Plan.

If recommendations are not implemented on a timely basis, weaknesses identified through internal audits in control, risk management and governance activities will remain in place. Furthermore, a reluctance or inability to implement recommendations reflects poorly on management’s commitment towards maintaining a robust internal control and governance environment. Therefore, confirmation of the implementation status of recommendations is a key determinant of our annual opinion over your governance, risk, and internal control framework.

SCOPE

In accordance with the 2025-26 Internal Audit Plan, we have considered the implementation status of all recommendations raised from the work carried out by Internal Audit which were due to be implemented by 30th September 2025 (Q2). This resulted in a

total of 48 recommendations to be followed up. The recommendations relate to 16 audit areas, as shown in the tables below and overleaf.

METHODOLOGY

During our testing we followed up on all recommendations which had a target completion date of on or before 30th September 2025 (Q2).

Management’s Internal Audit recommendation progress was reviewed to establish the degree of implementation achieved. Where it was confirmed that the recommendation had been implemented, evidence was sought, and testing was undertaken to verify the ongoing operation of the recommended controls. Where Management’s response in the Internal Audit report differed from the original recommendation, we tested the agreed management actions.

We noted that the previous Internal Auditor for the Scottish Police Authority rated their recommendations on a grading 1-4, Police Scotland equated this to their risk levels of low-very high whilst SPA Forensic Services retained the 1-4 grading; we have therefore used both labels in the table below.





STATUS OF RECOMMENDATIONS AT SEPTEMBER 2025

The table below outlines the implementation status of the recommendations followed up:

Audit Area	Action Significance Rating	STATUS AT SEPTEMBER 2025					
		Fully implemented	Being implemented	Not implemented	Superseded	Not due for implementation this quarter	Total
Recommendations from 2020/21 - 2025/26							
ICT Service Delivery 2021/22	High	-	-	-	-	2	2
Legal Claims Handling 2021/22	Medium	-	-	-	-	1	1
Business Continuity Planning - Forensic Services 2022/23	Medium	1	-	-	-	-	1



EXECUTIVE SUMMARY

Audit Area	Action Significance Rating	Continued from previous slide					
		 Fully implemented	 Being implemented	 Not implemented	 Superseded	Not due for implementation this quarter	Total
Compliance PAVA Airwave 2022/23	High	1	3	-	-	-	4
Compliance PAVA Airwave 2022/23	Medium	-	1	-	-	-	1
Organisational Learning 2022/23	Medium	-	-	-	-	8	8
Vetting 2022/23	High	-	-	-	-	1	1
Biometrics (Forensic Services) 2023/24	Medium	-	3	-	-	-	3
Biometrics (Police Scotland) 2023/24	Medium	-	-	-	-	8	8
Biometrics (Police Scotland) 2023/24	Low	-	-	-	-	2	2
Core Financial Systems 2023/24	Low	-	-	-	-	1	1
Electronic Data Retention plus iVPD Focus 2023/24	Medium	-	2	-	-	3	5
Electronic Data Retention plus iVPD Focus 2023/24	Low	-	-	-	-	1	1
Grievance Process 2023/24	High	-	-	-	-	1	1
Ill Health Retirements & Injury 2023/24	Medium	1	-	-	-	-	1
Investment Prioritisation 2023/24	Medium	-	-	1	-	-	1
Review of IT General Controls 2023/2024	Medium	-	-	-	-	3	3
Review of IT General Controls 2023/2024	Low	2	-	-	-	2	4







EXECUTIVE SUMMARY

Audit Area	Action Significance Rating	Continued from previous slide					Not due for implementation this quarter	Total
		 Fully implemented	 Being implemented	 Not implemented	 Superseded			
IT Change Management (Police Scotland) 2024/2025	Low	2	-	-	-	-	2	
Cash and Drugs Productions and High-Value Stores 2024/25	High	-	1	-	-	7	8	
Cash and Drugs Productions and High-Value Stores 2024/25	Medium	-	2	-	-	11	13	
Cos - Core Operating Solutions 2024/25	Medium	-	2	-	-	-	2	
Cos - Core Operating Solutions 2024/25	Low	-	1	-	-	-	1	
Equality and Human Rights Impact Assessment (EqHRIA) 2024/25	High	-	-	-	-	4	4	
Equality and Human Rights Impact Assessment (EqHRIA) 2024/25	Medium	-	2	-	-	6	8	
Estates and Asset Management 2024/25	Medium	-	-	-	-	3	3	
Estates and Asset Management 2024/25	Low	1	-	-	-	1	2	
Forensic Performance Management & Reporting 2024/25	Medium	2	2	-	-	-	4	
Grant Management 2024/25	High	1	2	-	-	-	3	
Grant Management 2024/25	Medium	4	1	-	-	-	5	
Grant Management 2024/25	Low	-	1	-	-	-	1	
Health and Safety - Transportation of Dangerous Goods 2024/2025	High	-	-	-	-	8	8	



EXECUTIVE SUMMARY

Audit Area	Action Significance Rating	Continued from previous slide					
		 Fully implemented	 Being implemented	 Not implemented	 Superseded	Not due for implementation this quarter	Total
Health and Safety - Transportation of Dangerous Goods 2024/2025	Medium	-	-	-	-	11	11
Implementation of Change Projects and Realisation of the Change benefits 2024/2025	High	-	-	-	-	4	4
Implementation of Change Projects and Realisation of the Change benefits 2024/2025	Medium	-	3	-	-	3	6
Implementation of Change Projects and Realisation of the Change benefits 2024/2025	Low	1	-	-	-	-	1
YLM 2024/2025	Medium	-	-	-	-	3	3
Health and Safety 2024/2025	High	-	-	-	-	5	5
Health and Safety 2024/2025	Medium	2	3	-	-	17	22
Management of Recommendations 2024/2025	Medium	-	-	-	-	3	3
Management of Recommendations 2024/2025	Low	-	-	-	-	2	2
Totals		18	29	1	0	121	169



EXECUTIVE SUMMARY

CONCLUSION

We found that of the 48 recommendations due for implementation and followed up in September 2025:

- 18 (38%) are fully implemented
- 29 (60%) remain in the process of being implemented
- 1 (2%) were not yet implemented






We noted a 15% increase in the full implementation of recommendations in Q2 compared to Q1. Additionally, the number of high-rated recommendations yet to be implemented increased from 36 in Q1 to 38 in Q2 (6% increase), however it is important to recognise that 31 of the high-rated recommendations were not due for implementation this quarter. We note that three recommendations from 2021/22 and thirteen from 2022/23 have not yet been implemented.

In the next quarter, BDO plans to carry out site visits to confirm the closure of older recommendations, specifically for Compliance PAVA Airwave. Additionally, the Audit, Risk and Assurance Committee's outstanding decision on five recommendations will help reduce the number of aged recommendations. These recommendations include the following;

- ICT Service Delivery - Recommendation 3.1 & 4.1
- Health and Safety - Recommendation 3.1, 8.1 & 8.2



APPENDIX I: DEFINITIONS

RECOMMENDATION STATUS	MEANING
	Fully Implemented
	Being Implemented
	Not Implemented
	Could not be tested at the time of the audit
	Superseded

BDO RECOMMENDATION SIGNIFICANCE

HIGH	A weakness where there is substantial risk of loss, fraud, impropriety, poor value for money, or failure to achieve organisational objectives. Such risk could lead to an adverse impact on the business. Remedial action must be taken urgently.
MEDIUM	A weakness in control which, although not fundamental, relates to shortcomings which expose individual business systems to a less immediate level of threatening risk or poor value for money. Such a risk could impact on operational objectives and should be of concern to senior management and requires prompt specific action.
LOW	Areas that individually have no significant impact, but where management would benefit from improved controls and/or have the opportunity to achieve greater effectiveness and/or efficiency.
ADVISORY	A weakness that does not have a risk impact or consequence but has been raised to highlight areas of inefficiencies or potential best practice improvements.



APPENDIX I: DEFINITIONS

PREVIOUS INTERNAL AUDITOR FORENSICS RECOMMENDATION SIGNIFICANCE

4	Very high risk exposure - major concerns requiring immediate senior attention that create fundamental risks within the organisation.
3	High risk exposure - absence/failure of key controls that create significant risks within the organisation.
2	Moderate risk exposure - controls are not working effectively and efficiently and may create moderate risks within the organisation.
1	Limited risk exposure - controls are working effectively, but could be strengthened to prevent the creation of minor risks or address general house-keeping issues



APPENDIX II: COLLEAGUES INTERVIEWED

COLLEAGUES INTERVIEWED

BDO LLP APPRECIATES THE TIME PROVIDED BY ALL THE INDIVIDUALS INVOLVED IN THIS REVIEW AND WOULD LIKE TO THANK THEM FOR THEIR ASSISTANCE AND COOPERATION.

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Audit Management Officer

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