

AUDIT, RISK AND ASSURANCE COMMITTEE

18 MARCH 2022

**Minute of the Scottish Police Authority Audit, Risk and Assurance
Committee held on Friday 18 March 2022 via video-conference**

Board Members Present: Jane Ryder (Committee Chair)
Grant Macrae (Committee Member)
Katharina Kasper (Committee Member)
Catriona Stewart (Committee Member)

In attendance: Police Scotland
James Gray, Chief Financial Officer
Tom McMahon, Director of Strategy and Analysis (Item 2)
Alasdair Corfield, Financial Controller
Kirsty Louise Campbell, Head of Strategy and Innovation
(Item 2)
Iain McKie, Head of Strategic Procurement (Item 2)

Scottish Police Authority

Chris Brown, Interim Chief Executive, Resources
John McNellis, Head of Finance, Audit and Risk
Graham Stickle, Audit and Risk Lead
Amanda Coulthard, Head of Strategy and Performance
(Item 2)

Forensic Services

Craig Donnachie, Head of Quality

Audit Scotland

Gillian Woolman, Audit Director
Pauline Gillen, Senior Audit Manager

Scott Moncrieff

Gary Devlin, Relationship Partner
Andrew Diffin, Internal Audit Manager
Paul Kelly, Director – Business Technology and Consulting

SPA Secretariat

Karen Vallance, Governance Support Officer

1. WELCOME AND STANDING ITEMS

The Committee Chair opened the meeting and confirmed the video-conference contingency arrangements.

The Committee **RESOLVED** to:

- **NOTE** no Committee Member apologies;
- **NOTE** no declarations of interest;
- **ADOPT** the Minute of the 20 January 2022 meeting;
- **NOTE** the action log and that there were no matters arising.
- **AGREE** that, in accordance with paragraph 20 of the SPA Standing Orders, the Committee would consider items 5-7 in private for the reasons set out on the agenda.

2. INTERNAL AUDIT REPORTS

Members considered three new internal audit reports on Strategic Planning; Core Financial Controls and Procurement and Tendering.

Strategic Planning

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

In discussion the following matters were raised:

- Members noted and queried the time taken for the report to complete and sought assurance that findings were still current. Members heard the work was undertaken in Nov/Dec 2021, with a draft report written by the end of 2021. The factual detail remains unchanged and the delay came from SPA and Police Scotland collectively responding to management actions.
- Members heard the audit looked at the strategic planning framework which was reported as sound. The key issue highlighted in the report was the translation to operational planning which sits underneath strategic planning.

- Members noted it was not for SPA to look at operational planning but they were concerned of the lack of assurance that appropriate processes were in place for implementation planning and evidencing that process, and much of the discussion focussed on this.
- GDevlin suggested what was required was a minimum standard for implementation planning which would provide assurance of both evidence of progress and consistency.
- Police Scotland stated they were committed to improving process to ensure robust implementation plans, and have means in place such as the MOU. The first instance of this has been the joint review of the police plans where Police Scotland, SPA and Internal Audit discussed how the strategic police plan is translated from strategy to the Chief Constables Annual Police Plan then into further change. The Annual Police Plan would be presented by the Chief Constable and considered by the Board on 23 March, the week following this ARAC meeting.
- Members heard the strategic planning and insight capability within Police Scotland was recently built and relevant staff have been working hard on the performance framework to look at the layer below. Internal Audit observed that Police Scotland have had a dual purpose job in developing new strategies whilst trying to retrofit existing strategies. More consistency had been seen over the previous few years and Internal Audit agreed the focus on implementation planning was correct.
- Members heard comment from an SPA perspective which confirmed there was a strong approach to partnership working between SPA and Police Scotland during the review of the Strategic Police Plan. The strategic planning framework delivers a schematic describing both strategic priorities at Scottish Government level, outcomes in the police plan and enabling strategies but it does not show a minimum standard and alignment. Work to address this will be taken forward through the future review work of the Strategic Police Plan.
- With regard to implementation, Members heard that the Policing Performance Committee has seen the draft plan where discussion focused on ensuring there are milestones, delivery dates and detail on what success looks like. Police Scotlands view is that the benefit

of that feedback will be shown within the report brought to the Authority on 23 March 2022.

- From an ARAC perspective, the Chair advised that what Members were looking for in relation to the structure of evidence and line of sight was evidence which enables internal assurance to the Chief Constable, via the Change Board and Police Scotland internal processes, and in turn provides the SPA with satisfactory assurance. The Committee has an interest in the process and over time other Committees, particularly the Policing Performance Committee, and ultimately the Authority, see the outcomes.
- It was recognised in discussion that scope for improvement was a challenge if aiming to retrofit to existing strategies. However new strategies could act as exemplars and Police Scotland identified a new, improved approach could be demonstrated in the forthcoming strategies in relation to Equality, Diversity and Inclusion, and Violence Against Women and Girls. This was warmly welcomed by Members as these are such important topics of widest public interest and without doubt these are current Police Scotland and SPA priorities.
- In looking at the report and control objectives in detail therefore;
 - With regards to objective 1, Members noted the recommendations would be reflected in the Annual Report and Accounts and heard both this years' and next year's report would reference the commitments given in management action and detail direction of travel.
 - With regards to objective 2, Members heard a clear joint approach to the Annual Police Plan was required and in place, with a commitment to further engagement on enabler strategies. Members were assured there would be documentation to provide assurance of a formal detailed route. Members requested the management action be amended to note "*a further discussion be undertaken to set this out*".
 - Members noted the shared approach detailed within objective 3 pre-dated the audit.
 - With regard to objective 4 where much of discussion was focussed, Police Scotland undertook to revisit the management action to confirm commitment to a framework

around implementation planning based on good practice, including: definition of measures of success, links to strategic outcomes and reporting arrangements.

- The Chair noted that while all management actions were scheduled to be completed by the time of the next Annual Police Plan, the Committee would wish interim reporting on progress to complement the usual overall progress reporting from internal auditors with regard to all the internal audit reports. The first such interim report should come in September, in addition to Internal Auditors usual reporting in summary on IA recommendations.

Core Financial Controls

Andrew Diffin (ADiffin) highlighted a number of key points as detailed within the report.

In discussion the following matters were raised:

- Members heard Police Scotland were content with the actions and they formally documented what the organisation already knew was required.
- Members noted engagement is ongoing with Scottish Government on the budgetary implications of the new standard which may impact decision making of leasing versus buying assets.
- Members were reassured by the amount of work undertaken to prepare for the new standard. Audit Scotland welcomed being kept up to date with preparations through their routine meetings with Police Scotland. Audit Scotland also welcomed the independent review work commissioned.

Procurement and Tendering

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

In discussion the following matters were raised:

- Members heard procurement draw on technical expertise within procurement exercises but there was no record of any decision and timing of decision. Recording this information would mitigate against any risks.
- Members sought comment on the capacity to cope with increasing demands, and heard that a re-organisation of the department was

due to commence with the key function being to create a sustainable capacity to align with strategic objectives.

The Committee **RESOLVED** to:

- **NOTE** the three reports
- **AGREE** the following actions:

Strategic Planning Internal Audit Report: Management actions to be reworded within objective 2 and 4.

AUD – 20220318 – 001

Strategic Planning Internal Audit Report: Interim Report to be brought to September Committee detailing progress, in addition to IA progress report.

AUD – 20220318 – 002

3. AUDIT SCOTLAND ANNUAL AUDIT PLAN

Members considered the paper which presented the Annual Audit Plan 2022/23. Gillian Woolman summarised a number of key points as detailed in the paper.

In discussion the following matters were raised:

- Members heard Audit Scotland would take cognisance of work by Internal Audit and HMICS regarding workforce planning.
- Members were informed of the process by which best value audits are carried out in local government environments.
- Members were informed of changes to the Audit Scotland team undertaking the SPA audit, and heard that the external auditor appointment for the next five years would be completed shortly by the Auditor General and communicated thereafter.

The Committee **RESOLVED** to:

- **NOTE** the report

4. PROJECT PLAN FOR PREPARATION OF ANNUAL REPORT AND ACCOUNTS

Members considered the paper which provided Members an overview of the plans in place to deliver the draft Annual Report & Accounts

(2021/22); and the key milestones and reporting mechanisms in place to ensure key deadlines are achieved. John McNellis summarised a number of key points as detailed in the paper.

In discussion the following matters were raised:

- The Chair requested all Committee effectiveness reports are brought to the May Committee.
- Members were assured that the Committee will have sight of the Annual Report and Accounts off line before it is provided to Audit Scotland in June.

The Committee **RESOLVED** to:

- **NOTE** the report.

APPROVED