SCOTTISH POLICE AUTHORITY
ÙGHDARRAS POILIS NA H-ALBA

Audit, Risk and Assurance Committee

Rolling Action Log

Action No	Action	Action Owner	Status	Expected Date of Completion	Update/Comments
MEETING HELD 12 MAY 2026					
20260512 -AUD-001	**Insurance Obligations Internal Audit:** Further information on self-insurance to be provided to Members.	Head of Policy, Audit, Risk & Assurance	**OPEN**	13.8.26	**4.8.26:** Briefing paper attached. **Propose to close**
20260512 -AUD-002	**Police Scotland Audit and Improvement Recommendation:** Improvement Plan to be an Agenda item at next Committee but circulated to Members in advance for early sight.	Director of Strategy & Analysis	**OPEN**	ASAP	**6.8.26:** Included within Item 2.3. **Propose to close**

Action No	Action	Action Owner	Status	Expected Date of Completion	Update/Comments
20260512 -AUD-003	**Best Value Improvement Plan:** Recommendation 5c to be updated to explicitly state at least an annual review.	Best Value Manager	**OPEN**	13.08.26	**4.8.26:** Best Value action plan has been updated accordingly. **Propose to close**

BRIEFING PAPER FOR INFORMATION OF SCOTTISH POLICE AUTHORITY

FOR INFORMATION	
For Publication	Yes
Date Created	4 August 2026
Author / Approved by	Chief Financial Officer
Attachments: No	

BRIEFING PAPER

PURPOSE

To provide a response to SPA Audit, Risk and Assurance Committee Action 20260512-AUD-001.

BACKGROUND

At the SPA Audit, Risk and Assurance Committee meeting on 12 May 2026, members requested further information on self-insurance.

FURTHER INFORMATION

SPA have the following insurance policies:

- Motor Insurance
- Personal Accident & Business Travel
- Aviation & Aerospace Insurance
- Engineering Inspection
- Limited Property Insurance

SPA do not place cover for Public Liability, Employer's Liability, Property insurance, Business Interruption, Cyber Insurance, Professional Indemnity or other specialist cover like marine or drone.

SPA approach to insurance and risk financing is guided by the Scottish Public Finance Manual (SPFM), which provides guidance for public sector organisations on managing financial risk. The SPFM promotes the retention of insurable risk where this is financially and operationally appropriate.

In practice this means that Police Scotland will generally only purchase commercial insurance where:

- It is legally required;
- Contractually necessary;
- Operationally essential; or
- Represents better value for public funds than retaining the risk internally.

Low value, predictable or manageable risks are typically retained internally and managed through operational controls, governance arrangements, and internal claims handling processes.

All insurance decisions are subject to periodic review by the Insurance Policy Unit. Any significant changes to cover or strategy are escalated to senior management and, where appropriate, discussed with the Scottish Government Finance Directorate.

The SPA Corporate Governance Framework (2023) reinforces this position: “The Authority and Police Service of Scotland is subject to the Scottish Government policy of self-insurance. Commercial insurance must however be taken out where there is a legal requirement to do so and may also be taken out in the circumstances described in the Insurance section of the SPFM – where required with the prior approval of the Scottish Government. In the event of uninsured losses being incurred the Scottish Government shall consider, on a case-by-case basis, whether or not it should make any additional resources available to the Authority.”