

Meeting	SPA Audit, Risk and Assurance Committee
Date	20 January 2022
Location	By video conference
Title of Paper	Internal Audit Plan 2022/23
Presented By	John McNellis, Head of Finance Audit and Risk Gary Devlin and Matthew Swann, Azets
Recommendation to Members	For recommendation to the Board
Appendix Attached	Appendix A: SPA overview of the internal audit planning process Appendix B: Azets internal audit plan (2022/23)

PURPOSE

To provide Members with an introduction and overview of the internal audit planning process for the year ahead, providing assurance of the robust approach undertaken.

To provide Members with the draft internal audit plan for 2022/23 for consideration and recommendation to the Board for approval.

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 Public Sector Internal Audit Standards (“PSIAS”) require the Chief Internal Auditor to produce an annual, risk-based audit plan, which takes into account the risk management framework and the strategic objectives of the SPA and Police Scotland, and the views of senior managers and the ARAC.
- 1.2 The purpose of this audit plan is to direct internal audit resources in the most efficient manner to provide assurance to the Accountable Officer and Board, through the ARAC, that the key risks to the achievement of SPA’s and PS’s objectives are being managed effectively.
- 1.3 Internal audit provides a crucial role in the SPA’s four lines of defence assurance model and a key aim of the plan is to provide assurance on the overall adequacy and effectiveness of the framework of: governance, risk management and control as required to prepare the annual governance statement.

2. FURTHER DETAIL ON THE REPORT

- 2.1 SPA officials have worked with internal audit on the development of the proposed plan. This also included seeking the view of key partners including: Police Scotland, HMICS and Audit Scotland.
- 2.2 **Appendix A** provides an overview of the approach taken to develop the plan including the scrutiny and challenge undertaken by the SPA.
- 2.3 Azets have prepared a draft internal audit plan at **Appendix B**.
- 2.4 SPA officials including the Accountable Officer endorse this plan for the Audit Risk and Assurance committee consultation and SPA Board approval.

3. FINANCIAL IMPLICATIONS

- 3.1 The cost of providing the internal audit service is included in the draft 2022/23 budget.

4. PERSONNEL IMPLICATIONS

- 4.1 There are no personnel implications associated with this paper. The internal audit service is provided by an external contractor.

5. LEGAL IMPLICATIONS

5.1 There are no legal implications associated with this paper.

6. REPUTATIONAL IMPLICATIONS

6.1 There are no reputational implications associated with this paper.

7. SOCIAL IMPLICATIONS

7.1 There are no social implications associated with this paper.

8. COMMUNITY IMPACT

8.1 There are no community impact implications associated with this paper.

9. EQUALITIES IMPLICATIONS

9.1 There are no equalities implications associated with this paper.

10. ENVIRONMENT IMPLICATIONS

10.1 There are no specific environmental implications associated with this paper.

RECOMMENDATIONS

Members are requested to note the report and the assurance provided by SPA officials in setting the annual internal audit plan 2022/23 and is requested to recommend the internal audit plan to the Board for approval.

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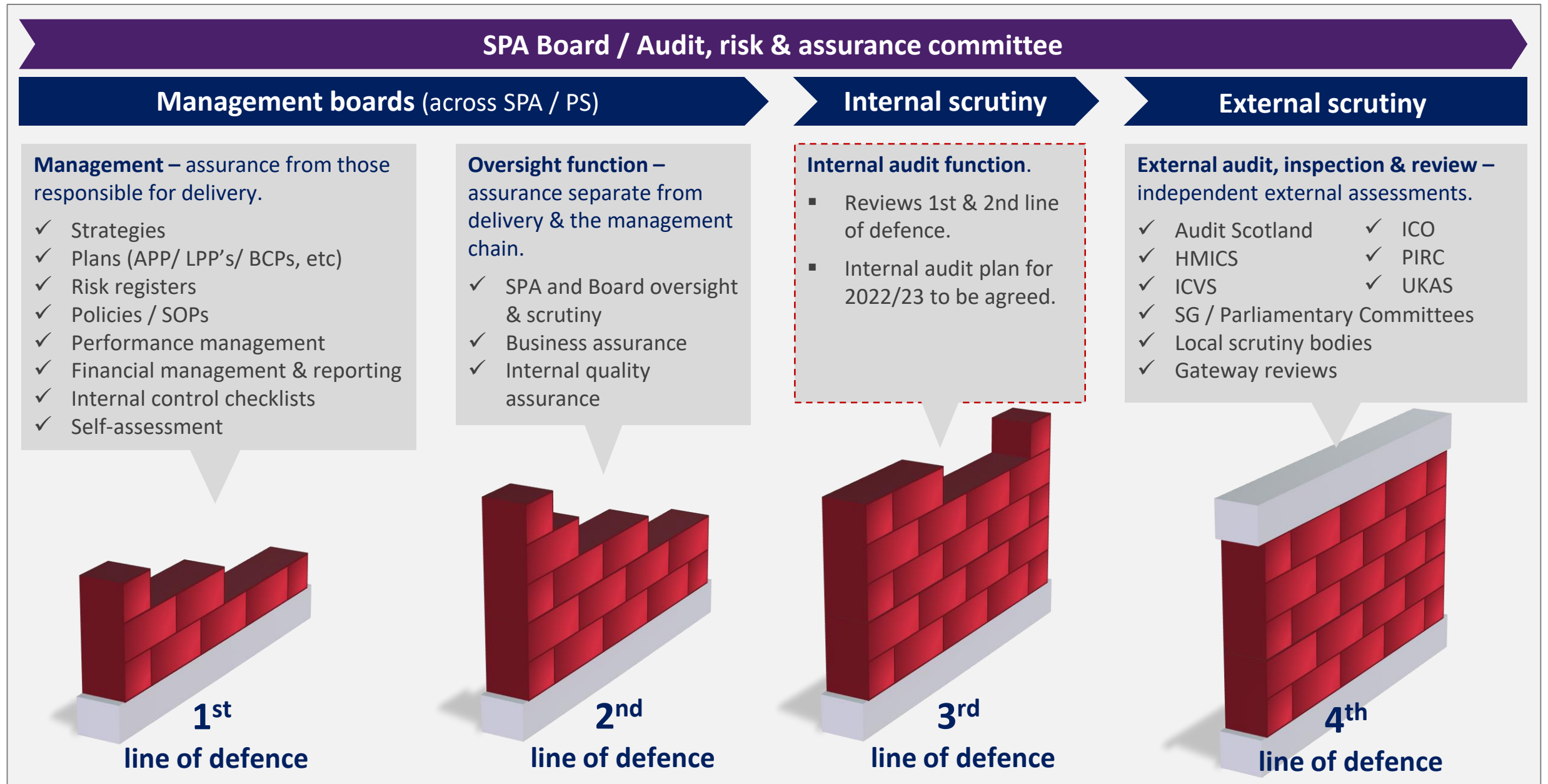
Appendix A

SPA Overview of internal audit
planning process

JANUARY 2022

Context: SPA excellence framework

The SPA's excellence framework is based on the four lines of defence model. It shows the key sources of assurance for management and the ARAC / Board. The SPA's line of defence model and sources of assurance are summarised below. This report focuses on the third line of defence; assurance provided to the service and Members by independent internal auditors.



Context: *strategic assurance maps*

Background

In September 2021, the SPA reported to ARAC the updated strategic assurance map and approach to assurance mapping. This committed to using assurance mapping to guide planning across the four lines of defence.

In addition, at the end of the financial year and in line with the timeline for the annual report and accounts, SPA officials will evaluate the actual levels of assurance received and bring together in a single report the findings from all key assurance sources (ie an integrated assurance statement).

Assurance maps for 2022/23 planning

The SPA has prepared updated strategic assurance maps (see appendices) that show the initial planned assurance activities anticipated to be conducted during 2022/23. These appendices are again shown through the three assurance lenses (based on strategic risk, objectives and business areas).

This is an early stage in the planning process with the internal audit plan being prepared in advance of almost all other plans. A collaborative internal audit planning workshop was held in November with attendees from: SPA, Police Scotland, Azets, HMICS and Audit Scotland. This was both the first time such a round table session had been held and allowed all providers to input their thoughts on risk areas, priorities and potential areas of overlap.

Whilst HMICS has not completed its scrutiny plan for 2022/23, they were able to provide information on confirmed reviews and follow up work which allowed the group to focus internal audit to other areas and avoid duplication.

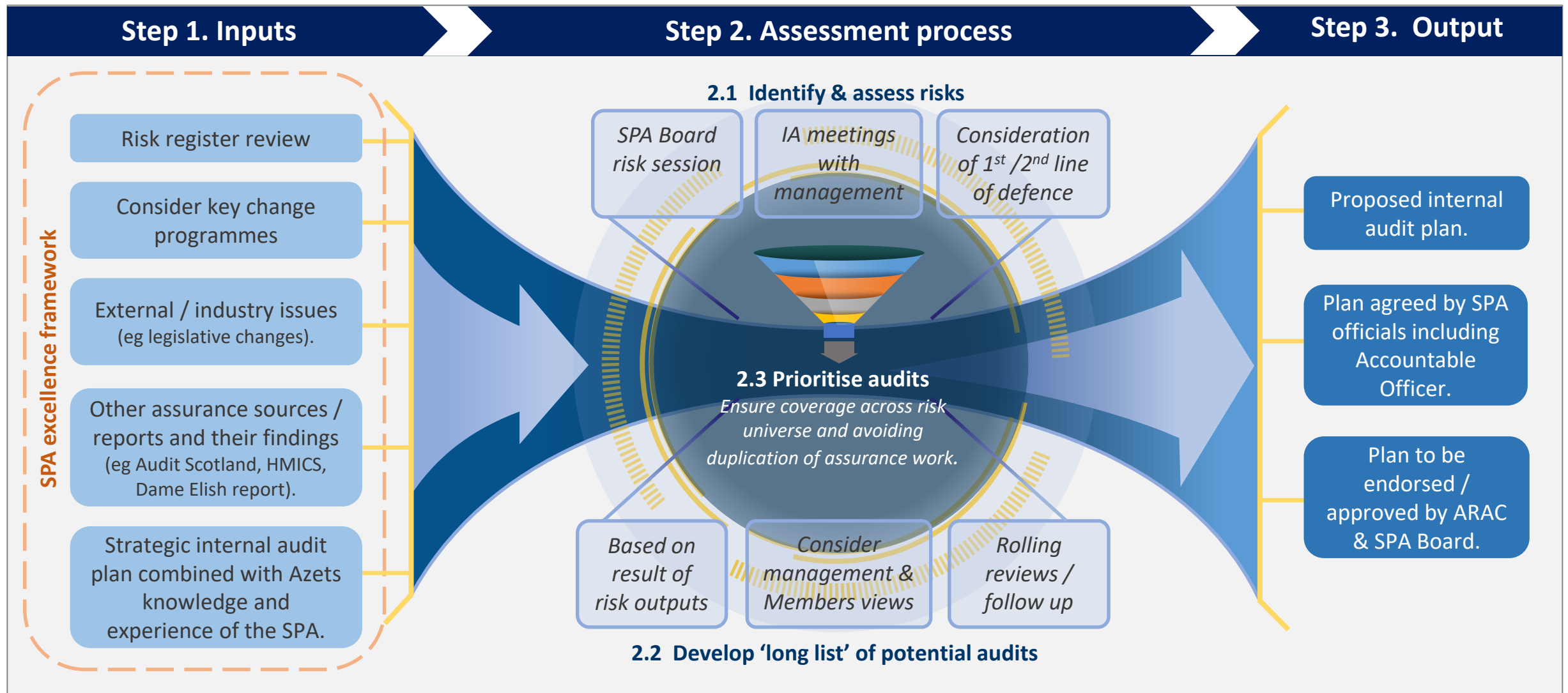
Background: benefits of assurance maps

- *During planning*
 - Key elements over which assurance is required..
 - The assurance activity that is being undertaken across the organisation (quantum not quality);
 - The 'four lines of defence' - detail of who provides assurance;
 - Gaps in that assurance (risks and controls not covered) that need to be either filled or accepted; and
 - Overlaps in assurance (where efficiency gains could be made).
- *During follow up:*
 - Evidence of management confidence in their assertions;
 - Evidence of the quality and outcome of assurance activity;
 - Allows ARAC to provide a view on the state of internal controls;



Internal audit planning process

This diagram summarises the planning and assurance processes to set the 2022/23 internal audit plan.



Ongoing SPA officials oversight

- The SPA's head of finance, audit and risk has responsibility for overseeing the routine internal audit provision.
- SPA staff have been involved in the development of the internal audit plan and are assured that a robust process has been followed that has considered: risk, wider internal/ external issues, feedback from Members/ management and achieves appropriate coverage across the 'audit universe'.
- SPA will continue to monitor the delivery of internal audits throughout the year.

Summary of proposed audit plan

Internal audit plan 2022/23

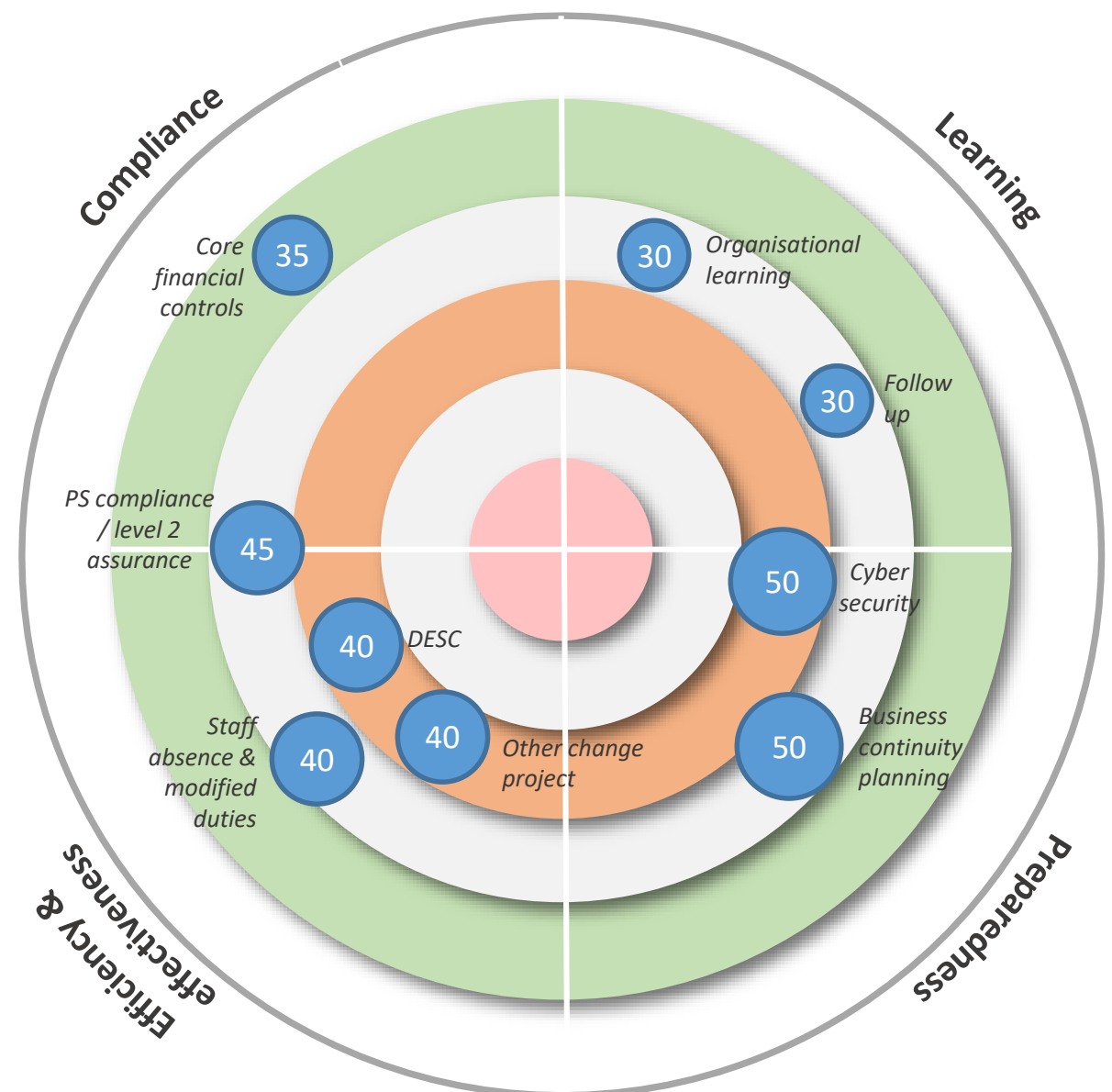
- Following the methodology outlined, Azets have proposed an internal audit plan for 2022/23.
- The SPA has been involved in its development, considered this plan and agrees that it provides **appropriate coverage** across the audit universe and appropriately **responds to risk** whilst taking account of consideration from Members and management alike.
- The plan includes nine proposed audits plus follow up across various functions, risks and themes per the SPA excellence framework.
- There is also a contingency included in the plan. This will allow additional audits to be commissioned by ARAC should an issue arise during the year which has historically been requested.
- SPA officials including the Accountable Officer endorse this plan for the ARAC to recommend to the Board for approval.

Ongoing monitoring

- SPA officials will continue to oversee the performance of the internal audit plan.
- This ongoing monitoring will involve:
 - ✓ overview and input to audit scope documents;
 - ✓ considering performance against KPI's;
 - ✓ conducting a sample of post audit performance reviews with auditees.

Risk radar

- Summary of planned internal audits classified by the excellence framework themes with higher risk focused audits towards centre.



* Note the number in each circle reflects the number of days proposed and note most audits will consider more than one theme eg compliance and learning.





























Appendices:

Authority's strategic assurance maps

Authority's strategic assurance map (strategic risk)

This summarises the planned assurance activities for 2022/23 relative to the **Board strategic risks**.

-  High assurance planned
-  Moderate assurance planned
-  Low assurance planned
-  Limited / no assurance activity planned





		1 Management	2 Oversight function*	3 Internal audit	4 External audit, inspection & review				
		Business as usual activity	PS risk, assurance & inspection team	Internal audit plan (2022/23)		HMICS scrutiny plan (2022/23)		Audit Scotland	PIRC
		<ul style="list-style-type: none"> Risk register Policies / SOPS Performance management Internal governance SPA oversight Annual assurance statements Annual / local policing plan BCP 	<ul style="list-style-type: none"> Conduct assurance reviews of business areas. Detailed follow up and monitoring of all audit and assurance activities. 	<ul style="list-style-type: none"> Core financial controls Org learning Staff absence & modified duties Vetting 	<ul style="list-style-type: none"> Business continuity planning (BCP) Cyber security DESC / change man PS compliance / level 2 assurance 			<ul style="list-style-type: none"> Statutory external audit <i>Wider scope:</i> Vision, leadership & governance Financial management / sustainability Use of resources to improve outcomes 	Investigations & complaints handling as required.
Board strategic risks	SPA Leadership role in continuous improvement.					HMICS scrutiny plan for 2022/23 is still to be fully developed.			
	SPA accountability for Police Scotland								
	SPA accountability for Forensic Services								
	SPA Financial								
	SPA Governance								

*SPA committees and the Board provide a second line of defence oversight role for all areas.

**All levels of assurance grading represent SPA officials professional judgement of the overall level of assurance planned, recognising that assurance work will consider specific aspects of each risk.

Authority's strategic assurance map *(strategic priority / outcomes)*

This summarises the planned assurance activities for 2022/23 relative to the **strategic police priorities and strategic outcomes**.

-  High assurance planned
-  Moderate assurance planned
-  Low assurance planned
-  Limited / no assurance activity planned

Strategic police priorities **Strategic outcomes (Joint strategy for policing)**





		1 Management	2 Oversight function*	3 Internal audit		4 External audit, inspection & review			
		Business as usual activity	PS risk, assurance & inspection team	Internal audit plan (2022/23)		HMICS scrutiny plan (2022/23)		Audit Scotland	PIRC
		<ul style="list-style-type: none"> Risk register Policies / SOPS Performance management Internal governance SPA oversight Annual assurance statements Annual / local policing plan BCP 	<ul style="list-style-type: none"> Conduct assurance reviews of business areas. Detailed follow up and monitoring of all audit and assurance activities. 	<ul style="list-style-type: none"> Core financial controls Org learning & modified duties Vetting 	<ul style="list-style-type: none"> Business continuity planning (BCP) Cyber security DESC / change man PS compliance / level 2 assurance 			<ul style="list-style-type: none"> Statutory external audit <i>Wider scope:</i> Vision, leadership & governance Financial management / sustainability Use of resources to improve outcomes 	<ul style="list-style-type: none"> Investigations & complaints handling as required.
<ul style="list-style-type: none"> Crime & security Evidence 	1. Threats to public safety and wellbeing are resolved by a proactive and responsive police service.					HMICS scrutiny plan for 2022/23 is still to be fully developed.			
	2. The needs of local communities are addressed through effective service delivery.								
<ul style="list-style-type: none"> Confidence Partnerships 	3. The public, communities and partners are engaged, involved and have confidence in policing.								
	4. Our people are supported through a positive working environment, enabling them to serve the public.								
<ul style="list-style-type: none"> Sustainability 	5. Police Scotland is sustainable, adaptable and prepared for future challenges.								



































*SPA committees and the Board provide a second line of defence oversight role for all areas.

**All levels of assurance grading represent SPA officials professional judgement of the overall level of assurance planned, recognising that assurance work will consider specific aspects of each priority.

Authority's strategic assurance map *(business area)*

This summarises the planned assurance activities for 2022/23 relative to the high level business areas.

-  High assurance planned
-  Moderate assurance planned
-  Low assurance planned
-  Limited / no assurance activity planned

	1 Management	2 Oversight function*	3 Internal audit		4 External audit, inspection & review				
	Business as usual activity	PS risk, assurance & inspection team	Internal audit plan (2022/23)		HMICS scrutiny plan (2022/23)		Audit Scotland	PIRC	
	<ul style="list-style-type: none"> • Risk register • Policies / SOPS • Performance management • Internal governance • SPA oversight • Annual assurance statements • Annual / local policing plan • BCP 	<ul style="list-style-type: none"> • Conduct assurance reviews of business areas. • Detailed follow up and monitoring of all audit and assurance activities. 	<ul style="list-style-type: none"> • Core financial controls • Org learning • Staff absence & modified duties • Vetting 	<ul style="list-style-type: none"> • Business continuity planning (BCP) • Cyber security • DESC / change man • PS compliance / level 2 assurance 			<ul style="list-style-type: none"> • Statutory external audit • <i>Wider scope:</i> • Vision, leadership & governance • Financial management / sustainability • Use of resources to improve outcomes 	Investigations & complaints handling as required.	
SPA corporate					HMICS scrutiny plan for 2022/23 is still to be fully developed.				
SPA Forensic Services									
PS: Local Policing									
PS: Crime & Operational Support									
PS: People & Professionalism									
PS: Corporate Services, Strategy & Change									

*SPA committees and the Board provide a second line of defence oversight role for all areas.

**All levels of assurance grading represent SPA officials professional judgement of the overall level of assurance planned, recognising that assurance work will consider specific aspects of each business area.



**Scottish Police
Authority
Strategic Internal Audit Plan
2022/23**



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The Scottish Police Authority

Strategic Internal Audit Plan 2022/23

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Introduction

Internal auditing 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, internal control and governance processes.

Section 3 – Definition of Internal Auditing, Public Sector Internal Audit Standards

Our strategic internal audit plan is designed to provide the Scottish Police Authority, through the Audit, Risk and Assurance Committee, with the assurance it needs to prepare an annual Governance Statement that complies with best practice in corporate governance. We also aim to contribute to the continuous improvement of governance, risk management and internal control processes through the implementation of this this plan.

Azet's internal audit methodology complies fully with the Public Sector Internal Audit Standards (PSIAS), which cover the mandatory elements of the Chartered Institute of Internal Auditors' International Professional Practices Framework.

Internal Audit Plan

The PSIAS require the Chief Internal Auditor to produce a risk-based plan, which takes into account the Scottish Police Authority (SPA) and Police Scotland's (PS) risk management framework, its strategic objectives and priorities and the views of senior managers and the Audit, Risk and Assurance Committee. The objective of audit planning is to direct audit resources in the most efficient manner to provide sufficient assurance that key risks to the achievement of SPA's and PS's objectives are being managed effectively and value for money is being achieved.

This document addresses these requirements by setting out the internal audit plan for the one-year period 2022 to 2023.

As internal auditors, we aim to add value to SPA and PS by being constructive and forward looking, by identifying areas of improvement and by recommending and encouraging good practice. In this way we aim to help the organisation promote improved standards of governance, better management and decision making and more effective use of funds. Relevant audits will assess whether the current processes provide best value for money.

Audit, Risk and Assurance Committee action

When preparing the Strategic Internal Audit Plan, we carried out a audit needs assessment, which included consideration of key risks, known issues, business plans, projects and a review of the recently refreshed audit universe to ensure all key processes have been subject to audit on a cyclical basis. We have also engaged with management across both SPA and Police Scotland to seek initial views and suggestions regarding potential areas of focus over the year. The resultant draft strategic plan is included within Appendix 1.

Internal audit approach

Supporting the Governance Statement

Our Internal Audit Plan is designed to provide the SPA, through the Audit, Risk and Assurance Committee, with the assurance it needs to prepare an annual Governance Statement that complies with best practice in corporate governance. We also aim to contribute to the improvement of governance, risk management and internal control processes by using a systematic and disciplined evaluation approach.

Risk based internal auditing

Our methodology links internal audit activity to the organisation's risk management framework. The main benefit to the SPA is a strategic, targeted internal audit function that focuses on the key risk areas and provides maximum value for money.

By focussing on the key risk areas, internal audit should be able to conclude that:

- Management has identified, assessed and responded to SPA and PS's key risks;
- The responses to risks are effective but not excessive;
- Where residual risk is unacceptably high, further action is being taken;
- Risk management processes, including the effectiveness of responses, are being monitored by management to ensure they continue to operate effectively; and
- Risks, responses and actions are being properly classified and reported.

We have reviewed the SPA's risk management arrangements and have confirmed that they are sufficiently robust for us to place reliance on the risk register as one source of the information we use to inform our audit needs assessment.

Risk registers are one key source of the information we use to inform our audit needs assessment. We ensure all key risk areas are captured for the audit needs assessment by discussing these with management. By focusing on key risk areas, our audits contribute to the continuous improvement of the controls in place to manage these risks and provide assurance to those charged with governance about the extent to which the key risks are effectively mitigated by management actions.

Audit needs assessment

Our internal audit plans are based on an assessment of audit need. "Audit need" represents the assurance required by the Audit, Risk, and Assurance Committee from internal audit that the control systems established to manage and mitigate the key inherent risks are adequate and operating effectively. The objective of the audit needs assessment is therefore to identify these key controls systems and determine the internal audit resource required to provide assurance on their effectiveness.

Our audit needs assessment takes both a top-down and bottom-up approach followed by a reasonableness check. The top-down approach involves identifying the areas of highest inherent risk and the control systems in place to manage those risks. The bottom-up approach involves defining SPA and PS's audit universe

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(potential auditable areas) and covering all systems on a cyclical basis in line with their relative risk and significance. The reasonableness check involves us using our experience of similar organisations, together with discussions with other internal auditors, to ensure that all key risk areas and systems have been considered and the resulting internal audit plan seems appropriate.

Our audit needs assessment involved the following activities:

- Reviewing SPA and PS risk registers,
- Reviewing SPA and PS's strategic and operational plans,
- Reviewing previous internal audit reports,
- Reviewing external audit reports and plans,
- Reviewing the SPA's website and internal policies and procedures,
- Utilising our experience at similar organisations and our understanding of SPA and PS; and
- Discussions with senior management and the Audit, Risk and Assurance Committee.

The audit needs assessment is revised on an on-going basis (at least annually) to take account of any changes in SPA and PS's risk profiles. Any changes to the internal audit plan are approved by the Audit, Risk and Assurance Committee, and by the Board as deemed appropriate by members.

Best value

Our work helps SPA and PS to determine whether services are providing best value. Each year, relevant audits will assess whether the current processes provide best value for money i.e. whether the controls identified to mitigate risks are working efficiently and effectively. Where we identify opportunities for improving value for money, we raise these with management and include them in the report action plan.

Liaison with external audit

We seek to complement the areas being covered by SPA's external auditors, Audit Scotland. As part of the development of the plan, we have consulted with both Audit Scotland and HMICS to understand the scope of their planned work. This helps us to target our work in the most effective manner, avoiding duplication of effort and maximising the use of the total audit resource.

Delivering the internal audit plan

Internal Audit Charter

At Appendix 3 we have set out our Internal Audit Charter, which details how we will work together to deliver the internal audit programme.

Audit Timetable

We will schedule our work to deliver reports to each Audit, Risk and Assurance Committee meeting during the year. We will agree the timing of each review with management to ensure we avoid particularly busy periods.

Assignment Planning

We would like internal audit to be seen as part of the wider management team at SPA and PS, working closely with senior and operational managers to develop and deliver a programme of internal audit work that adds value to SPA and PS and encourages continuous process improvement.

To achieve this, we will ensure that the assignment plans for all internal audit reviews are agreed with the review sponsor and key contacts well in advance of the fieldwork commencing. To facilitate this, we will need the review sponsors to identify key contacts for each review and help us to focus the reviews in the right areas.

The assignment plan sets out the scope and objectives of the audit, along with an assessment of the key business risks relating to the area under review. This consultative approach ensures that the focus of each review is sensitive to the specific risks and context within which SPA and PS operate. This maximises the value of each review and reflects the risk-based assurance we offer. We will agree these assignment plans with management following the Audit, Risk and Assurance Committee's approval of the internal audit areas to be covered.

Reporting our Findings

During the course of each audit, we will discuss any audit findings with relevant management as they arise. This will ensure that our reports contain no surprises and our recommendations are accurate, practical and relevant.

Our timetables are based on delivering draft reports to management within 15 days of completion of fieldwork. The reports will include an overall opinion on the strength of controls within the area under review, together with an action plan detailing prioritised recommendations, responsible officers and implementation dates.

The timetable is also based on us receiving management responses to our draft reports within 15 days. Subject to there being no major issues of contention or disagreement, we will produce final reports within 10 days of receiving management responses. All timescales will be confirmed with relevant SPA staff prior to the commencement of all audit fieldwork.

On completion of each year's audit programme, we will issue an annual report summarising our main findings for the year and giving an overall opinion on SPA's internal control framework.

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Internal Audit team – indicative staff mix

Grade	2022/23 Input (days)	Grade mix (%)
Partner / Director	85	17%
Manager (Other qualified staff)	125	25%
Auditors (Specialist Staff)	110	22%
Unqualified Staff	180	36%
Total	500	100%

Confirmation of Independence

PSIAS require us to communicate on a timely basis all facts and matters that may have a bearing on our independence.

We can confirm that the staff members identified to complete the reviews in the annual plan for 2022/23 were independent of SPA and their objectivity has not been compromised.

Other potential areas of review

Appendix 1 presents the internal audit plan for 2022/23. In developing the draft internal audit plan, we noted the following areas have not been included for the reasons stated:

- **Workforce strategy:** HMICS have noted they are planning to undertake work in this area which is expected to be reported by March 2022. Further work in this area may be necessary but is likely to be best targeted in 2023/24.
- **Equality and Diversity:** HMICS have undertaken work in this area along with ongoing internal work by PS. Further work in this area may be necessary but is likely to be best targeted in 2023/24.
- **COP 26:** The PS and SPA Oversight group have planned an internal review in this area.

We also considered reviews in the following areas and feel these would be best included in 2023/24 or later

Corporate governance

Data retention

Risk maturity

Organisation culture

Change management: process review

Change management: benefits realisation

Compliance with the new biometric code

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Quality Assurance and Improvement

Key Performance Indicators

As set out in our Internal Audit Charter in Appendix 6, we assess our performance in the following ways:

- On-going performance monitoring;
- Management feedback from review sponsor and key contacts after each audit;
- Periodic internal assessment; and
- Periodic external assessment.

As part of our on-going performance monitoring, we have agreed the following key performance indicators and targets:

KPIs	Description
1	The Annual and Strategic Internal Audit plans are presented to and approved by the Audit, Risk and Assurance Committee prior to the start of the audit year.
2	90% of audit input is provided by the core team and continuity of staff is maintained year on year.
3	Draft reports are issued within 15 working days of completing fieldwork.
4	Management responses are received within 15 working days and final report issued within 10 working days.
5	At least 90% of the audit recommendations we make are agreed with and accepted by management.
6	At least 75% of Audit, Risk and Assurance Committee meetings are attended by an Internal Audit Partner.
7	The annual internal audit plan is fully delivered within agreed cost and time parameters.
8	The annual internal audit report and opinion is presented to and approved by the Audit, Risk and Assurance Committee at the first meeting after the year-end each year.
9	All internal audit outputs are finalised and submitted to the Committee Secretary at least 10 working days before the Audit, Risk and Assurance Committee meeting to allow time for senior management review.
10	Members of senior management and the Audit, Risk and Assurance Committee are invited to participate in the firm's client satisfaction survey arrangements.

Performance reporting

We will report the results of the KPI monitoring within the progress reports presented to each Audit, Risk and Assurance Committee. The results of the management feedback and the annual internal assessment will be reported within our annual report each year, along with details of any improvement actions identified.

Appendix 1 – Strategic Internal Audit Plan 2022/23

Audit area	2020/21	2021/22	2022/23	Audit objectives (Notes)
A. Corporate Support Services – Finance				
A.1 Core Financial Systems	30	30	35	<p>2020/21: Fixed assets (<i>To review the arrangements for identifying, recording, valuing and verifying fixed assets</i>)</p> <p>2021/22: IFRS 16 (<i>To review preparedness for the introduction of new reporting standards in relation to lease treatment</i>)</p> <p>2022/23: Receivables, Cash and Treasury Management (<i>Review of controls over collection of income and controls over operation of cash management, including bank reconciliations and cash flow forecasting</i>)</p>
A.2 Benefits Realisation and efficiency targets	75			To review arrangements for the measurement of productivity, capacity, and financial benefits arising from transformation programmes and other work within Police Scotland. Includes coverage of the annual efficiency savings target process.
A.3 Payroll	30	30		To review the operation of payroll processes in the context of the newly implemented iTrent Payroll system, and revisions to the structure of payroll administration across Police Scotland. To incorporate specific review of overtime and allowances in year 3.
A.4 Non-Pay Expenditure Follow Up	30			To review the progress of the planned rollout of a proposed unified Purchase to Pay system, including the operation of purchasing controls in areas where new processes have been implemented.
Subtotal A:	165	60	35	

B. Corporate Support Services – People and Development

B.1 Staff Pay and Reward Modernisation (SPRM)		35		Post implementation review of SPRM to confirm all ten legacy pay scales and terms and conditions have now been reduced into a single staff pay and reward structure, including confirmation that staff have been consulted throughout the process and that all salaries, working hours, holiday allowances and overtime rates have all been fairly consolidated for colleagues undertaking similar roles.
B.2 Staff wellbeing	30			To review to assess SPA and Police Scotland's commitment to staff wellbeing in line with the People Strategy, ensuring there is an understanding of the key issues affecting the workforce, actions are being taken to address and regularly monitored.
B.3 Organisational learning			30	To review PS approach to understanding and responding to the staff survey results with particular focus on the implementation of new processes relate to learning and development.
B.4 Staff absence and modified duties			40	To review changes recently implemented changes in the approach to manage staff absences post COVID-19.
Subtotal B:	30	35	70	

C. Corporate Support Services – Other

C.1 Performance management	75			To review the arrangements to monitor progress against the delivery of Police Scotland's Strategic Plan outcomes, Annual Police Plan and Local Police Plans. This will include as assessment of the arrangements for timeliness, robustness of management information and impact measures. To include detailed review of a sample of specific KPIs.
C.2 Estates management		40		Review of estate management processes to ensure fit for purpose and support the achievement of the Estates Strategy. The review will ensure there is a system in place to report and manage repairs and damage to the portfolio of premises and, maintenance works are appropriately prioritised to ensure all properties are maintained to the required standard.
C.3 Procurement and tendering		35		The review will consider the procurement arrangements in place across SPA and PS to ensure that goods and services are properly procured and all legislation is fully complied with. This will also review the contract management arrangements in place for a sample of suppliers to assess how both bodies gain comfort over service delivery.
C.4 Health and safety		40		To review the processes and procedures for health and safety across SPA and PS. This will include policies and procedures, adherence to legislation, staff training, governance and incident monitoring and reporting.
C.5 Forensics Case Management	25			To assess the extent to which there are robust controls over the management of forensic evidence, including communication and interaction with Police Scotland, COPFS and the Lord Advocate
C.6 Management response to COVID 19	50			To review the approach taken by Police Scotland management to undertake the initial response to COVID-19. The review will consider the key COVID 19 response decisions made by Police Scotland including the impact of revised working practices, associated procurement spend, tendering arrangements and other staffing costs.
C.7 Home working security	32			To review the arrangements for securing remote access to Police Scotland and SPA (including Forensics) IT systems, revisions to payment processes to accommodate home working, and the security of hard copy files which would normally be retained on Police Scotland premises.

C.8 Strategic planning		50		To review the processes to develop, implement and report on the delivery of the strategy and sub strategies of Police Scotland
C.9 Change management: DESC			40	This is intended to be a review of change management processes within Police Scotland related to DESC.
C.10 Change management: Review TBC			40	This is intended to be a review of change management processes within Police Scotland related to a further project TBC
C.11 Environmental impact		35		To review the approach of Police Scotland to assess and report environmental impact
C.12 Vetting			35	To review processes of vetting staff and contractors to assess suitability to undertake work with PS and SPA.
Subtotal C:	182	200	115	

D. Corporate Support Services – ICT

D.1 Business continuity planning			50	To assess the business continuity plans in place, including identification of key systems, required recovery times, recovery plans and communication. Consideration will be given to the mass mobilisation of plans required to respond effectively to the impact of events such as COVID 19
D.2 ICT service delivery		35		Review of the service delivery standards, monitoring and reporting arrangements in place within ICT including communication and governance.
D.3 Cyber Security			50	Review of cyber security processes in light of increased cyber threats noted at our public bodies.
Subtotal D:	0	35	100	

E. Local and Specialist Policing

Subtotal E:	-	-	-	
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F. Operational and Specialist Support

Subtotal F:	-	-	-	
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G. Compliance and Regularity				
G.1 Legal claims handling		30		We will undertake a review of the process for assessing and deciding upon legal claims within SPA and PS. In particular, this review will consider how lessons learned from cases are shared and embedded within guidance and training. (deferred from 2019/20).
G.2 Data protection and retention	35			To assess SPA and PS compliance with data protection legislation, including information storage and retention arrangements.
G.3 Data quality and integrity		50		We will undertake a review of arrangements to assess arrangements to assure the quality and integrity of data at an enterprise level
G.4 Follow up	20	20	20	Quarterly follow up of outstanding internal audit actions
G.5 PS Compliance			45	To review the level 2 assurance areas. This review will sample specific projects such as the rape task force.
Sub-total G:	55	100	65	
H. Audit, Risk and Assurance Committee, liaison and reporting				
H.1 Audit & Risk Committee planning and attendance	20	20	20	To cover preparation and attendance of IA team at all Audit, Risk and Assurance Committee meetings and development days (c. 5 meetings pa)
H.2 Monthly liaison meetings	18	18	18	To attend liaison meetings with SPA x 2 and PS x 2
H.3 Reporting, ad-hoc meetings and other liaison	6	6	6	To cover additional meetings, progress reporting and other ad-hoc information requests as required
H.4 Liaison with external audit and HMICS	4	4	4	Quarterly meetings with HMICS plus liaison with Audit Scotland as required.
H.5 Audit needs analysis – strategic and operational IA planning	15	10	10	Additional days required in Year 1 to develop new 3 Year Plan
H.6 Annual internal audit report	2	2	2	
Sub-Total H:	65	60	60	
I. Contingency				
Contingency	50	10	55	
Sub-Total I	3	10	55	
TOTAL	500	500	500	

Appendix 2 – Internal audit universe

Auditable area	2015/16	2016/17	2017/18	2018/19	2019/20	2020-23	Risk Ref	Frequency
A. Corporate Support Services – Finance								
Financial ledger / Financial system	✓		✓				H	Cyclical review - every 3 to 5 years
Financial reporting	(✓)	✓	(✓)	(✓)	(✓)	(✓)	M	Covered by external audit
Financial planning			✓	✓		✓	H	Cyclical review - every 3 to 4 years
Payroll		✓			✓	✓	H	Cyclical review - every 3 to 4 years
Executive/Chief officer pay					✓		L	Not identified as area of risk
Budget setting		✓					H	Cyclical review - every 3 to 4 years
Budget management / Budget Investment			✓			✓	H	Cyclical review - every 3 to 4 years
Savings plans			✓			✓	H	Covered every 3 to 4 years - as part of Budget management
Treasury and cash management				✓		✓	M	Covered by Financial systems Review

Auditable area	2015/16	2016/17	2017/18	2018/19	2019/20	2020-23	Risk Ref	Frequency
Fixed assets		✓				✓	H	Cyclical review - every 3 to 4 years
Income and receivables				✓			M	Cyclical review - every 3 to 5 years
Income generation							M	Cyclical review - every 3 to 5 years
Expenditure and payables		✓			✓		H	Cyclical review - every 3 to 4 years
Accounting policies	(✓)	(✓)	(✓)	(✓)	(✓)	(✓)	M	Covered by external audit
SPFM compliance (Policies and Procedures)		✓					M	Cyclical review - every 3 to 5 years
Procurement and tendering		✓		✓		✓	H	Cyclical review - every 3 to 4 years
Contract management				✓		✓	H	Covered by procurement audit
Business partnering		✓	✓				H	Covered by Budget setting and monitoring
B. Corporate Support Services – People and Development								
Leadership and professional development							M	Cyclical review - every 3 to 5 years
Training delivery							M	Cyclical review - every 3 to 5 years
Staff rostering			✓		✓		M	Covered by Workforce management review
Demand and Productivity					✓		M	Cyclical review - every 3 to 5 years
Police overtime and allowances			✓			✓	M	Covered by Payroll review
Special constabulary							L	Not identified as area of risk

Auditable area	2015/16	2016/17	2017/18	2018/19	2019/20	2020-23	Risk Ref	Frequency
Agency and consultant arrangements		✓		✓			M	Cyclical review - every 3 to 5 years
People / workforce strategy					✓		H	Cyclical review - every 3 to 4 years
Workforce/HR management			✓		✓		M	Cyclical review - every 3 to 5 years
Resource planning			✓		✓		H	Cyclical review - every 3 to 4 years
Succession planning			✓		✓		L	Not identified as area of risk
Staff performance management				✓			H	Cyclical review - every 3 to 4 years
Recruitment and retention		✓					H	Cyclical review - every 3 to 4 years
Equality and diversity		✓					M	Cyclical review - every 3 to 5 years.
Employee contracts							L	Not identified as area of risk
Annual leave			✓				L	Covered by Workforce management review
Sickness absence			✓			✓	L	Covered by Workforce management review
Conduct issues							L	Not identified as area of risk
Staff Pay Reward Modernisation (SPRM)						✓	M	
C. Corporate Support Services – Other								
Project management - capital projects	✓		✓				H	Cyclical review - every 3 to 4 years
Change management	✓		✓	✓	✓	✓	H	Cyclical review - every 3 to 4 years
Fleet management							M	Cyclical review - every 3 to 5 years

Auditable area	2015/16	2016/17	2017/18	2018/19	2019/20	2020-23	Risk Ref	Frequency
Estates and asset management			✓			✓	M	Cyclical review – every 3 to 5 years
Environmental management						✓	L	Not identified as area of risk
Waste management							L	Not identified as area of risk
Performance management			✓			✓	H	Cyclical review - every 3 to 4 years
Strategic planning		✓				✓	H	Cyclical review - every 3 to 4 years
Delivery of policing 2026 programme		✓				✓	H	Cyclical review - every 3 to 4 years
SPA Corporate governance			✓				H	Cyclical review - every 3 to 4 years
PS Corporate governance			✓				H	Cyclical review - every 3 to 4 years
Risk management				✓			H	Cyclical review - every 3 to 4 years
Efficiency targets						✓	H	Cyclical review - every 3 to 4 years
Information management			✓				M	Cyclical review – every 3 to 5 years
Risk, Assurance & Inspection Unit				✓			M	Cyclical review – every 3 to 5 years
Lean management		✓					M	Cyclical review - every 3 to 5 years
Litigation costs						✓	M	Legal Claims Handling audit
Health and safety						✓	H	Cyclical review - every 3 to 4 years
Fire safety							H	Cyclical review - every 3 to 4 years

Auditable area	2015/16	2016/17	2017/18	2018/19	2019/20	2020-23	Risk Ref	Frequency
Vetting procedures		✓					H	Cyclical review - every 3 to 4 years
Case and records management	✓		✓				H	Cyclical review - every 3 to 4 years
Governance statement readiness							M	Cyclical review - every 3 to 5 years
Fraud prevention					✓		M	Cyclical review - every 3 to 5 years
National Fraud Initiative (NFI) outcomes			✓				M	Cyclical review - every 3 to 5 years
Freedom of information (Fol)							L	Not identified as area of risk
Data protection compliance			✓			✓	M	Cyclical review - every 3 to 5 years
Complaints management					(✓)		M	Covered by Independent Review
External communications							L	Not identified as area of risk
Internal communications				✓	✓	✓	H	Covered within transformational change work and employee wellbeing
Marketing and digital media							L	Not identified as area of risk
News							L	Not identified as area of risk
D. Corporate Support Services – ICT								
Service delivery		✓				✓	M	Cyclical review - every 3 to 5 years
Applications and development	✓		✓	✓	✓		M	Cyclical review - every 3 to 5 years
CTO							M	Cyclical review - every 3 to 5 years

Auditable area	2015/16	2016/17	2017/18	2018/19	2019/20	2020-23	Risk Ref	Frequency
IT strategy			✓				H	Cyclical review - every 3 to 4 years
Business continuity planning		✓				✓	M	Cyclical review - every 3 to 5 years
Disaster recovery		✓				✓	M	Covered as part of BCP
IT security	✓				✓	✓	H	Cyclical review - every 3 to 4 years
Network management					✓		M	Cyclical review - every 3 to 5 years
Software development		✓					M	Cyclical review - every 3 to 5 years
IT developments - projects				✓			H	Covered within Transformational Change Programme
Information management			✓	✓			M	Cyclical review - every 3 to 5 years
IT governance			✓				M	Covered by IT strategy and Information governance
ICT project expenditure							M	Cyclical review - every 3 to 5 years
E. Local and specialist policing								
Local Policing / Crime							M	Cyclical review – every 3 to 5 years
Divisions							M	Cyclical review every 5 to 7 years
Shared services							M	Cyclical review – every 3 to 5 years
Partnership working/ Joint working				✓			H	Cyclical review - every 3 to 4 years
Major crime							M	Cyclical review – every 3 to 5 years

Auditable area	2015/16	2016/17	2017/18	2018/19	2019/20	2020-23	Risk Ref	Frequency
Public protection							M	Cyclical review – every 3 to 5 years
Local crime							M	Cyclical review – every 3 to 5 years
Organised crime							L	Not identified as area of risk
Counter Terrorism							L	Not identified as area of risk
Intelligence Support							L	Not identified as area of risk
Cybercrime							L	Not identified as area of risk
Brexit							H	Current topic
Forensics							L	Not identified as area of risk
Safer Communities							L	Not identified as area of risk
F. Operational and specialist support								
Specialist Services							L	Not identified as area of risk
Armed policing							L	Not identified as area of risk
Specialist Operations							L	Not identified as area of risk
Specialist Support							L	Not identified as area of risk
Contact command and control (C3) facilities							H	Cyclical review - every 3 to 4 years
Air support							L	Not identified as area of risk
Dive and marine unit							L	Not identified as area of risk

Auditable area	2015/16	2016/17	2017/18	2018/19	2019/20	2020-23	Risk Ref	Frequency
Dog unit							L	Not identified as area of risk
Hostage and Crisis Negotiation Coordination							L	Not identified as area of risk
Mountain Rescue							L	Not identified as area of risk
Mounted section							M	Cyclical review – every 3 to 5 years
Search / Public Order							M	Cyclical review – every 3 to 5 years
Football Coordination Unit							M	Cyclical review – every 3 to 5 years
Emergency Events and Resilience Planning (EERP)							M	Cyclical review – every 3 to 5 years
Roads policing							M	Cyclical review – every 3 to 5 years
Call handling							M	Cyclical review – every 3 to 5 years
Crime mapping							M	Cyclical review – every 3 to 5 years
Stop and search							M	Cyclical review – every 3 to 5 years
Crime recording							M	Cyclical review – every 3 to 5 years
Operational planning							H	Cyclical review - every 3 to 4 years (part of strategic planning)
Police equipment and devices							M	Cyclical review – every 3 to 5 years
Firearms							M	Cyclical review – every 3 to 5 years
Forensic equipment							M	Cyclical review – every 3 to 5 years

Auditable area	2015/16	2016/17	2017/18	2018/19	2019/20	2020-23	Risk Ref	Frequency
Stock management					✓		M	Cyclical review – every 3 to 5 years
Incident management							M	Cyclical review – every 3 to 5 years
Custody Services							M	Cyclical review – every 3 to 5 years
Crown Office and Procurator Fiscal (COPFS) Liaison							M	Cyclical review – every 3 to 5 years
Disclosure Administration							L	Not identified as area of risk
Productions					✓		H	Cyclical review - every 3 to 5 years
Lost and found property							L	Not identified as area of risk
Administration of warrants, court orders, interdicts, fixed penalty tickets and direct measures							M	Cyclical review – every 3 to 5 years
Victim satisfaction and victim / witness care							M	Cyclical review – every 3 to 5 years
Prisoner Belongings							M	Cyclical review – every 3 to 5 years
G. Compliance and Regularity								
Data Quality and Integrity						✓	M	

Appendix 3 – Internal Audit Charter

Internal auditing is an independent and objective assurance and consulting activity that is guided by a philosophy of adding value to improve the operations of the Scottish Police Authority (SPA) and Police Scotland (PS).

It helps SPA accomplish its objectives by bringing a systematic, disciplined approach to evaluate and continuously improve the effectiveness of risk management, control, and governance processes.

The mission for internal auditing is to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.

Definition

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

Aim

The aim of this Charter is to set out the management by all parties of the internal audit process. The Charter sets out the context of the internal audit function, including the place of the Audit, Risk and Assurance Committee, the key personnel, timescales and processes to be followed for each internal audit review.

Role

The internal audit activity is established by the Audit, Risk and Assurance Committee on behalf of the Board. The internal audit activity's responsibilities are defined by the Audit, Risk and Assurance Committee as part of its oversight role.

Professionalism

The internal audit activity will adhere to Public Sector Internal Audit Standards (PSIAS), which are based on mandatory guidance of The Chartered Institute of Internal Auditors (CIIA) including the Definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing.

The CIIA's Practice Advisories, Practice Guides, and Position Papers will also be adhered to as applicable to guide operations. In addition, the internal audit activity will adhere to SPA's relevant policies and procedures and the internal audit activity's standard operating procedures manual.

Internal audit activity will also reflect relevant Scottish Government directions, as appropriate to SPA.

Authority

The internal audit activity, with strict accountability for confidentiality and safeguarding records and information, is authorised full, free, and unrestricted access to any and all of the organisation's records, physical properties, and personnel pertinent to carrying out any engagement. All employees are requested to assist the internal

audit activity in fulfilling its roles and responsibilities. The internal audit activity will also have free and unrestricted access to the Audit, Risk and Assurance Committee.

Accountability

The Head of Internal Audit will be accountable to the Audit, Risk and Assurance Committee and will report administratively to the Director of Strategy and Performance.

The Audit, Risk and Assurance Committee will approve all decisions regarding the performance evaluation, appointment, or removal of the Head of Internal Audit.

The Head of Internal Audit will communicate and interact directly with the Audit, Risk and Assurance Committee, including between Audit, Risk and Assurance Committee meetings as appropriate.

Independence and objectivity

The internal audit activity will remain free from direction by any element in SPA or PS, including matters of audit selection, scope, procedures, frequency, timing, or report content. This is essential in maintaining the internal auditors' independence and objectivity.

Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, develop procedures, install systems, manage risks, prepare records, or engage in any other activity that may impair internal auditor's judgment.

Internal auditors must exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors must make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgments.

The Head of Internal Audit will confirm to the Audit, Risk and Assurance Committee, at least annually, the organisational independence of the internal audit activity. Any interference experienced should be disclosed by the Chief Audit Executive to the Board and the implications discussed.

Scope and responsibility

The scope of internal auditing encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the organisation's governance, risk management, and internal control processes in relation to the organisation's defined goals and objectives. Internal control objectives considered by internal audit include:

- Consistency of operations or programmes with established objectives and goals;
- Effectiveness and efficiency of operations and use of resources;
- Compliance with significant policies, plans, procedures, laws, and regulations;
- Reliability and integrity of management and financial information processes, including the means to identify, measure, classify, and report such information; and
- Safeguarding of assets.

Internal Audit is responsible for evaluating all processes ('audit universe') of SPA, including governance processes and risk management processes. In doing so, internal audit maintains a proper degree of coordination with external audit and where practical other assurance providers.

Internal audit may perform consulting and advisory services related to governance, risk management and control as appropriate for the organisation. It may also evaluate specific operations at the request of the Audit, Risk and Assurance Committee or management, as appropriate.

Based on its activity, internal audit is responsible for reporting significant risk exposures and control issues identified to the Audit, Risk and Assurance Committee and to senior management, including fraud risks, governance issues, and other matters needed or requested by SPA.

Annual internal audit plan

The audit year runs from 1 April to 31 March

At least annually, the Head of Internal Audit will submit to the Audit, Risk and Assurance Committee an internal audit plan for review and approval. The internal audit plan will detail, for each subject review area:

- The outline scope for the review;
- The number of days budgeted;
- The timing, including which Audit, Risk and Assurance Committee the final will report will go to; and
- The review sponsor.

The Chief Audit Executive will communicate the impact of resource limitations and significant interim changes to senior management and the Board.

The internal audit plan will be developed based on a prioritisation of the audit universe using a risk-based methodology, including input of senior management. Prior to submission to the Audit, Risk and Assurance Committee for approval, the plan will be discussed with senior management. Any significant deviation from the approved internal audit plan will be communicated through the periodic activity reporting process.

Assignment Planning and Conduct

An assignment plan will be drafted prior to the start of every assignment setting out the scope, objectives, timescales and key contacts for the assignment.

Specifically, the assignment plan will detail the timescales for carrying out the work, issuing the draft report, receiving management responses and issuing the final report. The assignment plan will also include the name of the staff member who will be responsible for the audit (review sponsor) and the name of any key staff members to be contacted during the review (key audit contact).

The assignment plan will be agreed with the review sponsor and the key audit contact (for timings) before the review starts.

Reporting and Monitoring

The internal auditor will discuss key issues arising from the audit as soon as reasonably practicable with the key contact and/or review sponsor, as appropriate. At the conclusion of the fieldwork, the internal auditor will hold a close-out meeting with the key contact and / or review sponsor to discuss all audit findings.

A written report will be prepared and issued by the Head of Internal Audit or designee following the conclusion of each internal audit engagement and will be distributed to the review sponsor and key contacts identified in the assignment plan for management responses and comments.

Draft reports will be issued by email within 15 working days of the close-out meeting. The covering email will specify the deadline for management responses, which will normally be within a further 15 days. The management comments and response to any report will be overseen by the review sponsor. Internal Audit will make time after issuing the draft report to discuss the report and, if necessary, meet with the review sponsor and/or key contact to ensure the report is factually accurate and the agreed actions are clear, practical, achievable and valuable.

The internal auditors will issue the final report to the review sponsor and the Director of Financial Accountability. The final report will be issued within 10 working days of the management responses being received. Finalised internal audit reports will be presented to the Audit, Risk and Assurance Committee. Finalised internal audit outputs must be in the hands of the committee secretary at least 10 working days before the date of each meeting.

The working days set out above are maximum timescales and tighter timescales may be set out in the assignment plan.

The internal audit activity will follow-up on engagement findings and recommendations. All significant findings will remain in an open issues file until cleared.

Audit, Risk and Assurance Committee

The Audit, Risk and Assurance Committee meets at least four times a year, dates for Audit, Risk and Assurance Committee Meetings will be provided to internal audit as soon as they are agreed. The Head of Internal Audit and/ or Relationship Partner will attend all meetings of the Audit, Risk and Assurance Committee.

Internal audit will schedule its work so as to spread internal audit reports reasonably evenly over the Audit, Risk and Assurance Committee meetings. The annual internal audit plan will detail the internal audit reports to be presented to each Audit, Risk and Assurance Committee meeting.

The Audit, Risk and Assurance Committee will meet privately with the internal auditors at least once a year.

Periodic Assessment

The Head of Internal Audit is responsible for providing a periodic self-assessment on the internal audit activity as regards its consistency with the Audit Charter (purpose, authority, responsibility) and performance relative to its Plan.

In addition, the Head of Internal Audit will communicate to senior management and the Audit, Risk and Assurance Committee on the internal audit activity's quality assurance and improvement programme, including

results of on-going internal assessments and external assessments conducted at least every five years in accordance with Public Sector Internal Audit Standards.

Review of Charter

This Charter will be reviewed by both parties each year and amended if appropriate.

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