



<b>Meeting</b>	<b>Audit, Risk and Assurance Committee</b>
<b>Date</b>	<b>17 April 2024</b>
<b>Location</b>	<b>By video conference</b>
<b>Title of Paper</b>	<b>Internal Audit Reports</b>
<b>Presented By</b>	<b>Claire Robertson, Risk and Advisory Services Director</b> <b>John McNellis, Head of Finance, Audit and Risk</b>
<b>Recommendation to Members</b>	<b>For Discussion</b>
<b>Appendix Attached</b>	<b>Appendix A – Electronic Data Retention and iVPD</b> <b>Appendix B – Investment Prioritisation</b> <b>Appendix C – Force Middle Office Review Project Review</b>

**PURPOSE**

To present the Audit, Risk and Assurance Committee (ARAC) with three internal audit reports.

*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 The Internal Audit plan for 2023/24 was approved by the ARAC in January 2023.
- 1.2 The following audits from the 2023/24 plan have been completed since the last ARAC meeting and are presented to the ARAC as below:
  - Investment Prioritisation
  - FMOR Project Review
  - Electronic Data Retention and iVPD

## 2 FURTHER DETAIL ON THE REPORT TOPIC

### Electronic Data Retention and iVPD (Appendix A)

#### a. Background:

- This report is a review of controls related to electronic file storage, destruction and retention processes.
- The audit also performed a targeted review of the Interim Vulnerable Persons Database (iVPD) considering data issues relating to consent, communication, retention and destruction, as this is a known risk area.

#### b. Internal Audit Findings:

- BDO provide limited assurance over the design and operational effectiveness of the organisation's high level electronic retention and iVPD processes in place.
- The iVPD system itself exhibits areas of good practice relating to system process controls, quality assurance, and audit trails. The surrounding iVPD processes relating to user access controls, training oversight and completion, staff declaration and information sharing agreements require improvements to align with good practice and mitigate the respective risks in place.
- Nine findings have been raised with key themes including:
  - Electronic retention mandatory training completion targets not being achieved and a lack of staff declarations relating to policies and procedures understanding.
  - iVPD user access review limitations and a lack of central oversight of general user access.
  - Information sharing agreements not being in place.

- Administration of iVPD policies and procedures, including improvements needed in the evidencing of approvals.
- An opportunity to enhance the information contained within the seeking views aide memoire.

**c. Summary of Findings:**

	<b>Number of findings</b>	<b>Number of actions</b>
High	0	0
Medium	5	9
Low	4	5
<b>Total</b>	<b>9</b>	<b>14</b>

**d. SPA Considerations:**

- Of the total 14 actions made, Police Scotland has fully accepted nine, partially accepted three and not accepted two.
- In the management response information is provided on the rational for partially or not accepting internal audits recommendation.

## **Investment Prioritisation (Appendix B)**

### **a. Background:**

- This review covered the investment governance framework, governance and processes in place. The review also assessed the processes for developing, monitoring and re-forecasting the annual budget.
- The purpose of this review was to provide management and ARAC, with assurance over the design and operational effectiveness of the business case and investment prioritisation controls as well as the key budget setting processes in place. It also assess whether controls and processes regarding investment prioritisation and budget setting are well designed and operating effectively.

### **b. Internal Audit Findings:**

- BDO provide limited assurance over the design and operational effectiveness of the organisation’s investment prioritisation processes.
- Whilst the budget setting process is well understood and controlled; the investment prioritisation process lacks transparency over decision making and clear prioritisation criteria.

### **c. Summary of Findings of:**

	<b>Number of findings</b>	<b>Number of actions</b>
High	2	5
Medium	3	4
Low	1	2
<b>Total</b>	<b>6</b>	<b>11</b>

### **d. SPA Considerations:**

- All recommendations made have been agreed.
- We recognise the strength of assurance provided over core budget setting whilst also acknowledge there are areas for improvement in the investment portfolio area that will inform future budget setting.

## FMOR Project Review (Appendix C)

### a. Background:

- The Force Middle Office reform project (FMOR) report is **an advisory review** on the FMOR project, rather than providing assurance.
- The purpose of the review was to provide greater visibility and understanding of what happened with the FMOR project and identify learning opportunities to apply to future projects.

### b. Internal Audit Observations:

- The FMOR Project was initially scoped well and there was a clearly defined roadmap for successful delivery, with sufficient buy-in from divisions and resource approval.
- As the project progressed, the approved resource was not recruited and the FMOR project was not delivered to expectations. BDO understand that this was due to the project being deprioritised due to resource constraints, however, BDO have been unable to validate this.
- Ultimately, the execution of this review was challenging due to a lack of sufficient audit trail. When requesting evidence to demonstrate the rationale of the project "deprioritisation" and the formal sign off of project closure, BDO have had to rely on representations from key stakeholders as no formal audit trail was provided.
- We raised a number of recommendations relating to the effectiveness of the approach to project management. It will be important that the observations raised in this review are applied across all applicable project management scenarios at Police Scotland.

### c. Summary of Observations:

- BDO have highlighted several observations that present risk to Police Scotland's project management and governance practices, as exemplified by the FMOR project.
- The scope of the review was limited to only looking at the FMOR project, which was terminated prior to Police Scotland making changes to the project management process.
- BDO has scheduled an audit in 2024/25 to review the Change Process and any findings noted in this report will be reassessed within the new audit to confirm they have been addressed within the new process.
- The key findings were as follows:

- Governance Process for Project Closure:  
Despite sufficient audit trail retained throughout Project Initiation to Phase one and two to demonstrate approvals have been obtained, BDO have been unable to obtain evidence to review whether appropriate project escalation and closure procedures have been followed.  
  
BDO understand that there was no demonstratable formal sign-off within Police Scotland regarding this. Given its importance, Project Close procedures should have been followed as per Stage Gate Framework, which includes producing an End Project Report and obtaining ultimate approval from Change Board.
- Formalisation of resourcing requirement decision making process below Change Board level.  
Through reviewing the documentation produced for the project, BDO understand that resourcing assessments at initial stage of the project, and escalation of resourcing issues during the project, were approved by, and communicated to the Change Board. However, we have not been able to follow through the audit evidence to demonstrate how the project has been “deprioritised” due to resourcing constraints, and it is not clear why the resources were not recruited to deliver this project as approved.
- Tracking of Objectives and Benefits of the Project throughout its Lifecycle:  
While the objectives and benefits of the FMOR project were defined within the FMOR Project ToR and Potential Project Assessment, there was no formal tracking of progress against objectives or benefits throughout the lifecycle of the project.
- Tracking Financial Impact of the Project throughout its Lifecycle:  
Up to project closure (i.e. throughout the 30 months of the project life cycle), ongoing financial assessments were not carried out for delivery of the project to track costs or quantify savings. Cost and Resourcing assessments were approved at Board level at the initial stage of the project.

**d. SPA Considerations:**

- Police Scotland has recognised the findings in this report and state that it is not reflective of the robust project management in place for other projects.
- It has been agreed that no changes will be made at this time, however, ARAC has already approved in the internal audit plan for 2024/25 a wider review of project management that will consider if the issues highlighted with this project extend wider.

### **3 FINANCIAL IMPLICATIONS**

3.1 There are no specific financial implications from this report. The cost associated with the delivery of internal audit, in line with the plan and contract, is included in the SPA budget for 2023/24.

### **4 PERSONNEL IMPLICATIONS**

4.1 There are no personnel implications in this report.

### **5 LEGAL IMPLICATIONS**

5.1 There are no legal implications in this report.

### **6 REPUTATIONAL IMPLICATIONS**

6.1 There are no reputational implications in this report.

### **7 SOCIAL IMPLICATIONS**

7.1 There are no social implications in this report.

### **8 COMMUNITY IMPACT**

8.1 There are no community implications in this report.

### **9 EQUALITIES IMPLICATIONS**

9.1 There are no equality implications in this report.

### **10 ENVIRONMENT IMPLICATIONS**

10.1 There are no environmental implications in this report.

### **RECOMMENDATIONS**

Members are invited to discuss and note the internal audit reports.

**SCOTTISH POLICE  
AUTHORITY & POLICE  
SCOTLAND**

**ELECTRONIC DATA RETENTION  
AND iVPD - FINAL**

APRIL 2024

**LEVEL OF ASSURANCE:**

**DESIGN** LIMITED

**EFFECTIVENESS** LIMITED



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## RESTRICTIONS OF USE

The matters raised in this report are only those which came to our attention during 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.

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## REPORT STATUS

LEAD AUDITOR(S):	SEAN MORRISON
DATES WORK PERFORMED:	13 SEPTEMBER 2023 - 16 FEBRUARY 2024
DRAFT REPORT ISSUED:	15 MARCH 2024
MANAGEMENT RESPONSES RECEIVED:	09 APRIL 2024
FINAL REPORT ISSUED:	11 APRIL 2024



# EXECUTIVE SUMMARY

LEVEL OF ASSURANCE: (SEE APPENDIX II FOR DEFINITIONS)		
DESIGN	Limited	System of internal controls is weakened with system objectives at risk of not being achieved.
EFFECTIVENESS	Limited	Non-compliance with key procedures and controls places the system objectives at risk.

SUMMARY OF FINDINGS (SEE APPENDIX II)		
H	0	
M	5	
L	4	
TOTAL NUMBER OF FINDINGS: 9		

## BACKGROUND (See Detailed Background in Appendix I)

It was agreed with management and the Audit, Risk and Assurance Committee as part of the 2023-24 internal audit plan that Internal Audit would undertake a review of controls related to electronic file storage, destruction and retention processes, and perform a targeted review of the Interim Vulnerable Persons Database (iVPD) considering data issues relating to consent, communication, retention and destruction, as this is a known risk area within Police Scotland, Forensics Services and the Scottish Police Authority.

Police Scotland and the Scottish Police Authority share a records retention policy, which outlines the same retention and weeding periods, as well as procedures to be followed by staff. However, the systems in place between the organisations are not connected and rely on strong communication processes to ensure that data ratings for retention purposes are consistent.

Previously a project (I6) was undertaken to replace 130 electronic and paper-based systems for recording crime and missing persons. However, the project was cancelled in 2016 as it was clear that the requirements were not going to be met. A new project is underway to utilise a single national crime system throughout the organisations (Core Operational Solutions (COS)), planned to be completed by 2024. This new system will have the capabilities to automatically weed through the data and make retention decisions in line with the specifications built in which are required to comply with the records retention policy.

The iVPD is Police Scotland's national database for recording vulnerable persons information, allowing them to enhance understanding of the extent of vulnerable persons activity across the country. It enables identification of repeat victims and offenders and allows for a holistic assessment of wellbeing concerns and needs which influence multi-agency investigations, interventions and support. It should be noted that the iVPD operates independently of all other systems.

Oversight of electronic data retention performance and issues is provided by the quarterly Data Governance Board, the Data Retention Oversight Group, the Risk & Harm Data Owner Group and performance reporting goes through the governance chain to the Audit and Risk Committee and the Board. The implementation of weeding is driven by the Strategic Information Asset Owner.



# EXECUTIVE SUMMARY

## SCOPE

The review covered high-level review of electronic data retention policies, governance and mandatory training in place. The review also conducted a deep dive review of iVPD, including assessing policies and procedures, training, governance, system processes, oversight controls, quality assurance, information sharing, system updates, awareness raising and oversight relating to the system. The risks scoped within the review are detailed in Appendix III which is an extract from the agreed terms of reference.

The scope of this review was not to assess the ethical and proportionate use of iVPD, or the justification utilised in the assessment made by Police Scotland when recording individuals within the system.

## PURPOSE

The purpose of this review was to provide management and the Audit, Risk and Assurance Committee with assurance over the design and operational effectiveness of the key high level electronic data retention controls in place focussing on policies and procedures, training, and management oversight organisation wide. We also assessed specifically whether controls and processes regarding iVPD are well designed, and the controls surrounding entering individuals onto the iVPD system, managing retention periods, rule compliance, data subject awareness, lawful basis and information sharing are operating effectively.

## CONCLUSION

We can provide limited assurance over the design and operational effectiveness of the organisation's high level electronic retention and iVPD processes in place. Whilst the iVPD system itself exhibits areas of good practice relating to system process controls, quality assurance, and audit trails, as noted on slide 5, the surrounding iVPD processes relating to user access controls, training oversight and completion, staff declaration and information sharing agreements required improvements to align with good practice and mitigate the respective risks in place, as outlined within the detailed findings section of this report.

Nine findings have been raised, with five rated as medium and four as low. Key themes include:

- Electronic retention mandatory training completion targets not being achieved and a lack staff declarations relating to policies and procedures understanding.
- iVPD user access review limitations and a lack of central oversight of general user access.
- Information sharing agreements not being in place.
- Administration of iVPD policies and procedures, including improvements needed in the evidencing of approvals.
- An opportunity to enhance the information contained within the seeking views aide memoire.

OUR TESTING DID NOT IDENTIFY ANY CONCERNS SURROUNDING THE CONTROLS IN PLACE TO MITIGATE THE FOLLOWING RISKS:

- ✓ Issues within the iVPD processes are not identified due to there being a lack of oversight controls being in place, for example spot checking of data recording, sharing and retention period compliance.
- ✓ The quality of data within iVPD is poor due to it being recorded inaccurately or nominal persons information not being updated to reflect changes, for example to addresses.
- ✓ Unapproved or tested system changes are made to iVPD, resulting in functionality issues.



# EXECUTIVE SUMMARY

## SUMMARY OF GOOD PRACTICE

During the course of our review, we identified a number of areas of good practice:

- ▶ The records retention SOP outlines the retention periods for functions, systems and activities, and includes iVPD.
- ▶ The data protection training materials provide guidance to staff on the steps to be taken and regulations relating to information security.
- ▶ Detailed performance reports relating to electronic retention matters, such as project updates, training statistics and external reviews are provided to the Data Governance Board and Data Retention Oversight Group.
- ▶ iVPD matters are overseen by the iVPD and Concern Hub user group, and the Risk and Harm Data Oversight Board. The iVPD and Concern Hub user group are provided with updates on iVPD changes, quality assurance, training, system updates, and performance metrics. The Risk and Harm Data Oversight Board are provided with an update from National Risk and Concern team, including information on concern hub performance.
- ▶ iVPD guidance materials are detailed and updated on a regular basis. All materials are accessible within the iVPD intranet page.
- ▶ iVPD has an in-built quality and assurance process which is overseen by the National Risk and Concern team.
- ▶ iVPD has automated weeding schedules built into the system. Daily automated deletion of nominal records occurs for any nominal records which have expired retention periods.
- ▶ iVPD system changes are required to go through a robust process consisting of testing within a test environment, user acceptance testing and reviews and approvals prior to being applied to the live environment.
- ▶ iVPD has audit trails showing who has completed actions, declarations, and recording of concern reports that have been shared, including information on when the report was shared and who it was shared with.
- ▶ The process for inputting an incident and nominal information onto iVPD has clear segregation of duties, requiring an officer, supervisor and concern hub staff to complete the form. Data input forms have minimum information requirements, and the system logs all personnel involved in raising an incident. Declarations on the accuracy of information recorded are also required to be completed by officers.
- ▶ Data subject requests are managed by the Information Assurance team.

## SUMMARY OF FINDINGS

Notwithstanding the area of good practice identified, we identified the following control gaps which require improvement:

### Electronic Data Retention:

- ▶ **Staff Declarations** - Internal audit discussed with management the process for making staff aware of policy and procedure changes, and it was explained that there was no process in place for staff to declare that they have reviewed key policies and procedures, particularly when there has been updates to the documents. We note that staff are required to sign up to the electronic communication policy during their induction and that some sites on the intranet have guidelines to be followed. To align with good practice and to ensure that staff are aware of their roles and responsibilities and mitigate the risk of staff not having sufficient knowledge there is an opportunity to introduce staff declarations.
- ▶ **Police Scotland Mandatory Training Completion** - The November 2023 Data Governance Board papers showed that the data protection training completion rate in September 2023 for Police Scotland was 75.06%, which was below the 80% target level. These completion rates and a target rate of 80% exposes the organisation to a risk where staff involved in incidents such as a data breach may not have had suitable training or refresher training in line with best practice. In addition, the approach of using staff joiner anniversary dates as the due date for annual training means that the rolling percentage completion rate is increasing and decreasing on a daily basis, making it difficult for the organisation to effectively oversee training completion.



# EXECUTIVE SUMMARY

## SUMMARY OF FINDINGS (continued)

### iVPD:

- ▶ **iVPD User Access Controls** - iVPD general user access is managed by the Concern Hubs within the local divisions. This includes adding, removing and editing user access rights. Currently there is no central oversight or user access review undertaken for general iVPD user accounts. The Data Governance team distribute enhanced user and administration user account listings to local divisions on a quarterly basis as a prompt for the Concern Hubs to review and update the user access levels and remove access where required. However, internal audit noted that:

1. There is no requirement for a response to be provided to the Data Governance team to confirm that required actions have been completed.
2. Emails showing the distribution of the enhanced and administration user account listings are not maintained beyond the most recent quarter, due to limits on data storage within user email accounts. Therefore, historic evidence of these controls operating consistently was not available for review.

There is a risk that user access rights are not being effectively maintained resulting in inappropriate access to iVPD. Internal audit note that iVPD is only accessible through having access to the organisations single sign on infrastructure and therefore this mitigates the risk of leavers accessing the system upon leaving the organisation.

- ▶ **User Access and Training** - Internal audit sample tested 20 new iVPD users between September and December 2023 and found that for one of the users who had accessed the system that their personal training log on Scope had no record of iVPD modules 1 and 2 training being completed. There is a risk that staff utilising iVPD do not have the required knowledge regarding the processes to be followed due to non-completion of mandatory training.
- ▶ **Information Sharing Agreements** - At the time of the audit the organisation do not have information sharing agreements in place for all third-parties that concern reports are shared with. An action tracker presented to the RAHDOG in September 2023 showed that 135 information sharing agreements were in progress. To align with good practice steps should be taken to ensure that the identified information sharing agreement gaps are rectified.


- ▶ **Action Tracking** - Internal audit reviewed the iVPD and Concern Hub User Group action log and the RAHDOG action log and noted that:
  1. The iVPD and Concern Hub User Group action log did not include a target completion date for actions.
  2. The RAHDOG action log does not note target dates, and the update sections had not been updated.
- ▶ **iVPD Policies and Procedures** - The iVPD policies and procedures contain detailed information to provide staff with guidance and knowledge of the actions required when handling vulnerable persons incident recording. However, there is an opportunity for some enhancements to be made to the policies and procedures:
  1. The iVPD guidance document does not contain the retention periods, categories and ratings table which is used internally by the NRAC team.
  2. Version control does not detail the next review date or review cycle for the documents.
  3. Approval information is not detailed within the iVPD guidance documents and management were unable to locate the evidence of approval for the version 10 guidance document due to email mailboxes being cleared due to storage limitations. We recognise that going forward version control and authorisation recording will be enhanced within the guidance documents.
- ▶ **iVPD Training Materials** - It was explained by management that iVPD modules 1 and 2 have required refresh to reflect the most recent version of the system, delivery method and terminology, for example in relation to UK GDPR. We also note that in line with Finding 5 there is an opportunity to synchronise training completion with Scope training records to ensure that training records are up to date. There is an opportunity to refresh the iVPD training materials to ensure that they align with other sessions delivered within the organisation and to ensure that all references and guides are up to date to reflect the current version of the system.
- ▶ **Vulnerable Persons Awareness Raising** - Internal audit reviewed the seeking views aide memoire and note that there is an opportunity to enhance the aide memoire by having information relating to retention periods or reference to the records retention standard operating procedures, and also direction to where the privacy notices are accessible. There is a risk that vulnerable persons are not being provided with enough information to be aware of their data subject rights.

# DETAILED FINDINGS - ELECTRONIC DATA RETENTION



## DETAILED FINDINGS


**RISK:** INAPPROPRIATE ACTIONS MAY BE TAKEN BY STAFF IN HANDLING ELECTRONIC DATA RETENTION DUE TO THERE BEING A LACK OF A ROBUST ELECTRONIC DATA RETENTION POLICY AND ROLES AND RESPONSIBILITIES DOCUMENTED, RESULTING IN REGULATORY ACTION OR REPUTATION DAMAGE TO THE ORGANISATION.

FINDING 1 - STAFF DECLARATIONS			TYPE
<p>It is essential that staff are aware of changes to key policies and procedures and that they take time to review and understand changes in processes.</p> <p>Internal audit discussed with management the process for making staff aware of policy and procedure changes, and it was explained that there was no process in place for staff to declare that they have reviewed key policies and procedures, particularly when there has been updates to the documents.</p> <p>We note that staff are required to sign up to the electronic communication policy during their induction and that some sites on the intranet have guidelines to be followed.</p>			<p>DESIGN &amp; EFFECTIVENESS</p> 
IMPLICATION			SIGNIFICANCE
<p>To align with good practice and to ensure that staff are aware of their roles and responsibilities and mitigate the risk of staff not having sufficient knowledge there is an opportunity to introduce staff declarations.</p>			MEDIUM
RECOMMENDATIONS	ACTION OWNER	MANAGEMENT RESPONSE	COMPLETION DATE
<p>1. We recommend that management consider the feasibility of implementing an annual declaration process in line with best practice. The declarations could include confirmation that key policies and procedures have been read and understood, mandatory training completed, awareness of organisation values, conflicts of interest, investment in prohibited entities, CPD compliance, and compliance with the organisation code of conduct.</p>	<p>Information Assurance Manager</p>	<p><b>Management accepts this recommendation.</b></p> <p>The feasibility of implementing a declaration process for key policies and procedures will be investigated and a report prepared for consideration by the Data Governance Board, chaired by the SIRO/Executive Accountable Officer for Information for a decision to be made.</p>	<p>30 September 2024</p>



## DETAILED FINDINGS

**RISK: STAFF MAY NOT HAVE THE REQUIRED KNOWLEDGE REGARDING ELECTRONIC DATA RETENTION DUE TO THERE BEING NO TRAINING ON THESE TOPICS OR INCORPORATION WITHIN THE NEW START INDUCTION PROCESS.**

FINDING 2 - POLICE SCOTLAND MANDATORY TRAINING COMPLETION			TYPE
<p>Mandatory training is essential for ensuring that staff have the required knowledge to discharge their roles and responsibilities in line with the policies and procedures in place within an organisation.</p> <p>Staff within the organisation are required to complete annual data protection training with a due date for the mandatory training based on the anniversary of the employee starter date.</p> <p>The November 2023 Data Governance Board papers showed that the data protection completion rate in September 2023 for Police Scotland was 75.06%, which was below the 80% target level. These completion rates and a target rate of 80% exposes the organisation to a risk where staff involved in incidents such as a data breach may not have had suitable training or refresher training in line with best practice.</p> <p>The organisation approach of using staff joiner anniversary dates as the due date for annual training means that the rolling percentage completion rate is increasing and decreasing daily, making it difficult for the organisation to effectively oversee training completion.</p>			<p>DESIGN &amp; EFFECTIVENESS</p> 
IMPLICATION			SIGNIFICANCE
There is a risk that staff may not have the required knowledge levels to ensure that they are aware of their roles and responsibilities to ensure compliance with data protection regulations and policies and procedures in place.			MEDIUM
RECOMMENDATIONS	ACTION OWNER	MANAGEMENT RESPONSE	COMPLETION DATE
1. We recommend that the organisation consider the feasibility of changing the approach to mandatory training due dates by moving from the anniversary date of joining the organisation to a set deadline date being used for mandatory training courses.	Information Assurance Manager	<p><b>Management accepts this recommendation.</b></p> <p>The feasibility of changing training due dates from the anniversary date of joining to a set deadline will be explored with LTD and a report prepared for the Data Governance Board. If the amendment can be made, a timeline will be agreed with LTD for implementation</p>	30 September 2024 (feasibility only)
2. We recommend that to align with best practice that a mandatory training target completion rate of 100% should be introduced, and that staff who have not completed mandatory training in line with the set target rate should have user access to the network restricted.	Information Assurance Manager	<p><b>Management does not accept this recommendation.</b></p> <p>The turnover of officers and staff, sickness and other long-term absences have been taken into account in setting and achieving the current target. Restriction of access to the network for those not completing the annual refresher training would directly impact the Force's operational capabilities. Police Scotland will continue to monitor and drive compliance with the target of 80% completion for the annual refresher training.</p>	N/A




# DETAILED FINDINGS - iVPD



## DETAILED FINDINGS


**RISK: PERSONNEL MAY HAVE INAPPROPRIATE ACCESS TO THE DATA WITHIN iVPD DUE TO THE ORGANISATIONS NOT HAVING APPROPRIATE TECHNICAL CONTROLS IN PLACE TO MANAGE, REMOVE AND REVIEW USER ACCESS TO THE SYSTEM.**

FINDING 3 - iVPD USER ACCESS CONTROLS			TYPE
<p>System access controls are essential to regulate who can view or use a system, and for ensuring that access rights are appropriate and up to date. iVPD general user access is managed by the Concern Hubs within the local divisions. This includes adding, removing and editing user access rights. Currently there is no central oversight or user access review undertaken for general iVPD user accounts.</p> <p>The Data Governance team distribute enhanced user and administration user account listings to local divisions on a quarterly basis as a prompt for the Concern Hubs to review and update the user access levels and remove access where required. However, internal audit noted that:</p> <ul style="list-style-type: none"> <li>• There is no requirement for a response to be provided to the Data Governance team to confirm that required actions have been completed.</li> <li>• Emails showing the distribution of the enhanced and administration user account listings are not maintained beyond the most recent quarter due to limits on data storage within user email accounts. Therefore, historic evidence that the controls were operating consistently is not available for review.</li> </ul>			<p>DESIGN &amp; EFFECTIVENESS</p> 
<p><b>IMPLICATION</b></p> <p>There is a risk that user access rights are not being effectively maintained resulting in inappropriate access to iVPD. Internal audit note that iVPD is only accessible through having access to the organisations single sign on infrastructure and therefore this mitigates the risk of leavers accessing the system upon leaving the organisation.</p>			<p>SIGNIFICANCE</p> <p>MEDIUM</p>
RECOMMENDATIONS	ACTION OWNER	MANAGEMENT RESPONSE	COMPLETION DATE
<p>1. We recommend that management conduct a feasibility study on the viability of introducing a central management process for managing user access to national systems, such as iVPD.</p>	<p>Head of Information Assurance and Data Ethics</p>	<p>Management agree that the current access controls across systems and unstructured data could be more robust and consistent. System access management across national systems varies due to the organic nature these systems have been deployed pre and post Police Scotland formation. Solutions to provide consistency may range from guidance on best practice for access management provided to each 'local' process, to a centralised team managing all systems, to an automated technical solution potentially linked to the Scope HR system. These mitigations will be considered in line with an assessment of current risks to national system access. This will be considered and documented as part of our ongoing risk management processes.</p>	<p>30 September 2024</p>
<p>2. We recommend that enhancements are made to the enhanced and administration user access review controls by requiring responses to be provided on the actions taken by the divisions, and for backup evidence to be saved down from emails to allow confirmation of the control occurring.</p>	<p>DCI NRAC &amp; AP Policy</p>	<p><b>Management accepts the recommendation</b></p> <p>Achievable and to be implemented immediately for Enhanced and Administration user permissions.</p>	<p>30 June 2024</p>



## DETAILED FINDINGS


**RISK: STAFF THAT UTILISE iVPD MAY NOT HAVE THE REQUIRED KNOWLEDGE REGARDING THE PROCESSES TO BE FOLLOWED DUE TO THERE BEING NO TRAINING ON THESE TOPICS OR INCORPORATION WITHIN THE NEW START INDUCTION PROCESS.**

FINDING 4 - USER ACCESS AND TRAINING			TYPE
<p>It is important that staff receive appropriate training prior to being provided access to key systems, such as iVPD which contains sensitive information and a minimum level of knowledge and understanding to effectively use the system.</p> <p>Access to iVPD should only be granted once a user has completed modules 1 and 2 of the iVPD training, with further training required to be completed for staff with elevated user roles.</p> <p>Internal audit sample tested 20 new iVPD users between September and December 2023 and found that one of the users had accessed the system but their personal training log on Scope had no record of iVPD modules 1 and 2 training being completed.</p> <p>Internal audit note that there is an IT service request in place to implement a process that would reconcile user accounts on iVPD to training records within Scope which would identify users that are required to undertake training.</p>			<p>EFFECTIVENESS</p> 
IMPLICATION			SIGNIFICANCE
There is a risk that staff utilising iVPD do not have the required knowledge regarding the processes to be followed due to non-completion of mandatory training.			MEDIUM
RECOMMENDATIONS	ACTION OWNER	MANAGEMENT RESPONSE	COMPLETION DATE
1. We recommend that resource is allocated to complete the Scope and iVPD system reconciliation project to allow effective identification of iVPD users who have not completed the required training, or who have inaccurate training records in cases where Scope has not been updated.	SCoPE Management	<p>Management partially accepts this recommendation</p> <p>NRAC submitted a Service Request to SCoPE management to commence this work in November 2022. This is currently on the list to action but a date is not available at this time for implementation. A review will be undertaken to assess the priority alongside other changes to determine if this work can be accelerated but additional resource is not possible at this time.</p>	30 September 2024
2. Once in place monthly reconciliation reports between Scope and iVPD should be run centrally and highlighted to division leads to ensure that training gaps are addressed.	DCI NRAC & AP Policy	<p><b>Management accepts the recommendation</b></p> <p>Achievable and to be implemented once SCoPE / iVPD interface in place.</p>	April 2025 (dependent on the action above)



## DETAILED FINDINGS


**RISK: FAILURE TO SHARE VULNERABLE PERSONS DATA TO THIRD PARTIES IN LINE WITH DATA SHARING AGREEMENTS, RESULTING IN HARM TO THE VULNERABLE PERSON OR A LACK OF SUPPORTIVE ACTION BEING TAKEN.**

FINDING 5 - INFORMATION SHARING AGREEMENTS			TYPE
<p>As defined by the Information Commissioner’s Office (ICO) it is good practice for an organisation to have written data sharing agreements when controllers share personal data. This helps everyone to understand the purpose for the sharing, what will happen at each stage and what responsibilities they have. It also helps you to demonstrate compliance in a clear and formal way.</p> <p>At the time of the audit the organisation do not have information sharing agreements in place for all third-parties that concern reports are shared with. An action tracker presented to the RAHDOG in September 2023 showed that 135 information sharing agreements were in progress.</p>			<p>EFFECTIVENESS</p> 
<p><b>IMPLICATION</b></p> <p>To align with good practice steps should be taken to ensure that the identified information sharing agreement gaps are rectified.</p>			<p>SIGNIFICANCE</p> <p>MEDIUM</p>
RECOMMENDATIONS	ACTION OWNER	MANAGEMENT RESPONSE	COMPLETION DATE
<ol style="list-style-type: none"> <li>We recommend that resource is allocated to escalate the speed in addressing the information sharing agreement gaps.</li> <li>We recommend that management considered updating the report used to track information sharing agreement status to include target date for completion, identified date, expiry date and date information sharing agreement was completed.</li> </ol>	Information Assurance Manager	<ol style="list-style-type: none"> <li><b>Management does not accept this recommendation.</b> In the current resource climate, it is not feasible to increase resources within Information Assurance and in wider Divisions and Departments to service completion of ISAs. Information Assurance will however bring forward alternative proposals to facilitate demonstrable legislative compliance during 2024</li> <li><b>Management accepts this recommendation.</b> The Force’s ISA tracker already allows for the capture of the date an ISA is completed and date for review. Information Assurance will update the Force’s ISA Tracker.</li> </ol>	<p>N/A</p> <p>30 June 2024</p>



## DETAILED FINDINGS


**RISK:** INAPPROPRIATE ACTIONS ARE TAKEN BY MANAGEMENT IN RELATION TO ELECTRONIC DATA RETENTION MATTERS DUE TO THERE NOT BEING A CLEAR GOVERNANCE STRUCTURE IN PLACE FOR DELIVERING AND REPORTING ON ELECTRONIC DATA RETENTION MATTERS.

FINDING 6 - ACTION TRACKING			TYPE
<p>It is important that action plans are fully detailed and consistently monitored to ensure that actions are being progressed and are achievable.</p> <p>Internal audit reviewed the iVPD and Concern Hub User Group action log and the RAHDOG action log and noted that:</p> <ul style="list-style-type: none"> <li>The iVPD and Concern Hub User Group action log did not include a target completion date for actions.</li> <li>The RAHDOG action log does not note target dates, and the update sections had not been updated.</li> </ul>			<p>DESIGN &amp; EFFECTIVENESS</p> 
IMPLICATION			SIGNIFICANCE
There is a risk that actions outlined in the trackers are not being progressed or completed in a timely manner.			LOW
RECOMMENDATIONS	ACTION OWNER	MANAGEMENT RESPONSE	COMPLETION DATE
1. We recommend that the iVPD and Concern Hub User Group and the RAHDOG action log are fully completed for all actions, including target dates.	DCI NRAC & AP Policy	<p><b>Management accepts the recommendation.</b></p> <p>In relation to the iVPD and Concern Hub User Group, achievable and to be implemented immediately.</p>	30 June 2024
	Data Governance Manager	In relation to RAHDOG we will review our approach to managing action logs.	30 June 2024



## DETAILED FINDINGS


**RISK: INAPPROPRIATE ACTIONS ARE TAKEN BY STAFF WHEN USING iVPD DUE TO THERE BEING A LACK OF A CONSISTENT APPROACH OR POLICIES AND PROCEDURES IN PLACE FOR RECORDING, SHARING AND WEEDING DATA WITHIN THE SYSTEM.**

FINDING 7 - iVPD POLICIES AND PROCEDURES			TYPE
<p>Policies and procedures provide staff with guidance on how to discharge their roles and responsibilities and are required to ensure consistency and mitigate the risk of knowledge being lost when staff leave an organisation.</p> <p>Within the iVPD policies and procedures there is detailed information in place to provide staff with guidance and knowledge of the actions required when handling vulnerable persons incident recording. However, there is an opportunity for some enhancements to be made.</p> <ul style="list-style-type: none"> <li>Version control does not detail the next review date or review cycle for the documents.</li> <li>Approval information is not detailed within the iVPD guidance documents and management were unable to locate the evidence of approval for the version 10 guidance document due to email mailboxes being cleared due to storage limitations. We recognise that going forward version control and authorisation recording will be enhanced within the guidance documents.</li> </ul>			DESIGN  
IMPLICATION			SIGNIFICANCE
There is a risk that policies and procedures are not being appropriately approved in line with the governance procedures in place.			LOW
RECOMMENDATIONS	ACTION OWNER	MANAGEMENT RESPONSE	COMPLETION DATE
1. We recommend that version control, including review date and next review date, is recorded within all policies, procedures and guidance documents.	DCI NRAC & AP Policy	<b>Management accepts the recommendation.</b>  Achievable and to be implemented immediately.	30 June 2024
2. We recommend that approval evidence is maintained for all policies and procedures being published. This could be recorded within the documents themselves, for example using electronic signature, and where email approval is provided, emails should be saved down and stored in a secure location.	DCI NRAC & AP Policy	<b>Management accepts the recommendation.</b>  Achievable and to be implemented immediately.	30 June 2024



## DETAILED FINDINGS


**RISK: STAFF THAT UTILISE iVPD MAY NOT HAVE THE REQUIRED KNOWLEDGE REGARDING THE PROCESSES TO BE FOLLOWED DUE TO THERE BEING NO TRAINING ON THESE TOPICS OR INCORPORATION WITHIN THE NEW START INDUCTION PROCESS.**

FINDING 8 - VPD TRAINING MATERIALS			TYPE
<p>It is important that staff are provided with effective guidance and training to ensure that they understand and effectively discharge their responsibilities in relation to iVPD.</p> <p>It was explained by management that iVPD modules 1 and 2 have required refresh to reflect the most recent version of the system, delivery method and terminology, for example in relation to UK GDPR. We also note that in line with Finding 5 there is an opportunity to synchronise training completion with Scope training records to ensure that training records are up to date.</p>			DESIGN 
<b>IMPLICATION</b> There is an opportunity to refresh the iVPD training materials to ensure that they align with other sessions delivered within the organisation and to ensure that all references and guides are up to date to reflect the current version of the system.			SIGNIFICANCE LOW
RECOMMENDATIONS	ACTION OWNER	MANAGEMENT RESPONSE	COMPLETION DATE
1. We recommend that management refresh the iVPD training materials, in particular modules 1 and 2, and introduce a process of reviewing the materials once major changes to the system or regulatory environment are made.	DCI NRAC & AP Policy	<p><b>Management partially accepts the recommendation.</b></p> <p>Already on-going. Modules 1 and 2 currently under review with the intention to release a Moodle based, knowledge checked training package. All guidance material currently reviewed and amended in advance of system upgrades; however, this process will now incorporate wider training materials published on the intranet. Probationary officers receive iVPD training as part of their induction course which is regularly updated. Concern Hub staff receive bespoke training by LTD which is regularly updated to reflect system changes. The iVPD training database is currently reflects the live system. The standing iVPD Training sub-group chaired by NRAC provides appropriate governance.</p>	1 October 2024



## DETAILED FINDINGS

**RISK: VULNERABLE PERSONS ARE UNAWARE THAT THEIR DATA IS BEING RECORDED WITHIN A DATABASE OR THE RIGHTS THAT THEY HAVE DUE TO THERE BEING INSUFFICIENT GUIDANCE OR COMMUNICATION FROM THE POLICE AT THE TIME OF AN INCIDENT OR INFORMATION GATHERING.**

FINDING 9 - VULNERABLE PERSONS AWARENESS RAISING			TYPE
<p>Officers have been provided with an aide memoire which must be read to every person that the Police take information from, unless, as detailed in Police guidance, there are proportionate and justifiable exemptions where this would not be practical or appropriate. Views must be noted in the officer's notebook or mobile device and recorded on the concern form on iVPD.</p> <p>The aide memoire could be enhanced by having information relating to retention periods or reference to the records retention standard operating procedures, and also direction as to where the privacy notices are accessible.</p>			DESIGN 
<b>IMPLICATION</b>			<b>SIGNIFICANCE</b>
There is a risk that vulnerable persons are not being provided with enough information to be aware of their data subject rights.			<b>LOW</b>
RECOMMENDATIONS	ACTION OWNER	MANAGEMENT RESPONSE	COMPLETION DATE
1. We recommend that the seeking views aide memoire is updated to include a reference to the record retention standard operating procedure, and direction to where the Police privacy notices are accessible.	DCI NRAC & AP Policy	<p><b>Management partially accepts the recommendation.</b></p> <p>Due to incident dynamics asking officers to explain data retention and subject data rights would be extremely challenging. However, a link to the Records Retention SOP could be created on mobile aide memoires providing officers access to information on the iVPD weeding and retention policy if asked.</p>	1 October 2024



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# OBSERVATIONS



# OBSERVATIONS

- ▶ **Public Facing Records Retention Standard Operating Procedure** - At the start of the audit the publicly available records retention standard operating procedure was version 4 whereas internal audit were provided with version 5 for review. As the audit progressed version 7 of the record retention standard operating procedure was published internally, and internal audit have confirmed that it is now the current version that is available via the Police Scotland website.
- ▶ **ICO Review** - The Information Commissioners Office reviewed the Police Scotland data protection policies in 2023 and recommended that more information is recorded within the overall policies instead of just within the standard operating procedures as is the norm within the organisation. Internal Audit considered this in relation to the records retention standard operating procedure and the records management policy, and discussed with management whether there was value in enhancing the policy to incorporate information from the standard operating procedure. Overall, it was determined that the standard operating procedure is readily available and contains the information required to mitigate the risk of staff and the public not having sufficient knowledge relating to the electronic data retention processes in place.
- ▶ **Minutes and Attendance** - At the time of the audit the Data Governance Board had no minutes or attendance taken, though actions were tracked, and papers provided in line with the group's remit. At the closing meeting it was confirmed by management that the Data Governance Board would be minuted from December 2023 onwards. It was also confirmed with management that it is not a requirement for the Data Retention Oversight Group to be minuted.
- ▶ **Quality Assurance Process** - The iVPD quality assurance process at the time of the audit in November 2023 was sitting at around 90% completion. The quality assurance statistics are reported at the iVPD and Concern Hub User Group meeting and overseen by the National Risk and Concern team.
- ▶ **Training Statistic Oversight** - The iVPD and Concern Hub User Group are provided with updates on training matters at their quarterly meeting. There is an opportunity to enhance this reporting to include information on training statistics for each of the iVPD modules. This could also include new user numbers and confirmation that training has been completed prior to access being provided to the system.
- ▶ **iVPD Nominal Records** - Internal audit reviewed 40 incidents and the associated nominal records within iVPD. Results showed the internal system processes being followed; professionalism in the recording of information; three-person segregated process working with audit trail and comments showing challenge of information and approval of each stage; triage risk rating being applied; information being shared; officer and supervisor declarations; timescales of the process; awareness raising to nominals; and retention period applied. However, there was one case in the 40 where the nominal should have had the child protection register flag ticked. This was rectified during the audit and was a result of human error, missed within the three-stage process involving an officer, supervisor and concern hub member of staff to complete the incident report. The quality assurance controls are in place to spot check incident forms for issues such as this. We also noted that review of the incident and nominal records show that supporting actions were undertaken for the nominal, which included the concern report being shared with third parties, intervening action taken by all partners, and risk meetings taking place to discuss the nominals, therefore the error impacted the accuracy of the retention period only, and not the actions taken on the case.
- ▶ **Device Log Reviews** - The Cyber Security and Assurance team are responsible for reviewing network device logs, assessing the blocked devices and reporting on statistics relating to the network activity monthly to the Digital Senior Management team. Device logs are maintained to show allowed and blocked devices, and network access attempts. However, there is no formal evidence maintained to show that the Cyber Security and Awareness team are reviewing the logs, when they were reviewed, or the issues identified.

# APPENDICES



# APPENDIX I: BACKGROUND

## ELECTRONIC DATA RETENTION

There is an overarching Records Management Policy and a Records Retention Standard Operating Procedure (SOP) in place, and within the SOP, sits a suite of retention periods for each different record type. Version 7 of the Records Retention SOP was published internally at the end of 2023 and made available publicly via the Police Scotland website in early 2024.

The SOP detailed that all records created and held by Police Scotland must be managed in line with the retention rules within the SOP, roles and responsibilities for information asset owners, moratoriums on destruction, and key contacts. The SOP has tables which outlines the function, reference number, trigger, retention period, action following retention period, examples of records and notes. The records management policy outlines what Police Scotland ensure that they will do, and the SOP is the document that outlines how they do that.

Policy support manage the maintenance and review cycle for the Records Management Policy and SOP and inform document owners when the documents are due for review. A document passport process is used for key policies such as the records management policy, this documents the approvals and journey of a document within the organisation.

The Records Management SOP is available to staff on the organisation intranet. The force intranet is used to communicates SOPs, articles, jobs/vacancies, and announcements. Local policing divisions are also encouraged to communicated to their own officers any new policies, memos and guidance documents.

Police staff are required to complete annual data protection training. Information assurance develop and update the annual training, and the Information Assurance Officers deliver face to face training for new officers during the probation course/induction. General staff and officers who are not in the induction process are provided with the training online and have one week to complete it once the anniversary of a previously completing the session has passed. Declarations are required to be submitted for police staff and held by HR. The training course is on the organisation Moodle platform and cannot be progressed until the material is fully completed.

Line Managers receive a monthly notification of any non-compliance with refresher training requirements. Completion statistics are monitored monthly by the Data Office and reported to the Senior Management Team, and quarterly to the Data Governance Board and the Audit & Risk Board.

The governance oversight for electronic records retention sits with the Data Governance Board and below that the Data Retention Oversight Group, the groups meet quarterly, each group has action logs in place, a remit, with papers presented to the respective meetings on training statistics, external reviews - for example, the ICO review in the Summer of 2023, system project updates, records management actions and data governance matters.



# APPENDIX I: BACKGROUND

## iVPD

iVPD is a key national policing system that supports Police Service of Scotland's (PSoS) policing priority in protecting people considered vulnerable and working with partners to reduce harm. The incident-based database with a bespoke weeding and retention policy. The database records information about individuals who are, or are perceived to be, experiencing some form of adversity and/or situational vulnerability which may impact on their current or future wellbeing.

The system captures incidents where there has been a police response in respect of adult or child protection; domestic abuse; hate crime and youth offending. Furthermore, in order to provide national statistics, the database also currently records hate crime; youth offending (as youth offending / child concerns) and is used to record details of victim's rights under Section 8 and 9 of the Victims and Witnesses (Scotland) Act 2014 and other similar force policy requirements.

Information is recorded, researched, assessed, and shared with relevant statutory agencies and/or 3rd sector organisations where appropriate to deliver safety and support for people Identifying and prioritising the response where information suggests an individual may be experiencing adversity and/or vulnerability is at the heart of improving the wellbeing and safety of people.

A Concern Report is the method by which this information is recorded and passed to the Divisional Concern Hubs. A Concern Report is initially completed by officers who have attended or dealt with the original incident or call and thereafter reviewed and quality assured by an operational supervisor or accredited officer. There are system validation rules for the vulnerable persons database and an entry has to be domestic abuse, adult concern, child concern, youth offending and any of these can create a vulnerable person nominal. The entry is required to note the incident including what happened, where, when, and depending on the category specific data will be requested to be entered.

The role of the supervisor and / or accredited officer is vital in identifying dynamic risk and ensuring that all immediate safeguarding and protection measures are implemented. This is reflected in the mandatory completion of the supervisory question set on a submitted Concern Report. These officers also have a role in quality assuring the content of Concern Reports to ensure they are accurate and detailed and again this is reflected in the mandatory declaration all reporting officers must complete prior to submission to a supervisor.

The iVPD application is not a direct referral to partner agencies but a record of the contact with vulnerable adults, children and young people and is the structured method by which they record police contact with adults, children and young people. The information submitted to the database is then evaluated by the divisional Concern Hubs and, where appropriate, shared with partner agencies.

The iVPD Risk and Data Harm Owner Group, and the iVPD and Concern Hub User Group provide governance oversight of matters relating to iVPD. They meet quarterly and have oversight of training, division performance, quality assurance statistics, system backlogs, system updates, policy and procedure changes, regulatory changes, and discuss issues and potential improvements for the system. Both groups have action logs, papers presented, remits, and for the iVPD and Concern Hub User Group, minutes for the meetings.

There are a number of guides in place to support staff and officers in using iVPD. A key guidance document is the interim VPD users guide, which contains information for officers, supervisors and PPU staff/Officers. The document outlines information that should be recorded for the fields within the system. It details that all concern forms must be submitted to a supervisor prior to finishing duty. Supervisors must ensure that VPD Concerns are raised in each and every circumstance where there are known/suspected risks or future risks to any adult or child. Supervisors must ensure that they add meaningful entries onto each concern report to demonstrate that the report has been checked for accuracy/compliance and that the actions/outcomes have been agreed and fully recorded. Where standards have not been met, it is the supervisor's responsibility to review, amend or return the concern report to the submitting officer prior to forwarding to PPU within the appropriate timescale.

All guidance documents and support is available to staff and officers within the iVPD intranet page.

When an incident report is first recorded, it goes through a first line supervisor for concern and quality checks - this check is recorded within iVPD. The report then goes to the Concern Hub for triage and a decision whether to share the report with a third party; there is a Resilience Matrix in place which contains the justification process for sharing with a partner agency. The report can be deleted at this point if there is no further action required or sent back to the officer and supervisor for more information. Concern hub staff are trained to conduct this process.



# APPENDIX I: BACKGROUND

## iVPD

There is a quality assurance process which is built into the system and carried out by the Concern Hub in 2 stages. Firstly, the Concern Hub Sergeant performs a weekly check of a sample of reports, the number of reports to be checked is determined by Analysis and Performance Unit (APU) for each division. Secondly, there is a monthly check which is carried out by Concern Hub Inspectors. These checks are recorded within iVPD. National Risk And Concern (NRAC) have a national overview and can go into the system to check the Quality Assurance score and compliance rates and conduct health check reviews on the divisions on a rolling basis.

Areas of non-compliance are flagged as part of the process and are handled locally through divisions but can be escalated from DI to DCI to ACC. There is a monthly performance report produced for the Risk and Harm Data Owners Group which includes iVPD quality assurance compliance rates and discussion on the need to complete the checks.

The quality assurance framework is designed to ensure that each division reviews a pre-determined number of Concern Reports according to their throughput. The number of reports generated for each division is set to provide a national confidence level of 95%.

VPD is a web based databased which is found on the Police Scotland intranet home page under tools and applications. Users are automatically logged in to the application using their network login details. Users are given specific permissions to access the system and are permitted to create and / or search for nominal details held on iVPD depending on the access level granted. Any person who accesses iVPD without permission will be denied access.

Access will not be granted to iVPD unless the mandatory training associated with the application has been completed. All users must complete the requisite training modules which can be found via the iVPD Training section of the iVPD mini site published on the force intranet. There are four training modules. Modules 1 and 2 are required to be completed to be granted access to the system, and modules 3 and 4 are for Supervisors and Public Protection Unit.

The Concern Hubs are responsible for managing user permissions within their local divisions, this includes, adding, removing and editing rights. NRAC took a decision to focus access right reviews on the two biggest risk areas - those with admin rights and the enhanced officer role. A report of users is sent out quarterly by the Data Governance teams to the divisions with admin and enhanced user role listings for the divisions to review and update access rights within iVPD accordingly.

Only Concern Hub staff should physically share a Concern Report with an external partner via Egress. It is recognised that other specialist officers and functions can support the decision to share (or not share) a Concern Report, however the use of Public Task to support information sharing is predicated on the specialist role and training of Concern Hub staff.

iVPD shows who a concern report has been shared with, when it was shared, and the concern report shared. The incident will also record whether there was a need to share/decision taken on why a concern report was possibly not shared.

Weeding rules are built into the system based on the vulnerability type and risk, as defined within the records retention SOP. Nightly jobs are run within the system that weed/delete the files from the system where the retention period has expired.

The concern hubs update data for an incident or nominal as required based on their investigations or push the incident form back to the officer and supervisor for more information to be added within the system. Subsequent police interactions with nominals are a key opportunity for nominal information, such as contact details to be updated, based on the interactions and investigations at the time of the incident.

For data changes requested by the data subjects these are initially handled by the information assurance unit. Legislation allows for members of the public to exercise rights by submitting a force form which is held online and at the local police divisions, emails can also be submitted. The requests are tracked within SharePoint, and note key dates, and the system the request relates to.

For each request an investigating officer from information assurance would review, collate background information and interact with the requester. All interactions are recorded within the backup evidence folder. Once a conclusion is made communication is made to the member of the public. If an alteration is required to the nominal data, a request is made by information assurance to the respective division concern hub for the change to be made.



# APPENDIX I: BACKGROUND

## iVPD

At the time of the audit around 400 out of 900,000 nominals were flagged as potential duplicates. Staff within the Concern Hub are responsible for assessing and merging duplicate nominals found within iVPD which have not been automatically merged, utilising the specifically developed Power BI Potential Duplicates Dashboard reports. It is currently the responsibility for the concern hubs to conduct checks and to address potential duplicate nominals. Unless there is a child protection flag, in which case NRAC are required to conduct the edits.

Development teams within Digital are responsible for making system changes. The process requires a release candidate to be developed that goes into a test environment. This is required to be tested by the test team who will report defects, which would be remediated by the digital team. Once the issues are addressed the product is deployed for user acceptance testing - for iVPD this would include the NRAC team and other business users. The user acceptance testing is required to be completed and once done an involved request for change must be completed and submitted to a change panel for approval. An application qualification form is completed which details the testing completed, this form is required to be signed off by the project manager.

Officers are required to read an aide memoire which details that information will be recorded on police systems and may be shared with third parties. Within iVPD officers are required to record whether the information was read, and the views from the nominals. It is not always possible to seek individuals' views on the fact that their data will be shared for example due to the individuals being violent, intoxicated, in danger - any reasons for not sought views must be recorded within iVPD.



## APPENDIX II: DEFINITIONS

LEVEL OF ASSURANCE	DESIGN OF INTERNAL CONTROL FRAMEWORK		OPERATIONAL EFFECTIVENESS OF CONTROLS	
	FINDINGS FROM REVIEW	DESIGN OPINION	FINDINGS FROM REVIEW	EFFECTIVENESS OPINION
<b>SUBSTANTIAL</b>	Appropriate procedures and controls in place to mitigate the key risks.	There is a sound system of internal control designed to achieve system objectives.	No, or only minor, exceptions found in testing of the procedures and controls.	The controls that are in place are being consistently applied.
<b>MODERATE</b>	In the main there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective.	Generally, a sound system of internal control designed to achieve system objectives with some exceptions.	A small number of exceptions found in testing of the procedures and controls.	Evidence of non-compliance with some controls, that may put some of the system objectives at risk.
<b>LIMITED</b>	A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address in-year.	System of internal controls is weakened with system objectives at risk of not being achieved.	A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts should be made to address in-year.	Non-compliance with key procedures and controls places the system objectives at risk.
<b>NO</b>	For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Poor system of internal control.	Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Non-compliance and/or compliance with inadequate controls.

### RECOMMENDATION SIGNIFICANCE

<b>HIGH</b>	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.
<b>MEDIUM</b>	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.
<b>LOW</b>	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.
<b>ADVISORY</b>	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 III: TERMS OF REFERENCE

## EXTRACT FROM TERMS OF REFERENCE

### PURPOSE

The purpose of this review is to provide management and the Audit, Risk and Assurance Committee with assurance over the design and operational effectiveness of the key high level electronic data retention controls in place focussing on policies and procedures, training and management oversight organisation wide, and to assess specifically whether controls and processes regarding iVPD are well designed, and issues are appropriately controlled.

An additional aim is to provide management with comfort around the process of entering individuals onto the iVPD system, retention periods, rule compliance, data subject awareness, lawful basis and information sharing.

### KEY RISKS

#### ELECTRONIC DATA RETENTION

1. Inappropriate actions may be taken by staff in handling electronic data retention due to there being a lack of a robust electronic data retention policy and roles and responsibilities documented, resulting in regulatory action or reputation damage to the organisation.
2. Staff may not have the required knowledge regarding electronic data retention due to there being no training on these topics or incorporation within the new start induction process.
3. Inappropriate actions are taken by management in relation to electronic data retention matters due to there not being a clear governance structure in place for delivering and reporting on electronic data retention matters.

#### iVPD

1. Inappropriate actions are taken by staff when using iVPD due to there being a lack of a consistent approach or policies and procedures in place for recording, sharing and weeding data within the system.
2. Issues within the iVPD processes are not identified due to there being a lack of oversight controls being in place, for example spot checking of data recording, sharing and retention period compliance.
3. Personnel may have inappropriate access to the data within iVPD due to the organisations not having appropriate technical controls in place to manage, remove and review user access to the system.
4. Staff that utilise iVPD may not have the required knowledge regarding the processes to be followed due to there being no training on these topics or incorporation within the new start induction process.
5. Failure to share vulnerable persons data to third parties in line with data sharing agreements, resulting in harm to the vulnerable person or a lack of supportive action being taken.
6. The quality of data within iVPD is poor due to it being recorded inaccurately or nominal persons information not being updated to reflect changes, for example to addresses.
7. Unapproved or tested system changes are made to iVPD, resulting in functionality issues.
8. Vulnerable persons are unaware that their data is being recorded within a database or the rights that they have due to there being insufficient guidance or communication from the police at the time of an incident or information gathering.

#### GENERAL

1. Data can be moved or replicated outside of the organisation's system of control and therefore result in breach of data protection requirements.



## APPENDIX IV: STAFF 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.

SCOTTISH POLICE AUTHORITY		
SCOTT ROSS	HEAD OF CHANGE AND OPERATIONAL SCRUTINY	KEY CONTACT
LINDSAY DAVIE	INFORMATION MANAGEMENT LEAD	KEY CONTACT
POLICE SCOTLAND		
STEPHEN GRIMASON	DETECTIVE CHIEF INSPECTOR	KEY CONTACT
GILLIAN MURDOCH	DETECTIVE INSPECTOR	KEY CONTACT
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# APPENDIX V: LIMITATIONS AND RESPONSIBILITIES

## MANAGEMENT RESPONSIBILITIES

The Board is responsible for determining the scope of internal audit work, and for deciding the action to be taken on the outcome of our findings from our work.

The Board is responsible for ensuring the internal audit function has:

- The support of the Association's management team.
- Direct access and freedom to report to senior management, including the Chair of the Audit Risk and Assurance Committee.
- The Board is responsible for the establishment and proper operation of a system of internal control, including proper accounting records and other management information suitable for running the Association.

Internal controls covers the whole system of controls, financial and otherwise, established by the Board in order to carry on the business of the Association in an orderly and efficient manner, ensure adherence to management policies, safeguard the assets and secure as far as possible the completeness and accuracy of the records. The individual components of an internal control system are known as 'controls' or 'internal controls'.

The Board is responsible for risk management in the organisation, and for deciding the action to be taken on the outcome of any findings from our work. The identification of risks and the strategies put in place to deal with identified risks remain the sole responsibility of the Board.

## LIMITATIONS

The scope of the review is limited to the areas documented under Appendix III - terms of reference. All other areas are considered outside of the scope of this review.

Our work is inherently limited by the honest representation of those interviewed as part of colleagues interviewed as part of the review. Our work and conclusion is subject to sampling risk, which means that our work may not be representative of the full population.

Internal control systems, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgment in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

Our assessment of controls is for the period specified only. Historic evaluation of effectiveness may not be relevant to future periods due to the risk that: the design of controls may become inadequate because of changes in operating environment, law, regulation or other; or the degree of compliance with policies and procedures may deteriorate.

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SCOTTISH POLICE  
AUTHORITY & POLICE  
SCOTLAND

INVESTMENT PRIORITISATION -  
FINAL

MARCH 2024

LEVEL OF ASSURANCE:

DESIGN LIMITED

EFFECTIVENESS LIMITED

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## RESTRICTIONS OF USE

The matters raised in this report are only those which came to our attention during 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.

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## REPORT STATUS

LEAD AUDITOR(S):	TOM O'HARA & SEAN MORRISON
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DRAFT REPORT ISSUED:	22 DECEMBER 2023
MANAGEMENT RESPONSES RECEIVED:	11 MARCH 2024
FINAL REPORT ISSUED:	14 MARCH 2024



# EXECUTIVE SUMMARY

LEVEL OF ASSURANCE: (SEE APPENDIX II FOR DEFINITIONS)		
DESIGN	Limited	System of internal controls is weakened with system objectives at risk of not being achieved.
EFFECTIVENESS	Limited	Non-compliance with key procedures and controls places the system objectives at risk.

SUMMARY OF FINDINGS (SEE APPENDIX II)		
H	2	
M	3	
L	1	
TOTAL NUMBER OF FINDINGS: 6		

## BACKGROUND (See Detailed Background in Appendix I)

It was agreed with management and the Audit, Risk and Assurance Committee as part of the 2023-24 internal audit plan that Internal Audit would undertake a review of the investment prioritisation and budget setting processes.

### Investment Prioritisation:

Under-pinning the budget setting process is investment prioritisation. This is fundamental in determining the allocation of all capital and Reform funding (transformational funding) across Police Scotland’s (PS) activities. It must consider Business as Usual (BAU) expenditure, as well as allocating funding and resources for the ongoing multi-year change portfolios.

Capital and reform projects can impact all resources at the disposal of the organisation, through budget consumption and allocation of staff, and in particular subject matter expert resource, and must be prioritised in the most effective way to contribute towards the organisation's strategic objectives.

The Capital Investment Group (CIG) considers all Capital & Reform bids from across the organisation and then allocates funding to agreed priorities in line with the strategic objectives of the organisation. For example, investment spend for capital and reform projects are required to contribute to a number of measures including risk reduction, operational efficiency, service delivery and sustainability.

At the time of the audit there were around 13 Programmes and circa 50 projects ongoing. The proposed allocation is then considered by the Tier one Corporate Finance & People Board (CFPB) co-chaired by the DCO Corporate Support and the DCC Local Policing before submission to the Strategic Leadership Board (SLB) at PS.

Portfolio spend and change requests are reviewed monthly by the Finance and the Change Board. RAG reports are used to monitor the associated project and spend performance.

Once the SLB has approved the allocation, budget and investment prioritisation proposals are then submitted to the SPA - firstly the Resources Committee and then the SPA Main Board for final review and approval.

Once approved, budgets are allocated to budget holders. For Change Portfolios Senior Responsible Officers (SROs) are accountable for managing the spend of the budget in line with agreed parameters or in line with the agreed individual Business Cases.

### Change Portfolio:

The change portfolio, which covers all transformational activity such as system implementation, automation of processes, and modernisation of policing, is overseen and managed by the Tier One Change Board Co-Chaired by the DCO Corporate Support & the DCC Crime & Operational Support.

Transformational activity is typically multi-year. For these transformational Programmes/Projects, business case is required to be developed which outlines the strategic alignment, ambition and benefits which it achieves. These are then required to go through the governance channels, such as Change Board and SPA Resources Committee, for review and approval, which includes consideration of the organisational capacity to deliver.



# EXECUTIVE SUMMARY

## BACKGROUND (continued)

### Core Budget Setting:

Budgets are set on an annual basis and are re-forecast and reviewed quarterly. The 2023/24 budget contained £1,328.2m for revenue costs, which includes police officer and staff pay costs, £53m for capital and £25m for reform expenditure.

The Scottish Police Authority (SPA) has a legal obligation to provide details of how it intends to allocate the financial resources it expects to have available to achieve its objectives. This information is presented within the SPA budget, which is required to be reviewed and approved at the Authority meeting in the March prior to new financial year. Scenario plans are required to be developed, presented and discussed with the SPA Budget Development Group.

In August 2023, a refreshed five-year capital strategy was introduced, to aid and align the budget setting and investment prioritisation process with the strategic aims of the organisation. This is used to further enhance the capital spending process and provides a bridge between the respective business area strategies, and the capital investment decision making process, through to the overarching policing strategy.

The capital strategy provides a basis for planned capital spend, to ensure that budgeted and committed spend is spent, and where it is not going to be spent, that it is appropriately re-allocated in line with organisational priorities and needs.

Portfolio spend and change requests are reviewed monthly by the Finance and the Change Board. RAG reports are used to monitor the associated project and spend performance.

Financial masterclasses, covering budget management, are run by Finance for the budget managers. Finance Business Partners are allocated to functions to support on an ongoing basis through the monthly reviews, as well as ad hoc queries.

## SCOPE

The review covered the investment governance framework, governance and processes in place. The review also assessed the processes for developing, monitoring and re-forecasting the annual budget. The risks scoped within the review are detailed in Appendix III which is an extract from the agreed terms of reference.

## PURPOSE

The purpose of this review was to provide management and the Audit, Risk and Assurance Committee, with assurance over the design and operational effectiveness of the business case and investment prioritisation controls as well as the key budget setting processes in place, and to assess whether controls and processes regarding investment prioritisation and budget setting are well designed and operating effectively.

## CONCLUSION

We can provide limited assurance over the design and operational effectiveness of the organisation's investment prioritisation processes. The budget setting process is well understood and controlled; the investment prioritisation process lacks the transparency we would expect to see for such a fundamental public spending stream.

Six findings have been raised, with two rated as high, three as medium and one as low. Key themes include:

- Minuting of the CIG meetings for increased transparency of decision making, project documentation, and impact analysis of key investment prioritisation decision making.
- Introduction of mandatory budget holder financial training.

OUR TESTING DID NOT IDENTIFY ANY CONCERNS SURROUNDING THE CONTROLS IN PLACE TO MITIGATE THE FOLLOWING RISKS:

- ✓ Budget re-forecasts may not be carried out on a regular basis to reflect changes which may occur to plans, or to predict the out-turn where expenditure in some areas differs from expectations resulting in management making uninformed decisions, or strategic objectives and budgets not being achieved.
- ✓ The finance system is not effectively used to manage budgets and capital and reform spend on projects, resulting in uninformed management decisions being made due to ineffective performance reports being produced.
- ✓ Inappropriate actions may be taken by staff regarding developing budgets due to there being a lack of robust budget setting policies, procedures and roles and responsibilities documented, resulting in financial damage to the organisation.
- ✓ Allocated budgets are not sufficiently spent resulting in an opportunity cost of other organisation priority areas not being invested in.





# EXECUTIVE SUMMARY

## SUMMARY OF GOOD PRACTICE

During the course of our review, we identified a number of areas of good practice:

- ▶ The Budget Strategy outlines the general approach to the budget process, the high-level roles and responsibilities of staff and governance bodies and the proposed timeline for the development and approval of the budget.
- ▶ The annual budget goes through a number of approval steps, including the Corporate Finance & People Board (CFPB), Scottish Police Authority Resources Committee (RC) and Strategic Leadership Board (SLB), and the Scottish Police Authority Board.
- ▶ Each year a lessons learnt, and budget holder feedback process is completed by Finance, and the actions and results from this assessment are used to inform improvements in the subsequent budget setting undertaking.
- ▶ The budgets are reviewed on an ongoing basis, with quarterly re-forecasting and monthly scrutiny provided during the finance business partner and budget holder meetings. Some business areas, such as Digital, also have formal Finance Boards which meet monthly and have attendees from the business area, finance and procurement to scrutinise the budgets and committed spend.
- ▶ To aid budget holders the Finance team have started running 'finance for non-finance manager' training throughout 2022 and 2023.
- ▶ The investment governance framework outlines a clear governance and submission process for all capital and reform projects.

## SUMMARY OF FINDINGS

Notwithstanding the area of good practice identified, we identified the following opportunities for improvement, which are summarised below:

### Investment Prioritisation:

- ▶ **Capital Investment Group Documentation** - The Capital Investment Group (CIG) proposes the annual capital and transformation spend programmes for approval by the Corporate Finance and People Board, and at SPA during the budget development process. However, no formal minutes are taken for the CIG and actions/notes from the meetings are inconsistently prepared. Therefore, Internal Audit were unable to identify and assess the consistent application of investment prioritisation considerations and decisions made by the CIG. There is a risk that CIG decisions are not effectively documented, resulting in a lack of transparency and objectivity in its approach to assessing investment priorities against strategic objectives, required service improvements and value for money.

- ▶ **Impact Analysis** - Impact analysis is performed to ensure that investment decisions are will drive the perceived value aligned to their overarching objective. This was undertaken on each of the projects on an individual basis (i.e. when considering the benefits, costs, risks, interdependencies and alignment to strategic priorities), however, inadequate impact analysis was documented for the effect of funding the project with reference to other in-flight projects or projects in the pipeline. This was identified with reference to the CIG, where Internal Audit found that no investment prioritisation matrix or framework is used to guide decision making. This is despite other matrices being used by individual budget areas in advance of preparing capital funding submissions and the Change Board. There is a risk that investment prioritisation decisions are not being approached or documented consistently by the CIG, resulting in an ineffective assessment of the strategic, financial and operational consequences of decisions made.
- ▶ **Investment Prioritisation Process Document** - The Investment Governance Framework outlines the process for proposing, reviewing and approving business cases required before a project can be allocated spend. However, it does not include reference to the process for determining and prioritising investment opportunities throughout the year, allocating capital and transformation spend to projects and managing project pipelines. There is a risk that the process for prioritising investment across business-as-usual, capital, and reform spend is not effectively documented for staff, resulting in financial damage due to staff misunderstanding or failing to discharge their responsibilities with an organisation prioritisation mindset.
- ▶ **Investment Prioritisation Training** - Finance for non-finance managers training is in place to cover investment core elements of the budget setting process. There is an opportunity to expand the coverage to include the investment prioritisation process, including roles and responsibilities and overarching governance. There is a risk that ineffective investment prioritisation training is provided to staff, resulting in staff not understanding or discharging their investment prioritisation responsibilities effectively.

(continued overleaf)



# EXECUTIVE SUMMARY

## SUMMARY OF FINDINGS (continued)

- ▶ **Investment Project Approvals** - In line with the investment governance process, project related investments should receive appropriate review and approval to ensure that investments align with strategic objectives, are deliverable and are affordable. From a total of 50 ongoing project investments in the year, a sample of five were selected to determine whether the correct process was being followed and could be evidenced. Internal audit found that evidence was not available consistently across the projects to verify full completion of the process. For three there was either a Full Business Case or Initial Business Case which did not note the project Board or Programme Board approval. In all cases final approval could be seen at Change Board and SPA Resource Committee. Detailed exceptions are noted on slide 14. There is a risk that business cases are not being reviewed and approved in accordance with the process outlined in the Investment Governance Framework, and consequently do not align with strategic objectives, or are not deliverable or affordable.

### Budget Setting:


- ▶ **Budget Holder Finance Training** - The Finance Team run training for budget holders, named finance for non-finance managers. It has been run on numerous occasions and recorded on SCOPE. However, there is no mandatory requirement for budget holders to attend the course, with the responsibility for identifying suitable candidates for the training delegated to individual departments and business areas. In addition, there is no requirement for staff to attend the training as a refresher. There is a risk that budget holders are not being provided with regular and effective budget training, resulting in budget holders not discharging their responsibilities effectively.

# DETAILED FINDINGS - INVESTMENT PRIORITISATION



## DETAILED FINDINGS


**RISK: INAPPROPRIATE ACTIONS ARE TAKEN BY MANAGEMENT IN RELATION TO BUDGETING DECISIONS DUE TO THERE NOT BEING A CLEAR GOVERNANCE STRUCTURE IN PLACE FOR DELIVERING AND REPORTING ON BUDGET PERFORMANCE AND INVESTMENT PRIORITISATION, RESULTING IN BUDGETS NOT BEING DELIVERED.**

FINDING 1 - CAPITAL INVESTMENT GROUP DOCUMENTATION			TYPE
<p>It is important that a robust governance structure is in place to review and approve budget allocations and that decisions are effectively documented to ensure a transparent and objective assessment of investment priorities is undertaken.</p> <p>The Capital Investment Group (CIG) is to provide appropriate governance and challenge within Police Scotland over the development and effective management of the capital budget and support the delivery of Best Value through the effective use of resources, asset management and strong procurement practices. The group also makes decisions relating to budget over-spend and approves the annual capital programme for the Corporate Finance and People Board.</p> <p>The CIG proposes the annual capital and transformation spend programmes for approval by the Corporate Finance and People Board, and at SPA during the budget development process. However, no formal minutes are taken for the CIG and actions/notes from the meetings are inconsistently prepared. Therefore, Internal Audit were unable to identify and assess the consistent application of investment prioritisation considerations and decisions made by the CIG.</p> <p>Internal audit note that there were meeting notes from the January 2023 meeting and a decisions and actions document produced from the September 2023 meeting. Within these documents there is information and updates on capital and reform budget figures, slippage management and decisions, project updates, dependent projects, business case updates and challenge.</p>			EFFECTIVENESS  
IMPLICATION			SIGNIFICANCE
There is a risk that CIG decisions are not effectively documented, resulting in a lack of transparency and objectivity in its approach to assessing investment priorities against strategic objectives, required service improvements and value for money.			HIGH
RECOMMENDATIONS	ACTION OWNER	MANAGEMENT RESPONSE	COMPLETION DATE
1. We recommend that formal minutes are taken for each CIG meeting, with any actions or decisions agreed formally noted. A standard item agenda should be maintained and issued to attendees in advance of each meeting, which should include an action log which is updated at each meeting.	Patrick Brown, Head of Finance	Agreed and the governance of CIG has already strengthened through the 2024/25 budget settings. Agendas, detailed papers and minutes.	31/03/2024 (Complete)
2. We recommend that to enhance transparency of decisions being made that the CIG minutes and actions are presented up the governance chain to the CFPB or SPA Resource Committee.	Patrick Brown, Head of Finance	The DCCs are part of the CIG and have sight of the decisions made. A summary slide of the final decisions are included in the budget paper that is presented to CFPB, SLB, SPA Resources and full board. In addition through the SPA budget development group we will share the detail informally.	31/03/2024 (Complete)
3. In conjunction with our recommendation for finding 7, an investment prioritisation matrix/framework should be utilised at Capital Investment Group meetings to assist in determining the allocation of capital and reform spend for each annual budget.	Patrick Brown, Head of Finance	We have strategies that underpin the capital investment prioritisation and the capital priorities are set out in the CIG Papers.	31/03/2023 (Complete)



## DETAILED FINDINGS


### RISK: BUDGET PRIORITISATION IMPACTS ARE NOT FULLY CONSIDERED RESULTING IN A NEGATIVE IMPACT ON STAFF WELLBEING, QUALITY OF POLICING AND ESTATES DETERIORATION.

FINDING 2 - IMPACT ANALYSIS			TYPE
<p>It is important that an effective and consistent approach is used when prioritising investment spend to ensure that all prospective investments are considered against a wide range of strategic, financial and operational factors.</p> <p>The Capital Investment Group (CIG) is to provide appropriate governance and challenge within Police Scotland over the development and effective management of the capital budget and support the delivery of Best Value through the effective use of resources, asset management and strong procurement practices. The group also makes decisions relating to budget over-spend and approves the annual capital programme for the Corporate Finance and People Board.</p> <p>Internal Audit identified that while sufficient investment prioritisation impact analysis was undertaken on each of the projects on an individual basis (i.e. when considering the benefits, costs, risks, interdependencies and alignment to strategic priorities), inadequate impact analysis was documented for the effect of funding the project with reference to other in-flight projects or projects in the pipeline.</p> <p>This was identified with particular reference to the CIG, where Internal Audit found that no investment prioritisation matrix or framework could be verified to determine whether it is utilised in decision making made by this senior group. This is despite other matrices being used by individual budget areas in advance of preparing capital funding submissions, and by the Change Board in relation to assessing project pausing or commencement.</p>			DESIGN  
<b>IMPLICATION</b>			<b>SIGNIFICANCE</b>
There is a risk that investment prioritisation decisions are not being approached or documented consistently by the CIG, resulting in an ineffective assessment of the strategic, financial and operational consequences of decisions made.			<b>HIGH</b>
RECOMMENDATIONS	ACTION OWNER	MANAGEMENT RESPONSE	COMPLETION DATE
1. We recommend that a consistent investment prioritisation impact analysis framework is developed and implemented to assist CIG decisions on capital and reform spend allocations. The framework should assign each project a weighted score against the following factors: <ul style="list-style-type: none"> <li>• Deliverability</li> <li>• Financial benefits</li> <li>• Expected efficiency savings and operational improvements</li> <li>• Alignment to strategic objectives (Joint Policing Plan or subsidiary strategy)</li> <li>• Impact on service delivery</li> <li>• Staff wellbeing</li> </ul>	Patrick Brown, Head of Finance	We will consider the value in allocating a weighted score on assessment however we have strategies that underpin the capital investment prioritisation and the capital priorities are set out in the CIG Papers. We will review and consider for the capital budget setting for 2024/25.	31/12/2024
2. In conjunction with the recommendation outlined in finding 5, formal minutes should be taken for the CIG, which should include a record of the ranking each prospective investment was awarded using the framework.	Patrick Brown, Head of Finance	Agreed and the governance of CIG has already strengthened through the 2024/25 budget settings. Agendas, detailed papers and minutes.	31/03/2024 (Complete)



## DETAILED FINDINGS


**RISK: INAPPROPRIATE ACTIONS ARE TAKEN BY STAFF REGARDING INVESTMENT PRIORITISATION SPEND DECISIONS DUE TO THERE BEING A LACK OF ROBUST BUDGET SETTING AND PRIORITISATION POLICIES, PROCEDURES AND ROLES AND RESPONSIBILITIES DOCUMENTED, RESULTING IN FINANCIAL DAMAGE TO THE ORGANISATION**

FINDING 3 - INVESTMENT PRIORITISATION PROCESS DOCUMENTATION			TYPE
<p>It is important that investment prioritisation processes are effectively documented to ensure that staff can seek guidance to effectively discharge their responsibilities.</p> <p>Internal Audit identified that while the Investment Governance Framework effectively outlines the process for proposing, reviewing and approving business cases prior to a project being allocated spend, it does not outline the process for determining and prioritising investment opportunities throughout the year, allocating capital and transformation spend to projects, and managing project pipelines. Internal Audit did not identify any other document that outlined this process.</p>			DESIGN 
<b>IMPLICATION</b>			<b>SIGNIFICANCE</b>
<p>There is a risk that the process for prioritising investment across business-as-usual, capital, and reform spend is not effectively documented for staff, resulting in financial damage due to staff misunderstanding or failing to discharge their responsibilities with an organisation prioritisation mindset.</p>			MEDIUM
RECOMMENDATIONS	ACTION OWNER	MANAGEMENT RESPONSE	COMPLETION DATE
<p>1. We recommend that the Investment Governance Framework is updated to outline the process for prioritising approved projects for spend allocation following the initial project approvals. In addition, the framework should also document the governance and review process for allocating capital and reform spend as part of the annual budgeting process.</p>	<p>Portfolio Management Office (PMO) Manager</p>	<p>Management accept the recommendation.</p> <p>The IGF will be updated to provide a high-level overview of the annual budgeting process.</p>	<p>31/10/2024</p>



## DETAILED FINDINGS


**RISK: STAFF MAY NOT HAVE THE REQUIRED KNOWLEDGE REGARDING THE INVESTMENT PRIORITISATION PROCESS TO BE FOLLOWED DUE TO THERE BEING NO TRAINING ON THESE TOPICS OR INCORPORATION WITHIN THE NEW START INDUCTION PROCESS**

FINDING 4 - INVESTMENT PRIORITISATION TRAINING			TYPE
<p>It is important that staff are provided with effective guidance and training to ensure that they understand and effectively discharge their responsibilities in relation to investment prioritisation.</p> <p>The Finance for Non-Finance Managers training materials do not outline the investment prioritisation process in place at Police Scotland. It did not, for example, include an overview of the responsibilities of budget holders in relation to investment prioritisation or an outline of the investment governance processes in place, such as the role of the Capital Investment Group or Change Board in determining capital and transformation spend allocations during the annual budgeting process.</p>			<p>DESIGN &amp; EFFECTIVENESS</p> 
IMPLICATION			SIGNIFICANCE
<p>There is a risk that ineffective investment prioritisation training is provided to staff, resulting in staff not understanding or discharging their investment prioritisation responsibilities effectively.</p>			MEDIUM
RECOMMENDATIONS	ACTION OWNER	MANAGEMENT RESPONSE	COMPLETION DATE
<p>1. We recommend that the Finance for Non-Finance Managers training session is updated or a new session is developed to include an investment governance and prioritisation section. This section should outline the roles and responsibilities of individual budget holders in relation to investment prioritisation, and the role of the Capital Investment Group and Change Board in determining capital and transformation spend allocations during the annual budgeting process.</p>	<p>Patrick Brown, Head of Finance</p>	<p>We continually review the contents of the finance for non-finance managers course however detailed training on capital is not a core requirement for the whole business as capital spending is limited to very few areas. We will consider the approach but expect that we will not add significant capital training in given the specialist nature.</p>	<p>30/06/2024</p>



## DETAILED FINDINGS

**RISK: INAPPROPRIATE ACTIONS ARE TAKEN BY STAFF WHEN MAKING INVESTMENT PRIORITISATION DECISIONS DUE TO THERE BEING A LACK OF A CONSISTENT APPROACH FOR POLICIES AND PROCEDURES IN PLACE FOR ASSESSING AFFORDABILITY AND PRIORITISING SPEND IMPACTING BUDGET DELIVERABILITY.**

FINDING 5 - INVESTMENT PROJECT APPROVALS			TYPE
<p>It is important that prospective investments receive appropriate review and approval to ensure that investments align with strategic objectives, are deliverable and are affordable.</p> <p>Internal Audit selected a sample of five transformation projects from a population of 50 from Police Scotland's current portfolio to determine whether business spend cases receive appropriate review and approval, monitoring and oversight as outlined in the Investment Governance Framework. Internal Audit identified the following discrepancies:</p> <ol style="list-style-type: none"> <li>1. In one instance, records of approval for the relevant project board and programme board were not documented in the Full Business Case or the Initial Business Case for the transformation project. Internal audit note that Change Board and SPA Resource Committee approval evidence was available.</li> <li>2. In two instance, records of approval for the relevant project board and programme board were not documented in the Initial Business Case for one transformation project and not documented in the Full Business Case for the other project. Internal audit note that the Change Board and SPA Resource Committee approval evidence was available.</li> </ol> <p>Internal audit note that throughout the project governance lifecycle there were different cases of approval evidence. However, the discrepancies above do note that the full governance approval process could not be followed.</p>			<p>EFFECTIVENESS</p> 
<p><b>IMPLICATION</b></p> <p>There is a risk that business cases are not being reviewed and approved in accordance with the process outlined in the Investment Governance Framework, and consequently do not align with strategic objectives, or are not deliverable or affordable.</p>			<p>SIGNIFICANCE</p> <p>MEDIUM</p>
RECOMMENDATIONS	ACTION OWNER	MANAGEMENT RESPONSE	COMPLETION DATE
<p>1. We recommend that the Portfolio Assurance Team review all Initial and Full Business Cases to ensure that evidence of each governing body's review and approval is available and is recorded on each business case prior to being presented at the Change Board.</p>	<p>Head of Portfolio Assurance</p>	<p>Management accept the recommendation. Portfolio Assurance will ensure as part of their review of documentation that all approvals are fully documented.</p>	<p>31/10/2024</p>
<p>2. We also recommend that the Portfolio Management Office (PMO) retain all evidence and minutes of governing bodies review and approval of business cases throughout the investment governance process.</p>	<p>PMO Manager</p>	<p>Management accept the recommendation. PMO will ensure all relevant documentation is retained of documentation that all approvals are fully documented.</p>	<p>31/10/2024</p>




# DETAILED FINDINGS - CORE BUDGET SETTING



## DETAILED FINDINGS

**RISK: STAFF MAY NOT HAVE THE REQUIRED KNOWLEDGE REGARDING THE BUDGET SETTING PROCESS TO BE FOLLOWED DUE TO THERE BEING NO TRAINING ON THESE TOPICS OR INCORPORATION WITHIN THE NEW START INDUCTION PROCESS**

FINDING 6 - BUDGET HOLDER FINANCE TRAINING			TYPE
<p>It is important that effective and regular budget training is provided to staff to ensure that staff are familiar with the budgeting process, financial priorities, and are able to discharge their responsibilities as budget holders effectively.</p> <p>Internal Audit identified that the Finance Team have developed an in-house training session for budget holders, finance for non-finance managers. The finance for non-finance training session has been presented on several occasions throughout 2022 and 2023, with attendance recorded on SCOPE.</p> <p>However, there is no mandatory requirements for staff to attend the course, with the responsibility for identifying suitable candidates for the training delegated to individual departments and business areas. In addition, there is no requirements for staff to attend the training as a refresher.</p>			<p>DESIGN &amp; EFFECTIVENESS</p> 
IMPLICATION			SIGNIFICANCE
<p>There is a risk that budget holders are not being provided with regular and effective budget training, resulting in budget holders not discharging their responsibilities effectively.</p>			LOW
RECOMMENDATIONS	ACTION OWNER	MANAGEMENT RESPONSE	COMPLETION DATE
<p>1. We recommend that Police Scotland consider making the Finance for Non-Finance Managers training session a mandatory requirement for staff newly promoted to posts with budget holder responsibilities and budget holders recruited from external organisations.</p>	Patrick Brown, Head of Finance	We are actively reviewing the finance training provided to Chief Superintendents (budget holders) and will consider the mandatory nature as part of this review.	30/06/2024
<p>2. We also recommend that Police Scotland consider the introduction of a mandatory refresh period, whereby staff are required to complete the training or supporting finance training again after an appropriate period of time has elapsed since they last completed finance training.</p>	Patrick Brown, Head of Finance	We are actively reviewing the finance training provided to Chief Superintendents (budget holders) and will consider the mandatory nature as part of this review.	30/06/2024

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# OBSERVATIONS



# OBSERVATIONS

- ▶ **eFinancials** - During the course of the review, Internal Audit were advised that Police Scotland's finance system, eFinancials, has not been upgraded for two years, which has resulted in the current version being unsupported by the system provider. Internal Audit note that Police Scotland have been actively trying to obtain digital resource to facilitate the system upgrade in recent years and have been informed by management that a project is in progress to upgrade eFinancials to the current version by the summer of 2024.
- ▶ **Potential Project Programme** - Internal Audit conducted a sample test of five transformation projects from Police Scotland's current portfolio to determine whether business cases received appropriate review and approval, monitoring and oversight, and that financial performance is monitored throughout project delivery. In one instance, there was no Potential Project Assessment completed for a transformation project as it was defined as a potential programme in the first instance and went through alternative governance channels, being reviewed by the Portfolio Management Group. A Business Justification Case was then completed and presented to the Demand Management Board and Change Board in line with the process outlined in the Investment Governance Framework.
- ▶ **Potential Project Assessments** - Internal Audit conducted a sample test of five transformation projects from Police Scotland's current portfolio to determine whether business cases received appropriate review and approval, monitoring and oversight, and that financial performance is monitored throughout project delivery. In two instances, projects sampled had their Potential Project Assessments (PPAs) reviewed and approved in 2017 and 2018 prior to the current Demand Management Board being in place. Consequently, these PPAs were approved verbally in accordance with the previous investment governance process by the previous Director of Change, Head of PMO and Head of Assurance during in-person meetings.
- ▶ **Estates Finance Board Meeting** - Internal Audit were advised that the Estate's Division Finance Board is no longer meeting as a result of significant personnel changes. Internal Audit were advised that Police Scotland were currently reviewing the function and format of the Estate's Division Finance Board and financial oversight going forward.
- ▶ **Digital Strategy** - Internal Audit identified that Police Scotland's Digital strategy which was launched in April 2023 does not include financial or budget assessments for delivering the aims within the strategy. Internal Audit were advised that separate budget assessments were completed for the strategy. There is a risk without having clear financial information within the strategy that it is not clear on the financial requirements needed to deliver the aims and objectives. Internal audit were able to confirm the proposed digital 5-year capital figures within the capital strategy.

# APPENDICES



# APPENDIX I: BACKGROUND

## INVESTMENT PRIORITISATION

It was agreed with management and the Audit, Risk and Assurance Committee as part of the 2023-24 internal audit plan that Internal Audit would undertake a review of the budget setting and investment prioritisation processes.

The 2023/24 budget allocated £55.6m to capital and £29.5m to reform spend. Capital is typically business-as-usual investment spend, such as estate, fleet, IT hardware and police equipment expenditure. Reform spend is transformational activity within Police Scotland's portfolio of approximately 50 multi-year projects across 13 programmes.

The SPA have been over-allocating capital and reform spend in previous years to allow for an agile approach of managing projects in delivery and reduce the risk of spend not being committed by the financial year end. This approach has resulted in more projects being undertaken than resources allow, which will be subsequently be directed through slippage management. The 2023/24 budget initially allocated slippage of £32.1m for capital and £1.4m for reform.

Annual capital and reform spend is allocated to individual capital programmes and transformation projects by the Capital Investment Group (CIG) during the annual budgeting process. The group considers capital funding submissions and transformation proposals from across the organisation and determines an initial and final allocation by February. This allocation is then reviewed and approved by the Corporate Finance & People Board, SPA Resource Committee and SPA Board.

The CIG is responsible for developing the Capital Strategy, the current version of which was approved by SPA Resources Committee in August 2023. The strategy covers 2023-2028 and outlines the organisation's capital spending principles and outlines the role and purpose of the CIG. The strategy identifies key rolling replacement and transformation capital investment areas. Key areas identified include rolling replacement funding of £81.7m for estates, £58.5m for fleet, £75.9m for ICT and transformation funding £137.6m for the Digital Strategy.

The Investment Governance Framework outlines the initiation, review and approval process for prospective change projects. All investment proposals, regardless of value, require a Potential Project Assessment (PPA) to be completed and reviewed by the Portfolio Management Office and Demand Management Board. Where PPA's are of a value less than £1m, a Business Justification Case must then be completed and presented to Portfolio Management Group and Change Board for approval.

Where PPA's are of a value greater than £1m, an Initial Business Case (IBC) is completed and approved by the Portfolio Management Group and Change Board. Once an IBC has been approved, the approval process is repeated for a Full Business Case. Additional approvals required for business cases include the SPA Accountable Officer, SPA RC and Scottish Government depending on value.

The Portfolio Office oversees the investment governance process for PPA's, BJC's and business cases under review. Successful transformation projects are then monitored throughout the year by Programme Board.

Capital expenditure is primarily managed by individual budget areas with support from the Finance Business Partner Team. Individual expenditure and delivery monitoring arrangements are in place across these areas. For example, the Digital Division has a Finance Board that meets monthly, which is attended by senior budget holders, project owners, procurement and Finance Business Partners.

A Capital business-as-usual matrix is available to assist individual budget holders in determining what capital replacement projects should be prioritised each budget cycle. The BAU matrix calculates a weighted score of each project based on cumulative value of several categories, such as deliverability, impact on well-being and service to the public.

The Change Board utilise a change prioritisation matrix to identify reform projects which should continue the investment governance process or be paused. The matrix documents each projects alignment with business priorities, cashable benefits and overall deliverability confidence before providing a recommendation as to whether the project should continue or not.

Change request forms are used to propose amendments to capital and reform spend allocations to projects, such as requests for additional funding. Change Request Forms are completed by staff and are subject to formal review and approval by the relevant Programme Board, the Change Board and finally the SPA RC.



# APPENDIX I: BACKGROUND

## CORE BUDGET SETTING

The annual budget is approved in March by the SPA Board. The 2023/24 budget contained £1,328.2m for revenue costs, which includes police officer and staff pay costs, £53m for capital and £25m for reform expenditure.

The budget development process begins each July, where the Finance Team will prepare pay and non-pay expenditure budget templates and draft the Budget Strategy. The Budget Strategy outlines the general approach of the budget process, the high-level roles and responsibilities of staff and governance bodies and the proposed timeline for the development and approval of the budget. The 2023/24 Budget Strategy is reviewed and approved by the Police Scotland Corporate Finance & People Board (CFPB), Scottish Police Authority Resources Committee (RC) and Strategic Leadership Board (SLB) in August 2022.

Pay and non-pay revenue budget templates are issued to budget holders to construct their budget submissions. Police staff budget templates outline each area's current staff establishment and requires budget holders to confirm any changes, with the exception that no new roles can be requested. Non-pay expenditure templates provide an outline of the prior year's actual vs budgeted spend against each expense code and allows budget holders to input their requested budget for each code. Police officer establishment and costs are determined centrally by Police Scotland's People and Development Board. Budget holder submissions are due in October each year.

The Budget Guidelines are developed by the Finance Team and provided to budget holders alongside their budget submission templates. The guidelines outline the roles and responsibilities of staff, including budget holders, finance business partners and the Chief Financial Officer, and describe the budget development process.

Departments with business-as-usual capital budgets complete separate capital funding budget submissions by October. The Finance Team compile the capital funding submissions and prepare a draft capital budget. The Capital Investment Group review the proposed capital and reform spend allocation and approve an allocation to be included within the draft budget.

The first draft of the budget is presented to the SLB, CFPB and SPA RC across December, January and February for review. Following refinement from the scrutiny of the draft budget and the final confirmation of the value of Scottish Government funding in December, the Finance Team develop a final draft of the budget for the end of February. The Capital Investment Group also determine a final allocation of capital and reform spend in February. The final draft budget is again reviewed by the SLB, CFPB and SPA RC before being given final approval by the SPA Board in March.

A lessons learnt process is undertaken each summer to identify process improvements for the upcoming budget cycle. Feedback is also obtained by Finance Business Partners from budget holders and recorded within an action tracker.

Monthly budget reports are prepared by the Finance Team and formal re-forecasting is completed quarterly and presented to various governance bodies, such as the CFPB and RC. Quarterly forecasting is performed within the finance system, eFinancials. Budget monitoring reports contain a finance dashboard, and a breakdown of actual spend to date against budgeted spend and an expected outturn for revenue per service area and spend type. In addition, actual, budgeted and forecast spend is presented for individual capital and reform programmes.

The Finance Business Partnering Team provide direct support for budget holders. Each partner covers multiple budget holders, with some partners specialising in revenue, capital or reform expenditure. Partners meet with budget holders monthly and will attend each area's finance board, and capital and project board. Finance staff can review actual vs budgeted spend for individual cost centres, account codes and capital and reform projects across multiple periods within eFinancials.

The Finance Team developed a Finance for Non-Finance Managers training session in 2022, which is designed for senior and junior budget holders with minimal finance experience. The training sessions has been held on three occasions throughout 2023. The training covers the SPA's and Police Scotland's funding streams, the budget setting and monitoring process and governance structure, and roles and responsibilities of staff in relation to budget setting. The training has been incorporated within SCOPE, Police Scotland's personnel management system, meaning staff can apply to attend scheduled sessions.



## APPENDIX II: DEFINITIONS

LEVEL OF ASSURANCE	DESIGN OF INTERNAL CONTROL FRAMEWORK		OPERATIONAL EFFECTIVENESS OF CONTROLS	
	FINDINGS FROM REVIEW	DESIGN OPINION	FINDINGS FROM REVIEW	EFFECTIVENESS OPINION
<b>SUBSTANTIAL</b>	Appropriate procedures and controls in place to mitigate the key risks.	There is a sound system of internal control designed to achieve system objectives.	No, or only minor, exceptions found in testing of the procedures and controls.	The controls that are in place are being consistently applied.
<b>MODERATE</b>	In the main there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective.	Generally, a sound system of internal control designed to achieve system objectives with some exceptions.	A small number of exceptions found in testing of the procedures and controls.	Evidence of non-compliance with some controls, that may put some of the system objectives at risk.
<b>LIMITED</b>	A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address in-year.	System of internal controls is weakened with system objectives at risk of not being achieved.	A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts should be made to address in-year.	Non-compliance with key procedures and controls places the system objectives at risk.
<b>NO</b>	For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Poor system of internal control.	Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Non-compliance and/or compliance with inadequate controls.

RECOMMENDATION SIGNIFICANCE	
<b>HIGH</b>	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.
<b>MEDIUM</b>	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.
<b>LOW</b>	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.
<b>ADVISORY</b>	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 III: TERMS OF REFERENCE

### EXTRACT FROM TERMS OF REFERENCE

#### PURPOSE

The purpose of this review is to provide management and the Audit, Risk and Assurance Committee, with assurance over the design and operational effectiveness of the key budget setting and business case and investment prioritisation controls in place, and to assess whether controls and processes regarding budget prioritisation and setting are well designed and operating effectively.

#### KEY RISKS

##### INVESTMENT PRIORITISATION

1. Inappropriate actions may be taken by staff regarding investment prioritisation spend decisions due to there being a lack of robust budget setting and prioritisation policies, procedures and roles and responsibilities documented, resulting in financial damage to the organisation.
2. Staff may not have the required knowledge regarding the investment prioritisation process to be followed due to there being no training on these topics or incorporation within the new start induction process.
3. Inappropriate actions are taken by management in relation to budgeting decisions due to there not being a clear governance structure in place for delivering and reporting on budget performance and investment prioritisation, resulting in budgets not being delivered.
4. Inappropriate actions are taken by staff when making investment prioritisation decisions due to there being a lack of a consistent approach or policies and procedures in place for assessing affordability and prioritising spend impacting budget deliverability.
5. Allocated budgets are not sufficiently spent resulting in an opportunity cost of other organisation priority areas not being invested in.
6. Budget prioritisation impacts are not fully considered resulting in a negative impact on staff wellbeing, quality of policing and estates deterioration.

##### CORE BUDGET SETTING

1. Budgets may be unrealistic, and there may not be clear plans in place which explain how the level of budgeted income and expenditure will be achieved.
2. Budget re-forecasts may not be carried out on a regular basis to reflect changes which may occur to plans, or to predict the out-turn where expenditure in some areas differs from expectations resulting in management making uninformed decisions, or strategic objectives and budgets not being achieved.
3. The finance system is not effectively used to manage budgets and capital and reform spend on projects, resulting in uninformed management decisions being made due to ineffective performance reports being produced.
4. Inappropriate actions may be taken by staff regarding developing budgets due to there being a lack of robust budget setting policies, procedures and roles and responsibilities documented, resulting in financial damage to the organisation.
5. Staff may not have the required knowledge regarding the budget setting process to be followed due to there being no training on these topics or incorporation within the new start induction process.



## APPENDIX IV: STAFF 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.

### SCOTTISH POLICE AUTHORITY

JOHN MCNELLIS	HEAD OF FINANCE, AUDIT & RISK	AUDIT SPONSOR
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### POLICE SCOTLAND

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LYNN BROWN	HEAD OF CORPORATE FINANCE	AUDIT LEAD
MARIA ULLIBARRI	GOVERNANCE MANAGER	AUDIT LEAD
KERRI MACIVER	HEAD OF PORTFOLIO MANAGEMENT	KEY CONTACT
JACQUE SMITH	HEAD OF SERVICE DESIGN	KEY CONTACT
GEMMA WOODS	CAPITAL FINANCE BUSINESS PARTNER	KEY CONTACT
GEMMA DOUGLAS	FINANCE BUSINESS PARTNER	KEY CONTACT
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JUDITH ANDERSON	PORTFOLIO ASSURANCE OFFICER	INTERVIEWEE
GILLIAN BEATTIE	ESTATES PROJECTS & STRATEGIC LEAD	INTERVIEWEE
YVONNE JOHNSTON	ESTATES TRANSFORMATION & CHANGE LEAD	INTERVIEWEE



# APPENDIX V: LIMITATIONS AND RESPONSIBILITIES

## MANAGEMENT RESPONSIBILITIES

The Board is responsible for determining the scope of internal audit work, and for deciding the action to be taken on the outcome of our findings from our work.

The Board is responsible for ensuring the internal audit function has:

- The support of the Association's management team.
- Direct access and freedom to report to senior management, including the Chair of the Audit Committee.
- The Board is responsible for the establishment and proper operation of a system of internal control, including proper accounting records and other management information suitable for running the Association.

Internal controls covers the whole system of controls, financial and otherwise, established by the Board in order to carry on the business of the Association in an orderly and efficient manner, ensure adherence to management policies, safeguard the assets and secure as far as possible the completeness and accuracy of the records. The individual components of an internal control system are known as 'controls' or 'internal controls'.

The Board is responsible for risk management in the organisation, and for deciding the action to be taken on the outcome of any findings from our work. The identification of risks and the strategies put in place to deal with identified risks remain the sole responsibility of the Board.

## LIMITATIONS

The scope of the review is limited to the areas documented under Appendix III - Terms of reference. All other areas are considered outside of the scope of this review.

Our work is inherently limited by the honest representation of those interviewed as part of colleagues interviewed as part of the review. Our work and conclusion is subject to sampling risk, which means that our work may not be representative of the full population.

Internal control systems, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgment in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

Our assessment of controls is for the period specified only. Historic evaluation of effectiveness may not be relevant to future periods due to the risk that: the design of controls may become inadequate because of changes in operating environment, law, regulation or other; or the degree of compliance with policies and procedures may deteriorate.

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POLICE SCOTLAND

# FORCE MIDDLE OFFICE REMODELLING (FMOR) PROJECT ADVISORY REVIEW

February 2024

Final Report for Issue

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**BDO**

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### Restrictions of Use:

The matters raised in this report are only those which came to our attention during 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.

## DISTRIBUTION LIST

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Tim Mairs	ACC Local Policing East
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George Cordiner	Chief Inspector
Members	Audit Committee

## REPORT STATUS

Work performed by:	Claire Robertson Lucy Zhang Joe Reid
Dates work performed:	04 September 2023 - 12 December 2023
Draft Report Issued:	17 January 2024
Management Responses Received:	21 February 2024
<b>Final Report Issued:</b>	<b>29 February 2024</b>



# EXECUTIVE SUMMARY

## Background, Scope, and Approach

### BACKGROUND

It was agreed with management and the Audit, Risk and Assurance Committee as part of the 2023-24 internal audit plan that Internal Audit would undertake a review of the Force Middle Office reform project (FMOR). It was agreed with management when scoping the review, that we would carry out an advisory review on the FMOR project, rather than providing assurance. The purpose of the review was to provide greater visibility and understanding of what happened with the FMOR project and identify learning opportunities to apply to future projects.

During transition from legacy forces to Police Scotland, a blueprint was established for Local Policing Divisions which incorporated supporting units. Divisional Coordination Units were established. These divisions responded to local requirements, demand, and devolved corporate functionality, which resulted in inconsistent practice and line management structures.

FMOR was treated as a project under Transforming Corporate Support Services (TCSS) initially. At Phase two of the project (Target Operating Model Design), the separate project has been granted with formal Project status by Change Board. It was also at this stage that workstreams within the FMOR project were taken and absorbed into the Local Policing Service Delivery Programme and Enabling Policing for the Future project going forward.

The resourcing for the FMOR project approved by the Change Board was 11 members from the organisation to form the Project Team; a Project Manager post (but never fulfilled); two Business Change Analyst and a PC post.

### SCOPE AND APPROACH

The scope of this review was to:

- ▶ Provide a timeline of the force middle office restructure project in its various iterations
- ▶ Establish whether expected benefits were defined and achieved
- ▶ To identify learning opportunities from previous iterations of the middle office restructure project.

Further details of the scope can be found in Appendix IV. This review included engagement with key programme stakeholders (a list of which can be found at Appendix III) and a review of key documentation, to assess whether:

- ▶ **Ownership:** clear ownership had been defined for the FMOR project and its iterations;
- ▶ **Scope Definition:** the scope of the FMOR project had been adequately defined, including the specific structures and departments to be examined, and how this scope was communicated;
- ▶ **Scope Change:** any changes to the scope of the FMOR project were made through the appropriate escalation channels; and
- ▶ **Benefits:** any expected benefits from the FMOR project were clearly defined, achieved, and evaluated at the closure of the project.



# EXECUTIVE SUMMARY

## Summary of Observations

### SUMMARY OF OBSERVATIONS

The FMOR Project was initially scoped well and there was a clearly defined roadmap for successful delivery, with sufficient buy-in from divisions and resource approval. As the project progressed, the approved resource was not recruited and the FMOR project was not delivered to expectations. We understand that this was due to the project being deprioritised due to resource constraints, however, we have been unable to validate this.

Ultimately, the execution of this review was challenging due to a lack of sufficient audit trail. When requesting evidence to demonstrate the rationale of the project “de-prioritisation” and the formal sign off of project closure, we have had to rely on representations from key stakeholders as no formal audit trail was provided. Given the significance of the project, this is not an effective approach to project management. It will be important that the observations raised in this review are applied across all applicable project management scenarios at Police Scotland.

We have highlighted several observations that present risk to Police Scotland’s project management and governance practices, as exemplified by the FMOR project.

➤ **Governance Process for Project Closure:** Despite sufficient audit trail retained throughout Project Initiation to Phase one and two to demonstrate approvals have been obtained, we have been unable to obtain evidence to review whether appropriate project escalation and closure procedures have been followed. We understand that there was no demonstratable formal sign-off within Police Scotland regarding this. Given its importance, Project Close procedures should have been followed as per Stage Gate Framework, which includes producing an End Project Report and obtaining ultimate approval from Change Board.

- **Formalisation of resourcing requirement decision-making process below Change Board level:** Through reviewing the documentation produced for the project, we understand that resourcing assessments at initial stage of the project, and escalation of resourcing issues during the project, were approved by, and communicated to the Change Board. However, we have not been able to follow through the audit evidence to demonstrate how the project has been “deprioritised” due to resourcing constraints, and it is not clear why the resources were not recruited to deliver this project as approved.
- **Tracking of Objectives and Benefits of the Project throughout its Lifecycle:** While the objectives and benefits of the FMOR project were defined within the FMOR Project ToR and Potential Project Assessment, there was no formal tracking of progress against objectives or benefits throughout the lifecycle of the project.
- **Tracking Financial Impact of the Project throughout its Lifecycle:** Up to project closure (i.e. throughout the 30 months of the project life cycle), ongoing financial assessments were not carried out for delivery of the project to track costs or quantify savings. Cost and Resourcing assessments were approved at Board level at the initial stage of the project.

We identified some good practice around the **reporting of and communication on ‘As Is’ work:** following the completion of the ‘As Is’ work, there was a robust level of reporting to each of the divisions, to the relevant ACC’s for the project, and to the Change Board.

Given the high rated findings noted in this review and the Budget Setting/Investment Prioritisation review, we have incorporated a number of change related reviews into our 2024 - 2025 internal audit planning to help the organisation improve on project management and learn from the findings.





## DETAILED OBSERVATIONS AND RECOMMENDATIONS

**RISK(S):** The project scope may have changed without appropriate escalation.

Ref	Detailed Observations	Sig.	Recommendation
1	<p><b>Governance of Project Closure</b></p> <p>We have inspected the documents throughout the life cycle of the project. Sufficient documentation was provided for the Project initiation, Phase one, and Phase two stages to demonstrate appropriate approval being obtained from different boards and committees.</p> <p>It was confirmed by ACC Local Policing East that there was no formal demonstratable evidence for the project closure following existing Project workstreams being reallocated, despite the Formal Project Status FMOR had been granted by the Change Board. This means Project Close procedures (producing End Project Report and obtaining ultimate approval from Change Board) were not followed as required by the Stage Gate Framework. From inquiry with ACC Local Policing East, we understand that the root cause of this was due to lack of Corporate staff (i.e. Project manager and Business Analysis as per the original resourcing request) to manage the project. In addition, the project was subsumed into the Local Policing Service Delivery Programme and Enabling Policing for the Future project going forward.</p> <p>There is a risk that, if governance processes in place throughout the life cycle of a Project are not effective, projects will not be delivered and managed appropriately and are therefore unlikely to realise the benefits they were intended to deliver.</p>	<b>HIGH</b>	<p>Police Scotland should:</p> <ul style="list-style-type: none"> <li>▶ Ensure the project management methodology, including the Stage Gate Framework is followed in all cases. The governance process should ensure sufficient challenge and discussion can be evidenced relating to a project when it has significant scope change and/or is facing closure.</li> </ul>

### MANAGEMENT RESPONSE:

Please refer to the Management Response on all the findings in Slide 9.

## DETAILED OBSERVATIONS AND RECOMMENDATIONS

**RISK(S):** The project scope may have changed without appropriate escalation.

Ref	Detailed Observations	Sig.	Recommendation
2	<p><b>Formalisation of Resourcing Requirement Decision-making Process below Change Board Level</b></p> <p>Through enquiry with the FMOR Project team, we understand that the project was “de-prioritised” due to resourcing constraints. However, no audit trail can be provided to demonstrate this decision making. As resourcing prioritisation is constantly under review, and when required, discussed with Chief Digital and Information Officer and Senior Executive, this flexible and fluid nature of operation does not naturally lend itself to retaining supporting documentation.</p> <p>There is a risk that, if there are not effective governance processes in place for prioritising projects and allocating funds, public funding is being spent inefficiently and projects which are beneficial to organisational efficiency are not undertaken.</p> <p>A similar observation relating to the transparency of investment prioritisation decision making has been raised within the Budget Setting and Investment Prioritisation audit conducted by BDO. Further information relating to this issue can be found within the findings of the Budget Prioritisation report.</p>	<b>HIGH</b>	<p>Police Scotland should:</p> <ul style="list-style-type: none"> <li>▶ Review the processes and governance structures in place for allocating corporate support resources to projects being completed within Police Scotland. The formation of a Project Management Office (PMO) function could be valuable in providing organisation wide visibility over all projects and, in turn, how current resources can be best allocated to projects.</li> </ul>

### MANAGEMENT RESPONSE:

Please refer to the Management Response on all the findings in Slide 9.

## DETAILED OBSERVATIONS AND RECOMMENDATIONS

### RISK(S): The project may not have achieved the expected benefits

Ref	Detailed Observations	Sig.	Recommendation
3	<p><b>Tracking of Objectives and Benefits of the Project throughout its Lifecycle</b></p> <p>The objectives and benefits of a project should be clearly defined and tracked throughout the life of the project.</p> <p>While the objectives and benefits of the FMOR project were defined within the FMOR Project ToR and Potential Project Assessment, there was no formal tracking of progress against objectives or benefits.</p> <p>There is a risk that, if project objectives and benefits are not being adequately tracked, that they will not be achieved throughout the lifetime of the project.</p> <p>Similar observations regarding Impact Analysis have been raised in the Budget Setting and Investment Prioritisation audit for the wider Change Project Process. Further information relating to this issue can be found within the findings of the Budget Prioritisation report.</p>	MEDIUM	<p>Police Scotland should:</p> <ul style="list-style-type: none"> <li>▶ Ensure that, in future projects, there is emphasis placed on the importance of tracking the progress made against defined objectives and benefits for projects. This includes an impact Assessment to be conducted at closure stage of the Project.</li> <li>▶ Understand it is equally as important to consider the operational/non-financial benefits (in addition to financial benefits) of a project and to ensure that they are treated with a defined weighting and importance within the organisation.</li> </ul>

### MANAGEMENT RESPONSE:

Please refer to the Management Response on all the findings in Slide 9.

## DETAILED OBSERVATIONS AND RECOMMENDATIONS

**RISK(S): The project may not have achieved the expected benefits**

Ref	Detailed Observations	Sig.	Recommendation
4	<p><b>Tracking Finance Impact of the Project throughout its Lifecycle</b></p> <p>Internal Audit confirmed with the Finance team that the FMOR project never reached the stage of doing a financial assessment of costs for each element. While the initial cost analysis of delivering and maintaining the project was approved by the Change Board at early project delivery stage, there was no formal tracking of actual spend against initial cost analysis.</p> <p>There is a risk that a projects costs could be deviating significantly from the initial agreed cost and due to a lack of tracking, this may not be identified. Tracking cost from an early stage of the project would allow Police Scotland to understand the full cost of a project, and when the project is closed, to analyse costs and benefits and how effective a use of public fund the project was.</p>	MEDIUM	<p>Police Scotland should:</p> <ul style="list-style-type: none"> <li>▶ Ensure that, in future projects, financial information is captured from an early stage of the project, to understand the full cost of the project for effective monitoring and evaluation of the costs and benefits.</li> </ul>

### MANAGEMENT RESPONSE:

Please refer to the Management Response on all the findings in Slide 9.

## MANAGEMENT RESPONSES

### MANAGEMENT RESPONSE:

Management acknowledge the findings in this report.

The findings within this report are not reflective of the robust project management structures that are in place for agreed projects within Police Scotland's Transformation Portfolio. FMOR did not progress in the Transformation Portfolio, albeit it is appreciated that this may not be entirely clear from the document review. The findings are therefore unique to FMOR. Our Change Management function and Project Management disciplines are robust and therefore we are confident that similar findings would not have been made against a review of any project that sits formally within our Portfolio.

On this basis, no further action will be taken at this time. The approved internal audit plan for 2024/25 includes an internal audit of the wider Change Management where evidence will be provided to show compliance with project management methodology; governance structures over decision-making particularly around resourcing; the importance of the Portfolio Management Office in delivering visibility and oversight across the portfolio and our efforts to continuously develop our approach to benefits management. We will take forward any improvements identified from this audit when complete.

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# APPENDICES



## APPENDIX I - PROJECT TIMELINE

DATE	PHASE	EVENT
November 2018	Business Case Approved, Project Initiated.	In November 2018, a report was produced by external consultants on behalf of Police Scotland. The report summarised the activity analysis being conducted at Business Support Units & Divisional Coordination Units to understand what people do at these units' level. This report supported a Full Business Case (FBC) to be set out the case for changing Corporate Services' current delivery model and the ERP (systems) and organisation changes that would be required.
June 2020		Transforming Corporate Support Services (TCSS) is a programme set up to support the Serving a Changing Scotland strategy. It will achieve this by introducing new technology to reduce administration, streamline processes and provide easily accessible, efficient and high-quality services to operational police and the public. In June 2020, the TCSS Programme Board agree that the Force Middle Office Remodelling (FMOR) project will be added to their scope meaning that capacity will be provided following the November 2018 report, which supported the FBC.
July 2020		Timelines for FMOR are developed and the additional resources which are required (corporate support and police officers) are outlined to TCSS Programme Board. Local Policing resource was secured however no corporate support was provided due to budget shortfalls and difficulties in recruiting Project Management personnel.
August 2020		<ul style="list-style-type: none"> <li>The scope of the FMOR project review is presented to the TCSS Programme Board and Local Policing Management Board. The scope is supported by both Boards.</li> <li>At this stage, the Middle Office Review is recognised as a project at TCSS level however it has not yet been through the Change Board so does not rank as high as other projects in terms of priority for resource.</li> <li>A phasing paper to detail each phase including costings and headcounts of staff and officers affected in each area is provided to give a complete 'as is' picture, with a tactical focus to review/restructuring, and a post-redesign 'to-be' picture, outlining the totality of all phases.</li> <li>Issues are raised to the TCSS Programme Board by then Chief Superintendent Lothians and Scottish Borders now Divisional Commander Lothians and Scottish Borders around resourcing FMOR and the impacts on delivery against timelines if left untreated.</li> <li>TCSS Programme Board approve the FMOR in scope work.</li> </ul>
September 2020		Then Chief Superintendent Lothians and Scottish Borders now Divisional Commander Lothians and Scottish Borders recruited a Project Manager; however, they were immediately moved onto another in-flight project by the Head of Portfolio Delivery (Change Directorate). Further reporting on resourcing issues which, if not addressed, may result in the project failing to deliver within the timescales. Action is assigned to the Chair of TCSS to discuss the provision of suitable change team resource to support the FMOR project review.
November 2020		The first draft of the FMOR project review ToR is produced by Chief Superintendent Lothians and Scottish Borders and presented to the FMOR project Board at their first meeting. The Project was aimed to be delivered via 3 phases, Phase 1 - Baseline & Current State Assessment (December 2020); Phase 2 - Target Operating Model Design (March 2021); and Phase 3 - Planning, Profiles & Approvals (> March 2021). A progress update report has been presented to TCSS Programme Board and Local Policing Management Board on FMOR project regarding background context, scope of the work, and progress to date along with planned next steps.

## APPENDIX I - PROJECT TIMELINE

DATE	PHASE	EVENT
November 2020 to January 2021	FMOR Project Phase One: Baseline & Current State Assessment.	Between November 2020 - January 2021, a scoping exercise is undertaken to consider the boundaries, objectives, and parameters of the project. Templates are compiled to be used in the creation of the 'as is' picture. A benchmarking exercise is conducted across the divisions by then Chief Superintendent Lothians and Scottish Borders now Divisional Commander Lothians and Scottish Borders and the FMOR project delivery team.
March 2021		The summarised findings from the scoping exercise are supplied to P&D (people and development) and Finance Teams by then Chief Superintendent Lothians and Scottish Borders now Divisional Commander Lothians and Scottish Borders .
April 2021		In April 2021, the findings of the scoping exercise are used to assist with discussions between the FMOR project delivery team and Local Policing Design Team on which occupational opportunities still exist and which roles require clarity surrounding their necessity. Discussions of whether the current staffing profile and resource allocation maximises best value are also held with the Local Policing Design Team. The FMOR project delivery team engage directly with divisions to obtain their feedback and validation on the results of the scoping exercise. Sign off from divisions is obtained.
May 2021		Potential Project Assessment of the FMOR project is produced by Portfolio Management Office with the following information <ul style="list-style-type: none"> <li>- Driver for change</li> <li>- Improvement</li> <li>- Time</li> <li>- Cost</li> <li>- Benefits Expected</li> </ul> Demand Management Board approval received on 09/09/2021 to proceed to Initial Business Case (IBC).
July 2021		A full 'as is' report is produced in July 2021 providing an update with regards to how the Police Scotland Middle Office looks currently across the organisation. The report has identified barriers existed to deliver the project, which includes barriers from legacy arrangements; culture; IT and resourcing perspectives. Summarised reports have been created for each of the DCC's and DCO along with an overall Summary Report for the Chief Constable capturing the key strategic information from these findings.
August 2021		A Potential Project Assessment has been produced by Portfolio Management Office detailed resourcing and cost requirement for Demand Management board approval. The assessment required £480k initial funding and less than £100k annual operation/maintain funding.
September 2021		FMOR project "as is" report is produced to present a high-level summary of findings and observations pertinent to Phase One (Scoping Exercise) of the FMOR work leading to three key recommendations below: <ol style="list-style-type: none"> <li>1. Creation of a National Governance Structure Locally</li> <li>2. Creation of Combined Crime and Incident Management Units within a Regional Tiered Structure (Proof of Concept)</li> <li>3. Creation of a Re-Purposed Divisional Middle Office Design</li> </ol>
December 2020 to September 2021		Throughout Project Phase One (Scoping Exercise) of FMOR, Project Board has met regularly (total of 6 meetings recorded). The Project Charter has been updated throughout the period and discussed in the Project Board meeting. In the September 2021 Project Charter, the timeline was updated to Phase 1 (April 2021 to July 2021); Phase 2 (August 2021 to November 2021; and Phase 3 > November 2021. The estimated timeline has been delayed by more than 10 months compared to initial ToR.



## APPENDIX I - PROJECT TIMELINE

DATE	PHASE	EVENT
September 2021	FMOR Project Phase Two: Target Operating Model Design.	<p>To deliver Phase 2 of the project, then Chief Superintendent Lothians and Scottish Borders now Divisional Commander Lothians and Scottish Borders outlines existing resources in place, resource uplift required and where roles have been approved but not yet in place. A request for two additional Business Change Analyst posts and an additional PC post is made with full justification and costings. A bid for the additional resources required to deliver phase 2 of the project (2x Business Change Analysts and a PC post) was made (in addition to the Project Manager role that has already been approved but not yet delivered).</p> <p>The Potential Project Assessment is developed and the following recommendations for improvement are proposed:</p> <ul style="list-style-type: none"> <li>• Creation of combined CIMU within a regional tiered structure</li> <li>• Creation of a national governance structure, locally delivered</li> <li>• Creation of a re-purposed divisional middle office design.</li> </ul> <p>Demand Management Board approve the Potential Project Assessment.</p> <p>A Resourcing bid has also submitted to Establishment Control Group/Strategic Resource And Resilience Group for resourcing request.</p>
October 2021		<p>The second ToR is drafted by then Chief Superintendent Lothians and Scottish Borders now Divisional Commander Lothians and Scottish Borders to be presented to the Change Board, with the goal of obtaining formal project status at the highest level. The ToR proposes the three recommendations for Middle Office restructuring to mitigate the risk of inconsistent practice and inefficient line manager functions. Chief Superintendent Lothians and Scottish Borders engaged in several workshops with the Chief Financial Officer (CFO) to agree on any allowed elements of FMOR project to be integrated into the Enabling Policing for the Future (EPF) project, which is led by the CFO.</p>
		<p>FMOR is seeking the formal project status from the Change Board, which will enable the project to move more firmly into the detailed discovery phase of the three key work streams:</p> <ul style="list-style-type: none"> <li>• Regional Crime and Incident Management Units (CIMU)</li> <li>• National Governance Structure, Locally Delivered, for Business Support Unit (BSU), Public Enquiry Support Assistants (PESA) and Document Preparation Services (DPS) Police Staff - Improving Visibility of Police Staff Workforce and Workflow</li> <li>• Re-Purposed Divisional Middle Office Design - Creating a Lean, Diverse, Agile and Capable Middle Office</li> </ul> <p>The Change Board has granted the approval with caveat that further articulation to be provided on FMOR linkages with EPF Programme and SWP also covering Governance and interdependency mapping.</p> <p>The unfilled Project Manager and Business Analysis roles for the FMOR project have been flagged to the Change Board as part of a wider resourcing issue.</p> <p>Then Chief Superintendent Lothians and Scottish Borders now Divisional Commander Lothians and Scottish Borders takes up their new position as Divisional Commander and is no longer leading the FMOR project. Superintendent Morag Lister (Retired) was tasked with continuing the work.</p> <p>A Board Paper has been produced for Strategic Leadership Board (SLB) to provide responses to several challenges which were raised at Change Board around the EPF programme, Reform Allocation/Prioritisation and alignment with FMOR project.</p>
November 2021		<p>An update has been given to Joint Negotiating &amp; Consultative Committee (JNCC) members on the progress to date on the FMOR work. It is recommended that JNCC note the contents of this paper and provide feedback to FMOR Project Team with regards to ensuring engagement remains timely and meaningful throughout the coming weeks and months.</p>
December 2021		<p>A resource release was produced and discussed in Organisation Design and Deliver Group on the resources that will be released from the Middle Office of Local Policing Divisions to support the work of the SLWG on Call Handling and Response Policing to increase capacity within frontline operational policing during a period of increased demand.</p>
May 2022		<p>To ensure the continuation of the FMOR workstreams, an Initial Business Case for the progression of the Crime and Incident Management Units (CIMU) workstream is produced. The purpose of this business case was to set out the different phases of the workstream and the key personnel, however, the business case was not completed or progressed for approval.</p>

## APPENDIX I - PROJECT TIMELINE

DATE	PHASE	EVENT
October 2022	Project Ceased.	A workshop is held to discuss Middle Office remodelling chaired by ACC Mairs, who sponsored the FMOR Project. The workshop is to outline and agree a proposal and timeframe for delivering a more consistent Middle Office structure across local policing, focusing on what key activities they must deliver, whilst maximising efforts to resource core front-line operational roles in terms of service delivery.
December 2022		An update is provided to the SLB: The purpose of the paper is to provide SLB members with an update on progress of the Force Middle Office Remodelling Project workstreams and to detail how elements of these will be absorbed into the Local Policing Service Delivery Review going forward.
January 2023		A briefing paper has been produced for ACC Mairs and ACC Bond to outline options for existing FMOR workstreams as project is “deprioritised” by resourcing requirements for other programmes. <ul style="list-style-type: none"> <li>CIMU workstream: The workstream governance is changed to Crime Data function. ACC Smith is the SRO for Crime Data will be the Executive Sponsor for CIMU guidance documentation. FMOR only has limited involvement of CIMU, including to develop &amp; implement standardised guidance and process.</li> <li>Re-purposed Middle Office design workstream: Integrate this work into the other prioritisation area to potentially form part of the EPF project.</li> </ul> The paper has also indicated that due to the lack of FMOR resources, any further substantive work in this space would require to be resourced from elsewhere within the organisation.
March 2023		The FMOR project is closed and existing FMOR workstreams have been reallocated as set in the January 2023 briefing paper documented above. Confirmed through the email with ACC Mairs, the FMOR project is closed, and no formal sign off obtained. The project has never got to the stage of doing a financial assessment of costs for each element for delivery of the project itself. In Enabling Policing for the Future (EPF) Programme Outline Business Case, FMOR project has been considered viable for inclusion in the EPF as it meets the EPF’s strategic objectives.

## APPENDIX II - STAKEHOLDERS INTERVIEWS & MEETINGS

### STAKEHOLDERS INTERVIEWED

NAME	ROLE
Catriona Paton	Chief Superintendent, Divisional Commander The Lothians and Scottish Borders
George Cordiner	Chief Inspector
Tim Mairs	ACC Local Policing East
David Page	Deputy Chief Officer - Corporate Support
James Gray	Chief Financial Officer
Fiona Taylor	Deputy Chief Constable Professionalism - Acting Chief Constable

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## APPENDIX III - DEFINITIONS

OBSERVATION SIGNIFICANCE	
HIGH	Presents significant and material risk to one or more of the programme's key time, cost, or quality constraints. There are no clear plans to remediate the risk. OR Represents a specific material issue that has already occurred.
MEDIUM	Represents a risk that has the potential to materially impact one or more of the programme's key time, cost, or quality constraints. The programme is aware and has plans to address but these have not yet brought the risk down to a tolerable level that would indicate a low finding. OR Represents a moderate issue where there is scope to recover time, cost or quality.
LOW	There is a likely impact to one or more of the programme's key time, cost, or quality constraints but this is individually within a tolerance that programme management would accept. Low findings need to be considered together for their potential aggregate impact.
INFO	Is not likely to have significant impact, but where management may consider a requirement for improved controls and/or can achieve greater effectiveness and/or efficiency of the programme

## APPENDIX IV - TERMS OF REFERENCE

### Purpose of the Review

The purpose of this review is to provide:

- ▶ A timeline of the middle office restructure projects in its various iterations
- ▶ Establish whether expected benefits were defined, and whether these benefits were achieved
- ▶ To identify learning opportunities from previous iterations of middle office restructure projects

### Key Risks

- ▶ There may not be clear ownership for projects
- ▶ The scope of the project may not have been clearly defined and understood
- ▶ The project scope may have changed without appropriate escalation
- ▶ The project may not have achieved the expected benefits

### Approach

- ▶ There have been various iterations of the Middle Office Reform in recent years. We will establish the timeline of events looking to understand:
- ▶ The scope of the project, including the specific structures and departments which were to be examined.
- ▶ How the scope of the project has changed through the years and if appropriate governance was in place to oversee these changes
- ▶ The reasoning for the project being moved from governance under the Change Board (and managed under the project management framework) to governed under Local Policing as Business As Usual.
- ▶ Whether there is clear ownership for each middle office reform project in its various iterations
- ▶ Whether the expected benefits were defined
- ▶ Whether expected costs, timelines and project risks were identified
- ▶ The monitoring and reporting arrangements in place to provide updates on progress and any changes to the project
- ▶ Whether there were any changes to timelines, costs, risks and expected benefits and if so, whether this was appropriately escalated
- ▶ Whether the identified benefits were achieved and what benefits are still to be delivered
- ▶ If any evaluation took place

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