

**Report to:** Police Authority  
**Agenda :** 9  
**Date:** 25 March 2014  
**Subject:** Audit & Risk Assurance Committee  
**Sponsor:** Committee Chairman  
**Author:** Iggi Falcon  
**For:** Information

The Forum  
5th Floor North  
74-80 Camden Street  
London NW1 0EG

T: 020 7383 0259  
F: 020 7383 2655  
E: general.enquiries  
@btpa.police.uk

[www.btpa.police.uk](http://www.btpa.police.uk)

---

## 1. Purpose of paper

- 1.1. The purpose of this paper is to update the Authority on the issues discussed at the Audit and Risk Assurance Committee (A&RAC) meeting held on 04 March 2014.
- 1.2. The A&RAC also reviewed the strategic risks across both the Authority and BTP which are presented elsewhere on the agenda.

## 2. Agenda Items

- 2.1. **BTP Quarterly Updates** - An update was received on developments across Corporate Services since the last meeting. Good progress was reported on proposed improvements to the Force's Health and Safety function and recent developments included the appointment of a new Head of Safety and Wellbeing.
- 2.2. The recent inspection of the Force by the Information Commissioner on Data Protection had highlighted issues with the frequency of officers' training.
- 2.3. The latest position on the legal dispute with the electronic Case and Custody contractor was noted. The contractor was yet to confirm what option they intended to pursue, and a response was expected by the end of March 2014. Assurances were given that IT systems not connected to Case and Custody, and which were maintained by the same contractor, were not being put at risk.
- 2.4. A SOP Review was currently taking place, and 148 out of 231 SOPs within its scope had now been reviewed. The Committee noted that the project coincided with an overhaul of the intranet, thus seeking to improve the accessibility to SOPs.

- 2.5. **BTP Risk Report** – The Force confirmed good progress on delivering the mitigating actions relating to SR72 (Late Delivery of Accelerate Technology Programme).
- 2.6. **Authority Quarterly Update** – The Committee noted the key developments since the last Committee meeting. Attention was drawn to the successful signing of all Police Service Agreements (PSAs), and to status of negotiations with HS1 concerning their Enhanced PSA (EPSA).
- 2.7. An updated version of the Force’s and the Authority’s Gift and Hospitality registers were received, with no significant issues being raised (copies are available to Authority Members on request).
- 2.8. **Authority Risk Report** – The Committee agreed to close two risks:-
  - 2.8.1. SR50 (Failure to sign the PSA)
  - 2.8.2. ASR56 (LU policing charges)

The Committee agreed that risk ASR63 (EPSAs not signed) should remain open, and noted the progress of the mitigating action to liaise with HS1 and Weightmans.

- 2.9. With reference to ASR64 (Legislative Anomalies), the Authority Chief Executive commented on the difficulties encountered in seeking to include a number of provisions in the latest Home-Office-sponsored Bill. But given that the more urgent provisions on firearms were featured on the Anti-social Behaviour, Crime and Policing Bill, he was satisfied that the risk was currently as low as reasonably practicable (ALARP).
- 2.10. Potential new risks were considered and the Committee did not identify any for inclusion at present.
- 2.11. **Management Assurance Statement** – The Management Assurance Return (MAR) for the period from 1 April 2013 to 31 December 2013 was presented to the Committee meeting, having been previously circulated in draft form to Members to allow for submission by the 7 February deadline.
- 2.12. **Update on the PNN Replacement Project** – A status update was received on the project to oversee the BTP’s migration from the Police National Network (PNN) to the Public Sector Network (PSN). The switch was necessary due to all connections using the Criminal Justice Extranet (CJX) being terminated in October 2014.
- 2.13. The challenges faced by the Force in rolling out PSN across its systems were noted, including the required upgrade to Windows 7 which needed to be completed ahead of PSN implementation.

- 2.14. **Authority Information Assurance** - The draft 2013/14 Annual Assessment on Compliance with HM Government's Security Policy Framework (SPF) was reviewed and agreed by the Committee ahead of its submission to the DfT on 28 March 2014. No issues were identified.
- 2.15. **HMIC Inspection Update** - The Committee considered the Force's activity in response to past and forthcoming HMIC inspections. Updates were received on inspections relating to the following topics: Valuing the Police, Stop & Search, Anti-Social Behaviour, Undercover Policing, Use of Police Time, Crime Data Integrity, as well as miscellaneous reports published by HMIC.
- 2.16. A meeting with HMIC representatives would be requested to discuss ways in which future Value for Money inspections could be customised to take account of the uniqueness of the BTP, since a direct comparison to Home Office forces was not always helpful.
- 2.17. **National Audit Office (NAO) Update** - An update was received on the progress made by the NAO against the work set out in their Financial Statements Audit Plan. Two key issues were being looked at present:-
- 2.17.1. **Charging Model** - the NAO was currently seeking to understand the arrangements to manage PSA charges in the case of overspending and underspending. The NAO did not anticipate a problem with the integrity of the processes; rather, it was keen to understand how the new charging model operated in this regard.
- 2.17.2. **Pension Auto-Enrol** - the NAO was currently probing the impact of auto-enrolment in the Pensions scheme.
- 2.18. **Internal Audit Progress Report** - The Committee noted the progress to date on the completion of the 2013/14 Internal Audit programme. On a general note, the Committee discussed concerns relating to delays caused by to staffing issues at the Internal Audit Team.
- 2.19. Six audits from the 2013/14 programme were currently in progress and three had been completed since the December 2013 meeting. Those three reports were received and discussed as follows:-
- 2.19.1. **BTPA 13/04 Core Financial Controls (Phase Two)** - Levels of assurance were found to be partial. The auditors found significant weaknesses relating to controls around cash/currency storage and banking. Weaknesses were also found around the calculation and reporting of accruals.

- 2.19.2. The Force stated that the cause for the cash/currency storage problem was poor housekeeping, and accepted that checks should have been more stringent. Measures such as introduction of pre-pay cards to avoid cash transactions were being introduced to address the flaws. Nevertheless, Members perceived this as a management issue and not one which would disappear by making all transactions 'cashless'. The Committee was keen to ensure that enough was being done to ensure these issues would not recur in the future and asked for a report to be submitted at the next meeting.
- 2.19.3. **BTPA 13/05 HR Core Controls (Phase One)** - Levels of assurance were found to be substantial. Controls over the HR processes reviewed were found to be adequate, with only minor weaknesses in relation to vetting.
- 2.19.4. **BTPA 13/07 Business Continuity Management (BCM) Systems** - Levels of assurance were found to be partial. Issues were identified with recovery strategies and, importantly, limited assurance could be given that critical IT systems could be recovered to meet business needs. The Force commented that steps such as the centralisation of critical IT systems would improve recovery strategy.

### 3. Recommendations

- 3.1. Members to note the report.