Report to:	Police Authority
Agenda:	8
Date:	26 March 2015
Subject:	Audit & Risk Assurance Committee
Sponsor:	Committee Chairman
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For:	Information

1. Purpose of paper

1.1. The purpose of this paper is to update the British Transport Police Authority ("the Authority") on the issues discussed at the Audit and Risk Assurance Committee ("the Committee") meeting held on 5 March 2015.

1.2. The Committee also reviewed the strategic risks of the Authority and British Transport Police ("BTP") which are both presented elsewhere on the agenda.

2. Agenda Items

2.1. **BTP Quarterly Updates**

   2.1.1. The Committee was given details of the significant progress made on addressing historic backlogs relating to the contents of ten thousand boxes of archived material. A dedicated team had now completed the task of reviewing the boxes' contents and was now starting work on other data batches, to ensure all backlogs were cleared. The Committee noted that all those cases which under MOPI guidance were classified as serious offences (otherwise known as MOPI 1 type), would be rectified on the Police National Database. In turn, a risk-based approach would be taken on offences of a less serious nature (known as MOPI 2 & 3 types). It was explained that the effort to modernise records would be given a significant boost under the Integrated Systems Programme (ISP). The Committee stressed the need to have an appropriate level of resources to process intelligence and ensure that a backlog did not re-occur and asked for a detailed status update at its next meeting.

   2.1.2. The recent NAO audit of BTP accounts had been largely satisfactory, with only a few issues being identified. One matter that had been brought to the attention of the NAO

related to errors in payroll calculations – which included pension contributions not being deducted and pay increases not being implemented – were also to be examined by Internal Audit as part of their ongoing programme.

2.1.3. The Committee was pleased to note that a new Head of Health and Safety had been appointed, thus ensuring greater resilience to this important area of work.

2.2. Authority Quarterly Update

2.2.1. Following the notification of provisional charges, three Police Service Agreements (PSA) holders had raised detailed issues around data consistency, in particular the variation between the data used to allocate costs and the data reported in the Force's Crime Portal. The Authority Finance Director was working to address those issues with the assistance of a Data Architect consultant, to try and present data in a more consistent and transparent manner. The Force was committed to support the Authority in achieving this goal.

2.2.2. The issue of Complex Body Recovery, due to its complexity and sensitivity, had been identified as presenting reputational risks to the organisation. A discussion took place about the required controls, including having coherent policies and messages. The Committee was to receive annual updates on the issue as part of its regular business cycle, as suggested at the Full Authority meeting on 4 December 2014.

2.3. Gift and Hospitality Register

2.3.1. The Gift and Hospitality report presented an improved format, with entries on the register now being grouped according to value, recurrence and seniority of officers, thus allowing Members to scrutinise these more effectively. No significant issues were raised on the entries (copies are available to Authority Members on request).

2.4. Authority Risk Report

2.4.1. The Committee discussed entries on the risk register as follows:-

2.4.1.1. **ASR64 (Legislative Anomalies)** – Despite much progress, it seemed appropriate to retain the entry to keep momentum on the issue, although there was agreement that the risk's wording should be updated to reflect that a number of anomalies had already been addressed.

2.4.1.2. **ASR69 (Scottish devolution)** – It was clarified that the level of risk depended on the model of devolution which was ultimately pursued, so the wording on the entry should reflect this.

2.4.1.3. **ASR68 (Airwave replacement)** – The risk reflected uncertainty rather than the complexity of scenarios; the issue centred on the level of investment which the BTP would ultimately be required to make.

2.5. **BTP Risk Report**

2.5.1. The Committee discussed entries on the risk register as follows:-

2.5.2. **SR77 (Head of Safety & Wellbeing)** – The risk had been closed following the arrival of a new postholder.

2.5.3. **SR79 (Smith Commission)** – As for ASR69, the risks involved in the devolution process could be articulated rather better.

2.6. **Authority's Management Assurance Return and Information Assurance Return**

2.6.1. The Committee noted the Management Assurance Return (MAR) for the period from 1 April 2014 to 31 December 2014 (which had been previously agreed to meet the deadline of 20 February) and agreed the 2014/15 'Health Check' relating to Compliance with HM Government's Security Policy Framework.

2.7. **HMIC Inspection Update**

2.7.1. The Force reported on activity in response to past and forthcoming HMIC inspections. Updates were received on inspections relating to the following topics: Stop & Search, Police Custody, Crime Data Integrity, Undercover Policing, as well as reports on Core Business and Miscellaneous activity published by HMIC.

2.7.2. A detailed update was received on Stop and Search. The BTP had recently adopted the College of Policing's Best Use of Stop and Search Scheme, which aimed at promoting an intelligence-led approach to searches and bringing in greater transparency. The action plan to oversee the Scheme's adoption had highlighted some priority actions for the Force, which included ensuring effective records, correct use of section 60 powers and appropriate complaint handling. The outcome of the most recent HMIC's inspection yet to be received, although the positive hot-debrief provided to the Force at the end of the

fieldwork indicated that things were heading in the right direction.

2.8. **Internal Audit Progress Report**

2.8.1. The Committee received a report outlining the progress with the delivery of the 2014/15 Internal Audit programme. Two audits from the running programme had been completed since the last meeting:

2.8.1.1. **BTPA 14/07 Core Financial Controls – Employee Expenses** - Levels of assurance were found to be moderate. The governance, risk management and control processes over the BTP's arrangements over employee expenses were generally found to be effectively. However, auditors highlighted improvement areas such as the use of credit cards and the review of policies.

2.8.1.2. **BTPA 14/07 Core Financial Controls – Employee Expenses** - Levels of assurance were found to be moderate. Auditors identified areas of good practice within the controls over information and technology related projects; however, there were two priority issues relating to the recording and monitoring of dependencies, and the definition of critical milestones, respectively. There were a number of other low-priority findings relating to governance, risk-escalation and version control of project management documentation.

2.8.2. On a separate note, the Committee was pleased to note that Internal Audit staffing issues had progressively been overcome, and expressed hope that the launch of the new Government Internal Audit Agency would bring greater resilience to Internal Auditors' work. In the same vein, it noted that discussions were already underway between the Internal Auditors and the Authority Finance Director, to re-shape the current Audit Plan and thus take account of the resourcing changes.

3. **Recommendations**

3.1. Members to note the report.