BTPA
British Transport Police
Authority

Report to:	Authority
Agenda item:	8
Date:	28 March 2017
Subject:	Report from the Chair of the Audit and Risk Assurance Committee
Sponsor:	Authority Finance Director
For:	Discussion and approval

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 held on the 14 March 2017.

1.2 A detailed review of the joint strategic risk register was also undertaken and the updated strategic risk register is attached in item 9.1.

2. Joint Strategic Risk Register Report

2.1 The BTP/A presented the joint strategic risk register following a detailed review and updating process undertaken by both the Force and the BTPA Executive. Risks have been redefined, ownership has been reviewed and where appropriate, values have been allocated. A copy of the revised risk register is included at 9.1.

2.2 The key changes to the strategic risk register have been as follows:

- Removal of 3 risks;

- No changes to 3 risks; and

- Amended wording to 4 risks.

    A summary of the changes are noted in Appendix 1 of this report.

2.3 The Committee discussed at length additional risk areas for consideration by the BTP/A for inclusion. These are cyber security; the filing of accounts at Scottish Parliament; the possibility of fixed asset misstatement; and risks that have been mitigated but should still be monitored.

2.4   The Committee agreed that the risks emerging from the devolution of Scotland should continue to be managed and recorded within the Scottish Risk Register outside of the joint risk register. This has been issued to members marked 'Private' due to the confidential and sensitive nature of the register.

2.5   It was agreed that the risk focus for the next committee meeting would be ASR17 – Loss of Stakeholder Confidence.

3.   Report on annual report and accounts

3.1   An outline report covering the disclosures that will be made within the Annual Report for the year end 31 March 2017 was presented. The updates required within the Governance statement were discussed and it was agreed that updates to the prior year disclosures would be given as well as new risk disclosures would be made.

3.2   The Committee noted that statutory accounts need to be filed with the Scottish Parliament this year for the first time. Discussion also centred on the need for consideration to be given to the additional requirements and disclosure notes specific to this filing

4.   Internal Audit progress report

4.1   The GIIA presented the Internal Audit Progress Report which gave an update on the status of the Internal Audit plan for 2016/17 and included a draft of the Internal Audit plan for 2017/18.

4.2   It was noted that fixed assets received a limited opinion. Significant work was carried out in this area but a number of weaknesses were identified. These were primarily linked to the continued management of Fixed Assets via an excel workbook and also the lack of a permanent resource with robust embedded processes.

4.3   The Business Continuity Report received a moderate opinion. Issues raised were around classification exercises on the IT systems, and the nature and stretch of some of the testing plans. It was noted that some very good work has been completed, and it is now key to embed this work into day-to-day processes.A high level exercise was undertaken across all areas of expenditure to establish whether there was potential to reduce expenditure and what the risk implications would be.

5.   External Audit Update

5.1   KPMG/NAO have completed a large amount of their controls testing and Walk-through processes, and reported significant improvements in the control environment in comparison to the prior year. They found one isolated issues within the payroll

testing which has subsequently been amended. A significant amount of testing is still required during the year end audit process, however they are pleased with the work undertaken to date.

6. HMIC inspection

6.1 The BTP presented a paper updating the Committee on the activity of HMIC.

6.2 The update focused on the key areas of crime data integrity. BTP actions against the national recommendations have now been set to "Complete". The two remaining BTP specific recommendations as reported to the last Audit and Risk Assurance Committee have been adopted into business as usual and will be monitored periodically at Integrity, Compliance and Assurance Board.

7. Q3 Management Assurance Return Update

7.1 The BTPA presented a paper updating the Audit and Risk Assurance Committee on the content of the Management Assurance Return (MAR) submitted to the Department for Transport and provided explanations for variance between the January draft and actual Period 9 submission.

7.2 The committee requested a detailed evidence based review was agreed to be undertaken on the MAR to ensure that all statements being made could be supported and verified.

8. BTPA quarterly update

8.1 The Gifts and Hospitality register was noted, and it was made known that the new Expenses and Allowances Policy had been approved.

8.2 The Committee agreed that in the future the Committee would like to move towards a risk-based agenda rather than having sequential reports from the Force, the Authority and Internal Audit.

9. BTP quarterly update

9.1 Vacancies across the Finance and Procurement departments continue to impact progress on the Finance Action Plan. There are several critical roles within the Finance team that remain vacant, specifically the Capital Accountant and the Transaction Centre Manager. The Force gave strong assurance that these roles were being filled as a priority, and the committee gave its support to the focus in this area.

9.2 There remains significant reliance on interims, which is being affected by the changes with IR35. A review of options and

potential risk is being undertaken in relation to potential year end impact.

10. Recommendations

10.1 The Committee recommends the joint risk register for discussion and approval.

10.2 The Committee recommends the rest of the paper for noting.

BTPA
British Transport Police
Authority

Appendix 1: Summary of changes to risks

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

Key

	Risk removed
	Risk amended

Table 1: Analysis of changes to risks

Risk as at January 2017	Risk as at March 2017	Amendment and Comment
Management of police information fails to meet legislative requirements	Management of Police Information fails to meet with legislative obligations.	No
BTP/A fail to meet legal obligations to ensure duty of care		Yes – Risk removed as risk considered to be sufficiently addressed
The BTPA cannot demonstrate competent and professional management of the BTP Fund.		Yes – Risk removed as not considered a strategic risk but an operational risk
The BTPA is not quorate due to membership gaps.		Yes – Risk removed as new members recruited and gap addressed
Approved charges are not recovered from E/PSA holders in a timely manner	Loss of stakeholder confidence arising from: - Disputes over charges to industry; - Failure to achieve strategic force objectives; and - Adverse publicity.	Yes – Risk has been refined to focus on key areas that lead to a lack of stakeholder confidence.
BTP/A are not cognisant of, or able to effectively influence, recommendations arising from the Home Office Infrastructure Policing Project	BTP/A are not cognisant of, or able to effectively influence, recommendations arising from the Home Office Infrastructure Policing Project	No
BTP/A are not well prepared to operate in the new policing	Scottish Devolution results in: Further organisational	Yes – risk amended to reflect the updated position.

Risk as at January 2017	Risk as at March 2017	Amendment and Comment
framework in Scotland in April 2019	structure threats • Operational difficulties in policing across the border into and out of Scotland • Budget deficit caused by loss of revenue generated by Scottish stakeholder PSA payments	
The force is not prepared to react to the dynamic risk posed from multiple current and emerging terrorist methodologies.	The Force lacks capability and capacity to adequately respond to the terrorist threat to the railways in mainland UK.	Yes – Wording amended slightly to reflect the nature of the risk
BTP is unable to effectively deliver the planned benefits associated with the transformational change programme.	There is a risk of failure to deliver benefits and efficiencies from the portfolio of programmes.	Yes - risk expanded to include efficiencies as well as benefits.

Risk as at January 2017	Risk as at March 2017	Amendment and Comment
1. Insufficient funding for the implementation of Emergency Services Mobile Communications Technology project	Insufficient funding for the implementation of Emergency Services Mobile Communication Project	No