

Report to: Police Authority
Agenda #: 12.1
Date: 13 December 2017
Subject: Audit and Risk Assurance Committee
Summary Report
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For: Approval

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1. Purpose of paper

- 1.1 This paper provides a summary of the key decision points and reporting from the Audit and Risk Assurance Committee which took place on 5 December 2017.

2. Committee highlights

- 2.1 The 2016-17 wash up charges have been finalised pending approval from the Authority. The five PSA holders that are expected to see the biggest increase in their charges were discussed, some of these included PSA holders that have had disputes around charges in the past. The Committee members discussed the importance of stakeholder management and therefore asked that the British Transport Police Authority (BTPA) telephone the PSA holders to advise them of their expected changes in charges before the full Authority meeting on the 13th December. This does not need to include specifics, but will undoubtedly include an explanation of why their charges are expected to increase or decrease.
- 2.2 Issues with Accounts Payable have been addressed, and the backlog of transactions has been considerably reduced by £2 million to approximately £300 thousand. However, the issues with accounts payable have been noted in the past and corrected and we must ensure that this does not occur again, and so an emphasis on has now been placed on ensuring that this does not occur again. The key change to ensure the new processes are embedded is the issue of accountability, with individual staff productivity levels being tracked and questioned. The Force will produce a detailed report to outline

what changes have been made to provide assurance to the Committee.

- 2.3 The Government Internal Audit Agency (GIAA) brought three finalised and one draft report to the Committee which included the IT Strategy Report; Risk Management Report; Project Scotland Management Letter; and IR35 Report respectively. The three finalised papers have been given Limited ratings in their findings.
- 2.4 The IR35 Report was a particular focus for the Committee, which brought to light controls issues within the organisation in regards to compliance with documented BTP policies and government IR35 legislation. It was noted that the auditors and Committee Chair were awaiting management response to these findings and the paper is still in draft.
- 2.5 The year-end external audit plan was discussed, with the interim work to begin in February/March time, and the final audit work in May.
- 2.6 Flight paths have been introduced to the Strategic Risk Register, and more detail added as to who owns the risk and the assurance rating the risk is currently being given.
- 2.7 A risk appetite was discussed and it was determined that the Committee would like BTP and BTPA to work together to discuss the acceptable level of risk per the matrix included in the Strategic Risk Register. The risk framework should begin by looking at the strategic objectives of the organisation. This will be brought to the next Audit and Risk Assurance Committee, and it is proposed to schedule a workshop with both BTP and BTPA to go through risk appetite and risk tolerances.

3. Recommendations

- 3.1 The Authority is asked to note the above ARAC summary.