

[17 November 2023] Agenda Pack / Audit and Risk Assurance Committee

MEETING
17 November 2023 10:30 GMT

PUBLISHED
14 November 2023

Agenda

Location	Date	Time
Hybrid meeting / BTPA Meeting Room, 25 Camden Road, London, NW1 9LN	17 Nov 2023	10:30

	Item	Owner	Time	Page
	[Background Pack] Training / Making a Whistleblowing Policy Work			-
1	Apologies	Chair	10:30	-
2	Declarations	All		-
3	Minutes	Chair		4
4	Actions	Chair		15
4.1	Full Authority Action 10/2023: Financial Control Lessons Learned	Chair	10:40	18
	Strategic Risk			-
5	Joint Update / Risk Management	Risk Management Lead / Risk and Assurance Manager		21
5.1	Joint Strategic Risk Register Q2 2023/24		10:50	25
5.2	Strategic Risk Deep Dive: Technology		11:05	46
5.3	[Background Pack] Risk Management Strategy Progress Report			-
5.4	[Background Pack] Risk Maturity Review Schedule			-
	British Transport Police Authority			-
6	Chief Financial Officer's Report Q2 2023/24	Chief Financial Officer	11:35	56
7	Counter-Fraud Update Q2 2023/24	Risk and Assurance Manager	11:50	65
8	BTPA Whistleblowing Policy [November 2023]	Risk and Assurance Manager	12:00	71
9	Cash Reserves Management Update 2023/24	Deputy Director (Financial Control)	12:05	81
10	Management Assurance Return 2023/24 Update	Chief Financial Officer	12:10	-
10.1	[Background Pack] Action 20/2023: Functional Standards			-
	Recommended Break Point		12:15	-
	British Transport Police			-

	Item	Owner	Time	Page
11	Deputy Chief Constable's Report Q2 2023/24	Deputy Chief Constable	12:20	83
12	Vetting and Counter Corruption Follow-Up Review: Final Report	Deputy Chief Constable	12:35	94
	Internal Audit			-
13	Internal Audit Progress Report Q2 2023/24	GIAA	12:45	125
13.1	[Background Pack] Internal Audit Draft Report / Contract Management			-
	External Audit			-
14	Statutory Appointment of Comptroller and Auditor General as External Auditor	All	12:55	-
15	KPMG Ways of Working for 2024	KPMG	13:00	136
16	Draft External Audit Plan 2023/24	NAO/KPMG	13:15	141
	Committee Governance			-
17	Committee Effectiveness Action Plan Dashboard Q2 2023/24	Board Secretary	13:20	171
18	Workplan 2023/24	Chief Financial Officer	13:25	175
19	Any Other Business	All		-
20	Meeting Evaluation	All	13:30	-
	[Background Pack] ECIIA 2024 Risk in Focus Board Briefing			-

AUDIT AND RISK ASSURANCE COMMITTEE - ACTIONS

Item Ref	Date	Action	Owner	Due Date
5/2023	10 March 2023	The Chair acknowledged the tight timeline but nevertheless challenged the Chief Financial Officer to aim for introduction of the new Cost Allocation Model in time for the 24/25 PSA Charges.	Chief Financial Officer	In Progress Verbal update to be provided at November 2023 meeting.
14/2023	22 June 2023	The Chair noted that the Committee was keen to ensure the format of the Annual Report and Accounts for the following year i.e., 23/24 reflected modern best practice in terms of format, content and accessibility and asked for National Audit Office's assistance in identifying best practice from across government. A workshop to discuss approaches would be convened later in 2023.	Board Secretary	In Progress <i>2/11/23 - Risk and Assurance Manager to utilise examples provided by a Member to direct ARA designers to use more graphics and infographics. Member to review proposed layouts once drafted.</i>
17/2023	22 June 2023	Members noted a comment from the KPMG director that scheduling the external audit plan for the November 2023 meeting was too ambitious. Nevertheless, both Members and NAO agreed that deferring it to the March 2024 meeting would be leaving it too late in the reporting year. All present agreed to resolve the scheduling outside of the meeting.	Board Secretary	Completed Draft External Audit Plan included at item 15.
18/2023	8 September 2023	In response to a question, the Assistant Chief Constable agreed to liaise with the Chief Executive to determine what assistance, if any, the Authority could provide with regards the progress of the IOPC investigation.	Chief Executive	Completed Board Secretary has prompted Chief Executive to offer relevant support to the Assistant Chief Constable on this issue.
19/2023	8 September 2023	Members noted that, given the Manchester Arena Inquiry had now closed and progress on relevant Monitored Recommendations was largely Green, it would be appropriate for reporting on the Inquiry to be incorporated into the Deputy Chief Constable's standing report to the Committee, rather than being	Deputy Chief Constable	Completed Approach endorsed by Full Authority at its September 2023 meeting and included in ARAC commissioning for November 2023 meeting.

AUDIT AND RISK ASSURANCE COMMITTEE - ACTIONS

		retained as a standalone item. Authority oversight would continue via Authority Executive attendance at the Force's GOLD group		
20/2023	8 September 2023	Members asked for an update on Functional Standards and how they would likely relate to the Management Assurance Return 2023/24 at their November 2023 meeting.	Head of Audit and Assurance	Completed Provided on November 2023 agenda.
21/2023	8 September 2023	In response to a question, the Head of Audit and Assurance clarified that the Fraud Risk Assessment for Uniform had been chosen as a priority as ordering uniform was an online process with no management oversight, albeit with embedded safeguards. The Chair asked for an update on the outcome of the assessment at the November 2023 meeting.	Head of Audit and Assurance	Completed Factored into commissioning for November 2023 meeting.
22/2023	8 September 2023	In response to a question, the Deputy Chief Constable agreed to share the Force's Information and Data Assurance policy, which he confirmed was in line with national guidance and legislation.	Deputy Chief Constable	In Progress Board Secretary has issued reminder to Deputy Chief Constable's staff officer. An update to be provided at November 2023 meeting.
23/2023	8 September 2023	The Head of Audit and Assurance committed to delivering a briefing session on the new Assurance Map at the March 2024 meeting. In the meantime, the Force would liaise with the Authority Executive to further develop the proposed Assurance Map to ensure it showed all relevant lines of assurance	Head of Audit and Assurance	Closed Workplan updated
24/2023	8 September 2023	Committee approved the use of the GIAA template for future Assurance Maps submitted to the Committee and agreed that the new Assurance Map should be submitted to the Committee in March and September each year.	Board Secretary	Closed Workplan updated
25/2023	8 September 2023	Members acknowledged that the PEEL and Vetting & Counter-Corruption HMICFRS Reports remained under embargo given approval for publication from the Secretary of State for Transport was required. That said, it seemed incongruous that the Force	Head of Audit and Assurance	Completed Vetting and Counter Corruption Follow-Up Review: Final Report provided on November 2023 agenda.

AUDIT AND RISK ASSURANCE COMMITTEE - ACTIONS

		was tracking and reporting actions in response to those reports when the Committee was not formally in receipt of the reports themselves. Members noted a re-inspection was due in Autumn 2023 and therefore requested a specific item on HMICFRS recommendations at their November 2023 meeting.		
26/2023	8 September 2023	A Member commented that, given the current lack of an action plan – which was in development – for Biometrics it would be worthwhile considering the inclusion of a standalone item on this issue at a future meeting. The Chief Financial Officer noted the relevance of National Cyber Security Centre guidance in this area.	BTPA Executive	In Progress Potential to be added to workplan or delivered via Member Engagement.
Actions referred from other Committees				
Full Authority 10/2023	28 June 2023	The Deputy Director – Financial Control confirmed, in response to a comment from the Chief Financial Officer, that the Force would be conducting a walkthrough of its pensions accounts and documenting lessons learned and any recommendations for improvement in controls. This workstream would be reported to Force-level Audit, Risk, Inspection and Compliance Board (ARIC) and on to BTPA Audit and Risk Assurance Committee	Deputy Director (Financial Control)	Complete Attached at item 4.1

Report to: Audit and Risk Assurance Committee
Date: 17 November 2023
Subject: Committee Effectiveness Programme 2023/24 Dashboard Q2
Sponsor: Head of Governance and People / Chief Financial Officer
Author: Board Secretary
For: Comment

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1. Purpose of paper

- 1.1 To provide Members with an update on progress against the Committee Effectiveness Action Plan 23/24.

2. Background

- 2.1 Audit and Risk Assurance Committee considered a report on [its Committee Effectiveness Evaluation exercise at its meeting in July 2023](#).
- 2.2 At its September 2023 meeting, the Committee agreed that it should receive a quarterly dashboard on progress against the plan.

3. Recommendations

- 3.1 That Members note the report.

4. Annexes

- 4.1 Annex 1: Audit and Risk Assurance Committee Effectiveness Programme 23/24 Dashboard Q2 [November 2023]

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Annex 1: Audit and Risk Assurance Committee Effectiveness Programme 23/24 Dashboard Q1 [September 2023]						
	ARAC Effectiveness Evaluation 22/23 Areas for Improvement	ARAC Effectiveness Programme 23/24 Workstream	September 2023	November 2023	March 2024	June 2024
1	There could be more engagement with DfT audit function in the work of the committee.	Committee Member Engagement Plan	BTPA CFO to establish whether Sponsor interested/can recommend a recipient for meeting digests/committee annual report.	BTPA CFO to establish whether Sponsor interested/can recommend a recipient for meeting digests/committee annual report.		
2	Issues considered by the committee were complex and deserved more time.	Committee Workplan	Amber pending delivery of workstream during 23/24. To be referenced in Member meeting evaluations at each meeting.	Amber pending delivery of workstream during 23/24. To be referenced in Member meeting evaluations at each meeting.		
3	A finance representative from the Force could either receive papers/attend meetings.	Committee Workplan	Director of Corporate Development invited to nominate standing Force finance attendee. Force finance function will receive all papers irrespective of meeting attendance. NB P14 report goes to June 2024 meeting.	Agenda pack shared with Deputy Director (Financial Control)		
4	Members could receive more effective induction to assist them in performing their roles on ARAC / committee induction can be improved	Committee Induction Plan	Committee Induction Plan developed and reported to ARAC September 2023 meeting.	Amber pending delivery of agreed committee induction plan for new Members.		
5	The blend of Member skills and experience on the committee could be better understood.	Committee Induction Plan	Committee Skills Audit to be conducted to confirm skills/skills gaps and influence composition of committee once new Members join BTPA	Amber pending arrival of new Members.		

6	It was felt the committee lacked digital, commercial and finance skills	Committee Induction Plan	Committee Skills Audit to be conducted to confirm skills/skills gaps and influence composition of committee once new Members join BTPA	Amber pending arrival of new Members.		
7	Member lead responsibility for whistleblowing was unclear	Committee Workplan	ARAC Chair is lead Member for BTPA Whistleblowing Policy albeit that policy is due for refresh and revision – to be reported to November 2023 meeting.	BTPA Whistleblowing Policy presented for approval.		
8	Member understanding of the Force's control environment could be improved.	Committee Induction Plan Committee Training Plan Committee Member Engagement Plan	Amber pending delivery of Committee Induction activity / training activity / Member engagement activity	Amber pending delivery of Committee Induction activity / training activity / Member engagement activity		
9	It was unclear whether the committee provided sufficient attention to financial management and reporting issues.	Committee Workplan	Committee receives P14 finance report at its June meeting in anticipation of signing-off annual report and accounts. Any Member insight on comparative practice welcome.	Committee receives P14 finance report at its June meeting in anticipation of signing-off annual report and accounts. Any Member insight on comparative practice welcome.		
10	It was unclear to what extent the committee reviewed the Cabinet Office's Counter-Fraud Standards.	Committee Workplan	Amber pending confirmation to what extent standing quarterly report on Counter-Fraud is based on Cabinet Office Standards.	Amber pending confirmation to what extent standing quarterly report on Counter-Fraud is based on Cabinet Office Standards.		
11	Cybersecurity deserved more scrutiny by the committee.	Committee Training Plan Committee Member Engagement Plan	Committee Members received the first of two training sessions on the National Cybersecurity Centre Toolkit in June 2023. The second session is scheduled to be delivered on 8 September 2023. There is scope to invite a representative of National Cybersecurity Centre to a future meeting.	Committee has completed two training sessions on NCCSC Toolkit albeit there is scope to embed NCSC toolkit further into Committee reporting / Workplan.		

12	It was unclear how any external audit recommendations in particular were reported into the BTPA committee structure.	Committee Workplan	External Auditor has been asked to provide the External Audit Management Letter 2022/23 to the September 2023 meeting. Committee will then have opportunity to refer any matters to peer BTPA Committees.	Provision of External Audit Management Letter as annual standing item at September meeting will allow BTPA Executive to recommend referral of any recommendations to peer committees.		
13	Committee terms of reference should be cross-referenced against HMT ARAC Handbook.	Committee Workplan	Cross-referencing exercise was completed in June 2023 to confirm ARAC terms of reference reflect best practice guidance in HMT ARAC Handbook.	Cross-referencing exercise was completed in June 2023 to confirm ARAC terms of reference reflect best practice guidance in HMT ARAC Handbook.		
14	Member challenge of Executive, Force, internal and external audit could be more rigorous.	Committee Induction Plan Committee Workplan Committee Member Engagement Plan	Amber pending delivery of Committee Induction activity / Member engagement activity.	Amber pending delivery of Committee Induction activity / Member engagement activity.		
15	It was queried whether the committee should offer an annual report to the Full Authority.	Committee Workplan	This can be added to ARAC Workplan for June 2024. Members should in due course take a view on whether this is worthwhile or just additional layer of reporting.	ARAC agreed at its September 2023 meeting that an annual report was not necessary.		
16	ARAC Chair meetings could be broadened beyond BTPA CFO and Head of Internal Audit.	Committee Member Engagement Plan	Suggested ARAC Chair engagement incorporated into Committee Member Engagement Plan	Committee Engagement Plan to be implemented prior to March 2024 meeting.		
17	A view should be taken on whether the committee proactively communicated its work beyond BTP/A (i.e. to DfT audit lead(s)).	Committee Member Engagement Plan	ARAC Chair can highlight work of the Committee as part of engagement activity. NB synergy with Area of Improvement (1).	ARAC Chair can highlight work of the Committee as part of engagement activity. NB synergy with Area of Improvement (1).		

Audit and Risk Assurance 2023-24 Workplan

Changes from previous year have been highlighted in yellow.

Meetings	Items	Output
Standing Items	<ul style="list-style-type: none"> Welcome, introductions and conflict declaration Minutes of previous meeting Matters arising/actions outstanding Risk Register Assurance Map Fraud report BTPA CFO Quarterly Update, <i>to include pensions, income, cash flow and any other Financial Control areas to raise</i> BTP DCC Quarterly Update, <i>to include inspection results, crime & incident audit exceptions and escalations from ARIC / other Force oversight boards</i> Manchester Arena Inquiry Update Internal audit update & reports, <i>including SLAs and monitoring completion of GIAA agreed actions</i> Reflection on effectiveness of meeting Workplan 	<ul style="list-style-type: none"> Minutes Summary for Authority meeting
June 2023	<ul style="list-style-type: none"> 2022-23 Annual Report and Accounts with P14 Financial Statement paper Governance statement (included in the ARA) Code of Governance amendments and Board Effectiveness Evaluation Internal Audit Annual Report and Opinion Draft External Audit Completion Report Report on committee effectiveness self-assessment, including oversight and ToR Revise ARAC ToR 	<ul style="list-style-type: none"> Approval of 2022-23 Annual Report and Accounts to Authority Approval of any Code of Governance amendments to Authority Remedial actions for effectiveness from self-assessment Approval of ARAC ToR changes to the Authority
July 2023 - Extraordinary	<ul style="list-style-type: none"> Final approval of 2022-23 Annual Report and Accounts Final 2022-23 NAO Audit Completion Report 	<ul style="list-style-type: none"> Approval of Annual Report and Accounts to Authority
September 2023	<ul style="list-style-type: none"> Half year review of 2023-24 GIAA plan Assurance Framework 	<ul style="list-style-type: none"> Approval of any changes to Internal Audit Plan

	<ul style="list-style-type: none"> Update on information and data related issues and assurance (as per Governance Statement) Strategic Risk Deep Dives Risk Management Strategy & Improvement Plan 2023-27 	
November 2023	<ul style="list-style-type: none"> Reserves Policy Anti-fraud and whistleblowing policies/processes review (to contain update on PSD oversight of fraud from April 2023) 2023-24 Management Assurance Return (MAR) process Statutory appointment of the Comptroller and Auditor General as External Auditor endorsed External Audit Plan 	<ul style="list-style-type: none"> Approval of updated reserves policy Approval of updated fraud and whistle-blowing policies Approval of external audit plan
March 2024	<ul style="list-style-type: none"> 2023-24 Management Assurance Return (MAR) Functional Standards Review (if separate to the MAR) GIAA Plan 2024-25 HMICFRS 2024-25 Preliminary External Audit findings from interim work Risk Deep Dive Schedule 2024-25 Assurance Map Briefing (Action 23/2023) and Refresh Work plan for 2024-25 Training plan for 2024-25 	<ul style="list-style-type: none"> Approval of work plan Approval of training plan Approval of MAR submission Approval of Internal Audit Plan
Other responsibilities to be programmed or for the future	<ul style="list-style-type: none"> Risk review (introduction of risk layer below Strategic Risks) – TBC HMICFRS Inspection Reports – TBC Assurance Map reviews - TBC 	

Items listed in HMT ARAC Handbook Example Terms of Reference under Information Requirements that are not currently reflected in workplan:

- a. A report on co-operation between internal audit and external audit