

Memorandum of understanding



For cooperation between Audit Scotland, on behalf of the Auditor General for Scotland, and HM Inspectorate of Constabulary in Scotland (HMICS)

September 2014



Introduction

1. The Police and Fire Reform (Scotland) Act 2012 places a duty on the Auditor General for Scotland (AGS) and Her Majesty's Inspectorate of Constabulary in Scotland (HMICS) to cooperate and coordinate activity with each other with a view to improving how we carry out our respective functions.¹

2. This Memorandum of understanding sets out how we intend to fulfil this duty. It describes our respective powers and responsibilities and proposes a framework for collaborative working. This framework is designed to optimise the skills and experience involved in audit and inspection, avoid duplication of effort and minimise the burden of scrutiny.

Statutory roles of the Auditor General for Scotland and Audit Scotland

3. The AGS is responsible for ensuring propriety and value for money in the spending of public funds. She investigates whether public bodies are achieving the best possible value for money and adhering to the highest standards of financial management. She is independent and not subject to the control of any member of the Scottish Government or the Parliament.

4. The AGS is responsible for securing the audit of the Scottish Government and most other public bodies, except local authorities. In relation to the police service, this includes the Scottish Police Authority (SPA), the Scottish Government Learning and Justice Directorate and the Police Investigations and Review Commissioner (PIRC). In liaison with the Accounts Commission, she also audits joint working arrangements between central and local government bodies, including community planning.

5. The AGS appoints the external auditors for the SPA. All appointed auditors must comply with Audit Scotland's Code of Audit Practice, which includes guidance on the

principles of public audit, the statutory and other duties of auditors, and audit requirements relating to financial statements, corporate governance and reporting the audit. The audited annual financial statements for the SPA, including the independent auditor's report, will be sent to the relevant minister and laid before Parliament.

6. Section 23 of the Public Finance and Accountability (Scotland) Act 2000 gives the AGS specific powers to examine the economy, efficiency and effectiveness with which resources are being used by specified public bodies, including the SPA and the Police Service of Scotland. This includes the power to examine the arrangements made by these two bodies to secure Best Value.

7. Audit Scotland is a statutory body set up in April 2000 under the Public Finance and Accountability (Scotland) Act 2000. It provides services to the AGS and the Accounts Commission. Audit Scotland provides independent assurance to the people of Scotland that public money is spent properly and provides value for money. It supports improvement in public services by holding to account those responsible for spending public funds. The values of independence and integrity, valuing people, quality, cooperation and effective communication underpin all its work. Audit Scotland will be responsible for adopting the framework for collaborative working outlined in this Memorandum.

8. Audit Scotland may also undertake planned performance audits and Best Value audits on the SPA or the Police Service of Scotland or on specific aspects of their work, as requested by the AGS. Reports on these audits will be reported to the Scottish Parliament.

Statutory role of HM Inspectorate of Constabulary in Scotland

9. The statutory role of Her Majesty's Inspectorate of Constabulary in Scotland (HMICS) is set out in Sections 71 to 82 of the Police and Fire Reform (Scotland) Act 2012.

¹ Section 85, Police and Fire Reform (Scotland) Act 2012.

The role of HMICS is to make inquiries about any matter they consider appropriate about the state, efficiency and effectiveness of the SPA and the Police Service of Scotland.

10. The role of HMICS is to monitor and improve police services in Scotland. HMICS does this independently of the police service, the SPA, local committees and the Scottish Government. HMICS discharges this duty by inspecting and advising the Police Service of Scotland and the SPA and by inspecting how Best Value is achieved in both organisations. HMICS also provides advice to Scottish ministers.

11. The emphasis of HMICS as an Inspectorate is predominantly on inspection activity, and as a technical inspectorate and repository of technical expertise in relation to policing matters in Scotland. HMICS has a responsibility to assess and monitor the performance of the police service and the SPA. It will also maintain an interest in the effectiveness of local scrutiny committees.

12. HMICS can be directed or commissioned by Scottish ministers to undertake research or inspection activity in relation to any aspect of policing in Scotland. HMICS also has the power to do anything which it considers necessary or expedient for the purposes of, or in connection with, the carrying out of their functions. The SPA and Chief Constable have a statutory duty to assist and cooperate with HMICS and must take appropriate action in response to HMICS reports.

13. HMICS must prepare and publish a plan setting out their priorities for inspection and how these will be carried out. This plan must be subject to consultation with relevant stakeholders and must be reviewed regularly.

14. HMICS must provide copies of its reports to Scottish ministers, the SPA and the Chief Constable, and lay them before Parliament. HMICS will also prepare an annual report that is laid before Parliament.

Complementary roles of audit and inspection

15. The AGS and HMICS have distinct statutory responsibilities for the audit and inspection of the SPA and the Police Service of Scotland and the services they provide. However, there are some areas where their duties have the potential to overlap. For example, in relation to arrangements for governance and accountability, achieving Best Value, performance management or community planning. [Exhibit 1](#) illustrates the different areas of focus for audit and inspection, and areas of potential overlap.

16. The AGS, Audit Scotland and HMICS are also bound by various other statutory requirements, some of which are imposed on all public bodies.² This Memorandum is intended to operate within this wider legislative context.

Exhibit 1

Coverage of audit and inspection of the Scottish Police Authority and Police Service of Scotland



Source: Developed by Audit Scotland and HMICS

A framework for collaborative working

17. The AGS and HMICS are committed to ensuring that our audit and inspection work contributes to providing assurance that the SPA and the Police Service of Scotland are operating efficiently and effectively and delivering Best Value; and that our recommendations lead to demonstrable improvements in service delivery. We will also work to ensure our audits and inspections are risk-based and proportionate, delivered efficiently and effectively and do not place an unreasonable burden on the SPA or the Police Service of Scotland.

18. In fulfilling our duty to cooperate, we are committed to:

- Joint discussions on planning our audit and inspection work, including sharing risk assessments
- Sharing relevant information and respecting confidentiality of shared information
- Maintaining effective communication and liaison

² These statutory obligations include, for example, requirements around freedom of information, data protection, records management, climate change and complaints handling.

- Working together where appropriate
- Sharing knowledge, skills, expertise and experience.

19. Joint discussions on planning. Audit Scotland and HMICS will share annual risk assessments to inform future audit and inspection activity. HMICS is required to develop an inspection plan which outlines its priorities for inspections and how these will be undertaken. HMICS will consult with Audit Scotland on its draft inspection plan. Similarly, Audit Scotland will consult HMICS on criminal justice or community safety related performance audit and Best Value plans. Appointed auditors also agree an annual audit plan with SPA and will share their draft audit plans with HMICS.

20. Sharing relevant information. Audit Scotland and HMICS will operate an open and transparent approach to sharing information. The types of information which will be routinely shared include strategic developments relating to the police service, relevant correspondence, performance and financial information, fieldwork planning, draft versions of project briefs, project initiation documents, audit reports and inspection reports. We will respect the confidential nature of the information we share between us. This will include, for example, draft reports, commercially sensitive information and confidential documents. Any information passed between our organisations will not be disclosed to a third party without prior discussion.

21. Maintaining effective communication and liaison. Audit Scotland and HMICS staff will meet regularly to ensure effective communication between the two organisations. Senior level meetings will be held at least twice a year to discuss strategic issues and progress of agreed work programmes. Auditors and inspectors will meet at an operational level when there is joint working on specific topics. It is also envisaged there will be ongoing informal communication at all levels. Where appropriate Audit Scotland will invite HMICS to participate in Project Advisory Groups.

22. Working together where appropriate. The AGS and HMICS have different statutory responsibilities and different reporting arrangements. We therefore do not anticipate many joint reports. We are, however, committed to making the best use of our collective skills and expertise in our audit or inspection work. We will encourage the use of short-term secondments or placements to deliver specific audits or inspections, and will provide mutual

advice and support as required. We envisage that Best Value and community planning are particular areas where Audit Scotland and HMICS are likely to share the different skills, experience and expertise of their staff.

23. Sharing knowledge, skills, expertise and experience.

We believe there is much to be gained by both organisations in sharing our respective knowledge, skills and expertise. We will investigate different approaches for doing this, for example, through shared training on audit or inspection methodology, work shadowing and temporary secondments. Future audit work may use findings from HMICS inspections, and similarly, future inspections may refer to published audit judgements. It is important therefore that both organisations have confidence in the quality of the audit and inspection work being undertaken, the evidence used and the published judgements. Sharing knowledge and expertise will contribute towards building mutual confidence in the quality of our audit and inspection work.

Resolving disagreements

24. Both Audit Scotland and HMICS are committed to working together in an environment of mutual trust and respect and promoting a culture of openness. This approach should minimise the risk of disagreements. Should disagreements arise, they should be resolved amicably between the people concerned, and failing that through discussions between relevant senior managers.

Reviewing the Memorandum of Understanding

25. We will formally review this Memorandum every three years to ensure both organisations are working within the agreed framework, and consider whether the framework needs to be revised to meet changing circumstances.

Signed:



Auditor General for Scotland

Signed:



HM Inspector of Constabulary in Scotland



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