

SCOTTISH CRIMINAL CASES REVIEW COMMISSION

MINUTES OF THE MEETING OF THE AUDIT COMMITTEE ON TUESDAY 9 JULY 2024 @ 10:30, HYBRID MEETING FOR DISCLOSURE VIA THE PUBLICATION SCHEME

In line with the Commission's Disclosure policy, various paragraphs may have been edited or deleted from these minutes as the information contained therein relates to specific case information and/or personnel-related matters. Where the summary of discussion has been edited or the names have been deleted, this is indicated at the start of the relevant paragraph or section.

There were no edits on this version of the minutes.

Members of the Audit Committee:

Mrs Elaine Noad (Chair) – Video Conference
Ms Laura Reilly – Video Conference
Mrs Suzanne Mertes – Video Conference

In attendance:

Ms Gillian McCreadie, Senior Audit Manager, Audit Scotland - Office
Miss Kerry Nelson, Senior Auditor, Audit Scotland – Office
Mr Dougie Shepherd, Senior Internal Auditor Manager, Scottish Government – Office
Mr Glen Bissett, Internal Audit Manager, Scottish Government - Office
Mr Michael Walker, Chief Executive & Accountable Officer - Office
Mr Chris Reddick, Director of Corporate Services, SCCRC (minutes) – Office

1.0 Apologies

There were no apologies.

2.0 Conflicts of Interest/Declarations of Interest/Gifts & Hospitality

Members were asked to declare any known conflicts of interests or gifts and hospitality.

There were no declarations of conflicts, gifts or hospitality.

3.0 Minutes of the Audit Committee meeting held on 18 April 2024

The Audit Committee approved the minutes of the meeting held on 18 April 2024, subject to minor amendment. The Audit Committee also approved the version for the publication scheme, subject to the same minor amendment.

4.0 Matters Arising

There were no matters arising.

5.0 External Audit

2023-24 Draft Annual Accounts

5.1 Mr Reddick provided the Audit Committee with an overview of the annual audit process which he confirmed had been extremely smooth. He also thanked the external audit team for their continued assistance, and noted that the audit programme had been brought forward in the year in line with the normal, pre-pandemic, reporting cycle. He then took the Audit Committee through the draft accounts on a page by page basis, noting that the format and content was relatively consistent with the previous year. In summary, he noted that all case related targets had been met for the year and provided an update on all of the various performance indicators, including sickness and payment performance. He also noted updates to the notes on IFRS16, following its implementation in 2022-23 and the Commission's provision for dilapidations, which had been increased during the year following an external assessment of likely cost. He thanked the external auditors for their input on this matter.

5.2 The Audit Committee confirmed that they were happy to recommend the signing of the Accounts to the Accountable Officer. Mrs Noad noted that the Commission had successfully met its various targets and operated within budget for the year which was impressive and thanked staff for their ongoing work and diligence.

Independent Auditor's Report & ISA580 – Letter of Representation

5.3 Ms McCreadie presented her independent auditor's report to the Audit Committee, confirming that a revised set of annual accounts had been received and reviewed and that she was now in a position to issue an unqualified audit opinion. She also provided an overview of the draft ISA260 and confirmed that there were no unadjusted misstatements to be corrected.

5.4 Ms McCreadie also summarised the Letter of Representation (ISA580) which was appended to her report and confirmed that this would be submitted by the Accountable Officer with the signed accounts.

Draft Annual Audit Report 2023-24

5.5 Ms McCreadie presented the draft Annual Audit Report for 2023-24 to the Audit Committee. In particular, she provided an overview of the various exhibits covering materiality values, significant findings from the audit of the financial statements and resulting recommendations, and an update on prior year recommendations, which had been progressed well.

5.6 Ms McCreadie referred to the comments at exhibit 2 in respect of the disclosure of audited pension information, confirming that delays across the board with MyCSP in the production of this information had resulted in this not being disclosed and a note to the accounts made to this affect.

- 5.7 Ms McCreadie referred to part 2 of the report and in particular the financial sustainability aspects of the wider dimension audit. Mrs Noad referred to the difficulties experienced by the Commission and other public bodies in respect of future funding and financial planning, and suggested an update within the report to more clearly reflect these difficulties. Ms McCreadie agreed to consider this point and update accordingly.
- 5.8 Mr Reddick referred to paragraph 34 of the report and confirmed that the latest cyber essentials accreditation was imminent, having been submitted and some follow up points being actioned. He agreed to provide a full update to the Board at their next meeting in July 2024.
- 5.9 Ms McCreadie concluded by thanking Mr Reddick and his team for their assistance in effectively facilitating the audit. Mrs Noad thanked the auditors for their work. She noted the various constructive and useful comments made and after full further discussion the Audit Committee noted the external audit reports.

6.0 Internal Audit

2023-24 SCCRC Annual Internal Audit Review

- 6.1 Mr Bissett presented the final Internal Audit Annual Review for 2023-24, confirming that this was in two parts and covered both succession planning and staff culture. He noted that the audit was extremely positive and substantial assurance had been provided, with one recommendation being made.
- 6.2 In respect of succession planning, Mr Bissett noted that the Commission's arrangements were well developed and had put Mr Reddick in touch with other bodies who were taking forward such arrangements. Mrs Noad referred to the staff culture and survey which had been carried out and confirmed that this was very re-assuring, whilst noting some useful follow-up work to be taken forward. Mr Reddick also provided an update on the recommendation, confirming that the succession plan document would be updated in respect of staff welfare, following the completion of the staff survey and this audit.

2022-23 Internal Audit Annual Review Follow-up

- 6.3 Mr Bissett provided the Audit Committee with an overview of his 2022-23 Follow-up Report confirming that good progress has been made in respect of a number of previous recommendations. After full discussion it was noted that full accreditation with cyber essentials would clear off any outstanding recommendation and, as discussed earlier, this was imminent.

2023-24 SCCRC Internal Audit Annual Assurance Report

- 6.4 Mr Shepherd provided the Committee with a summary of the 2023-24 Annual Assurance Report, confirming that reasonable assurance had been provided overall, which was extremely positive. He set out the various sources of this assurance, including the 2023-24 Annual Review, the 2022-23 Follow-up Review, factors arising from the culture/organisational review and engagement with senior management. He also noted that work carried out by the central

audit team in respect of Scottish Government Shared Services, where reasonable assurance had been provided, had been taken into consideration.

- 6.5 Mrs Noad thanked Mr Shepherd and Mr Bissett for their work across the year and noted the reasonable assurance provided along with the progress on the outstanding prior year recommendations. In respect of the wider landscape, she noted the transition to the new Oracle Cloud Finance and HR systems. Mr Shepherd asked for any feedback in respect of this piece of work noting that it would have a significant impact on users. Mr Reddick confirmed that the level of input on this project had been quite significant for such a small organisation but hoped it would result in a positive outcome.

2024-25 Internal Audit Draft MoU

- 6.6 Mr Bisset confirmed that the draft Memorandum of Understanding followed a standard format and was for the Audit Committee Members to note. After discussion Members noted that the readability of the document could be improved but agreed the content.

2024-25 Internal Audit Progress Report

- 6.7 Mr Shepherd presented the progress report for the current year noting that coverage would include key performance indicators and financial control. Mrs Noad noted the content and asked that the internal auditors liaise with the external audit team to avoid any duplication in respect of financial controls.
- 6.8 The Audit Committee also noted the content of the 2023-24 Core Corporate Systems Annual Assurance report and the various additional papers provided for information. Mrs Noad thanked Mr Shepherd and Mr Bissett for their work and valued input.

7.0 Audit Committee

Terms of Reference & Draft Annual Report 2023-24

- 7.1 Mr Reddick confirmed that he had reviewed the Audit Committee's Terms of Reference and, subject to any comments from Members, had made no recommended changes. Mrs Noad referred to the Rights and Membership sections of the Terms of Reference and suggested that co-option should be considered further to fill any future skills gaps and that this should be detailed within the terms of reference. After full discussion Mr Reddick agreed to update the terms of reference for consideration at the next meeting.
- 7.2 Mr Reddick also summarised the Annual Report for 2023-24 and in particular noted the main sources of assurance and basis for opinion. He confirmed that the report also reflected the Audit Committee's approval of the draft annual accounts and the recommendation for the Accountable Officer to sign the accounts. After full consideration the Audit Committee approved the 2023-24 Annual Report.
- 7.3 Mrs Noad noted that the Audit Committee had the opportunity to meet privately with the auditors if anyone felt this was necessary. The Audit Committee and the auditors agreed that they had nothing to discuss privately.

8.0 Risk Management

Corporate Risk Register – Quarter 1 Update

- 8.1 Mr Reddick provided an update on the latest Corporate Risk Register and in particular provided a summary of each of the top 10 risks, including updates and changes to the various control actions. He confirmed that no changes to the risk scoring had been recommended following quarter 1.
- 8.2 Members discussed the updated register and confirmed that they were happy with the various changes and for the document to go to the July meeting of the Board for noting. Mr Reddick confirmed that the Risk Register would now go to the Board on a quarterly basis irrespective of the timings of future Audit Committee meetings.
- 8.3 Mr Shepherd raised a question in respect of the scoring of likelihood and impact and the consequences of control actions being taken forward on whether the various risks would be classified as treat or tolerate. Mr Reddick provided a summary of the historic development of the Commission's risk management arrangements, confirming that a low, medium and high approach had been adopted to reflect the scale of the organisation. After full discussion it was agreed that further consideration would be given to future changes in the classifications of treat and tolerate for the top 10 risks.

9.0 Business Continuity Plan

- 9.1 Mr Reddick presented the redacted version of the updated Business Continuity Plan, confirming that he had made a number of updates to reflect personnel and contact changes. In addition, he confirmed that the plan had previously been updated with reference to the newly developed succession plans, covering the roles of the Chief Executive and Director of Corporate Services, and specifically, guidance on when the succession plans should be enacted.
- 9.2 Mr Reddick also referred to the updated test schedule appended to the plan, confirming that details of the recent desk top rollout had been included as the new desktop image had been used successfully for this purpose. Mrs Noad noted that the test schedule was a useful record of testing and provided additional assurance over the plan.
- 9.3 Mr Reddick noted that an un-redacted version would now be circulated to members of the Business Continuity Planning Team and was available for inspection by the Audit Committee. Members noted the updated plan.

10.0 Best Value Review & 2023-24 Action Plan

- 10.1 Mr Reddick provided a summary of the latest Best Value Review and Action Plan which had been considered and approved by the Board at the Policy meeting on 24 May 2024. He confirmed that the various action plan objectives had also been incorporated within the business plan objectives for 2024-25 and implementation would be monitored on a quarterly basis.

10.2 Mrs Noad confirmed that she had suggested an appendix to the document to reference all of various source materials and policy documents and Mr Reddick agreed to take this forward. Mr Shepherd noted that this was a useful report and appeared well thought out.

11.0 AOCB

There was no other competent business.

12.0 Date of Next Meeting

Mr Reddick agreed to circulate proposed dates for the next meeting.

Chris Reddick
18 July 2024