

SCOTTISH CRIMINAL CASES REVIEW COMMISSION

MINUTES OF THE MEETING OF THE AUDIT COMMITTEE ON THURSDAY 3 DECEMBER 2015 2.30PM, PORTLAND HOUSE

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.

Members of the Audit Committee:

Mr Gerrard Bann, Chairman
Professor George Irving
Professor Brian Caddy

In attendance:

Mr Richard Smith, Senior Auditor, Audit Scotland
Mr David Docherty, Professional Trainee, Audit Scotland
Mr Jim Montgomery, Audit Manager, Scottish Government
Mr Gerard Sinclair, Chief Executive, SCCRC
Mr Chris Reddick, Director of Corporate Services, SCCRC

1.0 Apologies

Professor Fraser, Mr Haseeb (Audit Scotland) and Mr Wilkie (SG: Internal Audit) had submitted their apologies.

2.0 Minutes of the Audit Committee meeting held on 4 June 2015

The Audit Committee noted the minutes of the meeting held on 4 June 2015, having previously approved them by email. The Audit Committee also noted the version for the publication scheme.

3.0 Matters Arising

3.1 Mr Reddick referred to 5.4 of the minutes and confirmed that the depreciation policy to be applied to IT fixed assets would be confirmed with Accountancy Services prior to year-end and any appropriate adjustments made.

3.2 Mr Reddick reported that the Audit Committee Effectiveness questionnaires had been circulated and completed responses reviewed. He

confirmed that there were no specific matters or areas of concern raised by respondents.

4.0 Internal Audit

- 4.1 Mr Montgomery presented the Internal Audit Terms of Reference for 2015-16 to the Audit Committee, confirming that the areas of audit review had previously been agreed with the Audit Committee. He also provided an overview of the Progress Report for 2015-16 setting out the proposed timing of reviews, confirming that the governance review would be taken forward in December 2015 and the ICT review in January 2016. He also confirmed that the follow up review would also be undertaken as part of this work.
- 4.2 Mr Montgomery also provided the Audit Committee with an update on the Strategic Review of Internal Audit, reporting that this had been undertaken by Kristine Dickson from Ernst & Young. He confirmed that the review had recommended the creation of a director level Head of Internal Audit post and that this was currently being advertised.
- 4.3 Professor Irving asked for an update on what the follow up review would cover. Mr Reddick confirmed that this was an annual review of recommendation agreed in the prior year following internal audit review. He noted that there were only two recommendations from 2014-15 and that this had both been implemented.
- 4.4 Mr Bann queried why the internal audit work was being carried out in two parts this year. Mr Reddick confirmed that this was simply a planning matter to fit in with both audit availability and to undertake the ICT review at a later stage following the Commission's annual contract review of the ICT support services.

5.0 External Audit – 2015-16 Annual Audit Plan

- 5.1 Mr Smith provided the Audit Committee with an overview of the 2015-16 Annual Audit Plan, confirming that this followed a similar format to the previous year and set out the various responsibilities of the auditors and accountable officer. He confirmed that there was a minor update to page 3 of the plan to include the completion of a workforce management checklist.
- 5.2 Mr Smith also set out the proposed audit timetable for 2015-16 confirming that the process would commence in February 2016 with target completion dates in line with the Commission's planned publication dates. He then invited questions from Members.
- 5.3 Mr Sinclair referred to audit risk 4 and provided some background to the likely higher than anticipated investigations and legal costs, confirming

that this had been discussed with Justice Directorate throughout the year and additional financial resources had been made available if necessary.

- 5.4 Professor Irving referred to the audit timetable and questioned the final deadline date for issue of annual accounts set at 30 November 2016. Mr Smith confirmed that this was standard for most organisations but with regard to the Commission this was always in June in line with publication deadlines.
- 5.5 Professor Irving requested an explanation of the auditor's assessment and calculation of materiality as set out in paragraphs 14 to 17 of the plan. Mr Smith set out the basis for their calculation of materiality and tolerance of errors but confirmed that any identified errors at the Commission would be raised and resolved as part of the audit.
- 5.6 Mr Smith summarised by confirming the audit fee for 2015-16 had been frozen and that the Commission had been retained by Audit Scotland until 2021 although a new team would be allocated.

At this point in the meeting both the auditors and the Audit Committee Members confirmed that they did not require a private meeting in the absence of management.

6.0 Risk Management

- 6.1 Mr Reddick provided the Audit Committee with an overview of the Commission's Corporate Risk Register as at Quarter 2, confirming that the summary page had been updated to include additional control actions taken to treat identified risks and confirming that no changes to risk scoring had been proposed since Quarter 1, although this was likely to change for the next quarter.
- 6.2 Mr Sinclair confirmed that there were likely to be a number of changes over the next quarter particularly in relation to risks associated with changes in the law, exceptional cases and judicial review. All three areas were discussed in details and it was agreed that scoring could be considered by the Board at their meeting in January 2016 in respect of these risks.
- 6.3 Mr Smith asked if there were any updates in respect of funding that should be taken account of. Mr Reddick confirmed that the narrative on the register was still appropriate and that he expected an update from Scottish Government in the New Year in respect of funding for 2016-17 once the outcome of the Spending Review had been considered further.

7.0 Business Continuity Planning

- 7.1 Mr Reddick provided the Audit Committee with a full update on the Business Continuity Plan, talking Members through each of the sections in

detail for the benefit of new Members. He noted various updates that had been applied in respect of both personal and contract details. He also confirmed that the test section had been updated with all tests undertaken to date. He noted a further test of the plan would be taken forward by year-end.

- 7.2 Mr Bann asked if consideration had ever been given to outlining implementation timescales on the various event scenarios. Mr Reddick confirmed that this had been considered but rejected on the basis that it was extremely difficult to be that prescriptive when you have adopted three general scenarios which set out the key chronological recovery steps. Mr Sinclair agreed, confirming that there were a lot of activities and the timescales were less critical to define within the plan. After full discussion the Audit Committee noted the various updates, subject to minor amendment and confirmed that the plan provided the Commission with a high level of comfort.

8.0 Any Other Competent Business

There was no other competent business.

9.0 Date of Next Meeting

Members were asked to check their diaries and confirm that the following dates were suitable:

Thursday 11 February 2016 @ 14:30

Thursday 9 June 2016 @14:30

Chris Reddick

31 December 2015