

SCOTTISH CRIMINAL CASES REVIEW COMMISSION

**MINUTES OF THE MEETING OF THE AUDIT COMMITTEE ON THURSDAY 5 JUNE
2014**

**10.30AM, PORTLAND HOUSE
FOR DISCLOSURE VIA THE PUBLICATION SCHEME
(There have been no edits to these minutes)**

Members of the Audit Committee:

Mr Stewart Campbell, Chairman
Professor Brian Caddy

In attendance:

Mr William Wilkie, Senior Internal Auditor, Scottish Government
Mr Asif Haseeb, Senior Manager, Audit Scotland
Mr Gerard Sinclair, Chief Executive
Mr Chris Reddick, Director of Corporate Services

1.0 Apologies

Mr Bann had submitted his apologies.

2.0 Minutes of the Audit Committee meeting held on 9 December 2013

The Audit Committee noted the minutes of the meeting held on 9 December 2013 having previously agreed them by email.

3.0 Matters Arising

3.1 Professor Caddy asked for an update on the payroll issues that had been noted at 5.3. Mr Reddick confirmed that a different approach had been adopted in 2013-14 for recharging payroll costs and that this appeared to have made the year end reconciliation more straightforward.

3.2 Professor Caddy asked if there was any update with the new Framework Document referred to at 5.2. Mr Reddick confirmed that this had been passed to Justice Directorate following consideration by the Board in February 2014. He confirmed that he was still awaiting a number of updates from Justice Directorate although a quarterly meeting was scheduled for tomorrow and the Framework Document was on the agenda.

3.3 Mr Reddick referred to 6.1 and confirmed that the Board had approved the new Best Value Review and Action Plan in May 2014.

4.0 Internal Audit

2013-14 Internal Audit Report on Corporate Governance

- 4.1 Mr Wilkie provided the Audit Committee with a summary of the 2013-14 Internal Audit Report on Corporate Governance, confirming that substantial assurance had been awarded overall. He also confirmed that 6 recommendations had been made, 2 classified as medium priority and 4 classified as low priority.
- 4.2 Mr Campbell and Mr Reddick both noted some typos and minor amendments. Mr Campbell confirmed that he had found the report very helpful with a good level of detail. He also noted that a change in the audit team had been useful in introducing a fresh perspective.
- 4.3 Mr Campbell noted that the recommendation in respect of the update of policy documents was useful and something that had previously been discussed. Mr Sinclair confirmed that management had agreed a process of updating all policy documents to the new format over the course of 2014-15. Mr Reddick also confirmed that Boardbook's resource centre would be utilised to set out all key policy documents.
- 4.4 After full discussion and subject to the minor amendments and typos, the Audit Committee confirmed that they were happy with both the audit outcome and management responses.

2013-14 Internal Audit Annual Report

- 4.5 Mr Wilkie presented the Internal Audit Annual Report and confirmed that substantial assurance had been given based on the year's audit activities. Mr Wilkie confirmed that a few minor changes had been agreed with Mr Reddick and that he had provided additional information in respect of Cloud Computing, as set out in paragraph 9. After full discussion the Audit Committee noted the content of the report.

2014-15 Proposed Audit Plan

- 4.6 Mr Wilkie presented the Proposed Audit Plan for 2014-15, referring in particular to Annex A. He confirmed that the plan had been devised based on the Commission's Risk Register and discussion with Mr Reddick and the Audit Committee. He also confirmed that the planned coverage was not exhaustive and could be updated or extended.
- 4.7 Mr Campbell suggested that the new Boardbooks system should be included in some form and the scope of this could be discussed further. After further discussion the Audit Committee approved the 2014-15 Audit Plan. Mr Campbell also extended his thanks to Mr Wilkie and his team for their work in 2013-14.

5.0 External Audit

2013-14 Annual Accounts

- 5.1 Mr Reddick presented the draft 2013-14 Annual Accounts and took Members through the document page by page. In particular he highlighted significant changes from the previous year's accounts, and in particular the Strategic Report which was a new requirement for 2013-14. In respect of the financial statements, Mr Reddick confirmed that the Commission was over budget in 2013-14 as previously reported to the Board and Justice Directorate. He reiterated that this was primarily a result of additional legal costs associated with the defence of judicial reviews and essential infrastructure work required during the year, all of which had been supported by Justice Directorate.
- 5.2 Mr Campbell referred to note 13 of the accounts and asked that the figures be double checked. He also referred to page 1 of the Strategic Report and asked that the Audit Committee Members be identified within the list of Board Members.
- 5.3 Mr Reddick reported that the accounts were now complete with the exception of the pension details for the Remuneration Report from DWP. He provided an update on these figures confirming that problems had been experienced obtaining these figures via the Scottish Government contacts although he had been assured that the figures would be with the Commission imminently.
- 5.4 Mr Haseeb confirmed that the 2013-14 Accounts had been well prepared and the pension figures were the only outstanding matter. Mr Reddick confirmed that from 2014-15 he would be dealing with MyCSP directly to ensure the figures were provided in a more timely manner. Mr Campbell thanked management and Mr Haseeb's team for the work on the accounts.

Proposed IAS 260 – Report to those charged with governance

- 5.5 Mr Haseeb provided the Audit Committee with a summary of the proposed report to those charged with governance on the 2013-14 audit. He confirmed that the draft accounts had been received from the Commission in accordance with the agreed timetable. He also confirmed that the onsite audit work had gone to plan, with good support being provided by Commission staff and the financial records being found to be of a high standard.
- 5.6 Mr Haseeb confirmed that there were no errors within the accounts and only some minor presentational matters which had been updated. He confirmed that the report also included the draft letter of representation which should be signed by the Accountable Officer once the process is complete.

- 5.7 Mr Haseeb noted that there were two specific findings, the first of which was in respect of the pension information for disclosure within the Remuneration Report as discussed earlier. The second point was in respect of an adjustment to correctly show a bank balance which related to a payroll recharge, still to be processed as at 31 March 2014. Overall, Mr Haseeb confirmed that he was proposing issuing an unqualified opinion.

2013-14 Proposed Annual Report

- 5.8 Mr Haseeb summarised the proposed 2013-14 annual report confirming that there were only a few minor rounding issues to update, two action points to be addressed by management and overall a very clean audit.
- 5.9 Mr Reddick identified a number of small updates and typos and agreed to take these forward with Mr Haseeb before the report's final issue.
- 5.10 Mr Campbell thanked Mr Haseeb and his team for their work and the production of two very clear audit reports. After further discussion the Audit Committee recommended that the accounts be signed by the Accountable Officer, subject to the receipt and circulation of pension figures which should be checked off by the auditors.

6.0 Best Value Update

Mr Reddick confirmed that the Board had approved the Commission's new Best Value Review and Action Plan at their last meeting in May 2014. He reported that the specific actions had subsequently been incorporated within the 2014-15 Business Plan and that the Audit Committee would see updates on progress of the Best Value Action plan from its next meeting in September 2014.

7.0 Risk Management

Mr Reddick provided the Audit Committee with a full update on the Corporate Risk Register, confirming that there was only one minor change in scoring since the last version was considered by the Board. After full discussion the Audit Committee approved the update and agreed that the Register should go to the next meeting of the Board.

8.0 Business Continuity Planning Update

Mr Reddick provided Members with an update on the Commission's Business Continuity Planning arrangements and set out plans for future testing in respect of the Commission's backup arrangements. He confirmed that he would provide a further update at the next meeting.

9.0 Any Other Competent Business

There was no other competent business.

10.0 Date of Next Meeting

Mr Reddick agreed to circulate proposed dates for a meeting in September 2014.

Chris Reddick
19 June 2014