

SCOTTISH CRIMINAL CASES REVIEW COMMISSION

MINUTES OF THE MEETING OF THE AUDIT COMMITTEE ON MONDAY 9 DECEMBER 2013 10.30AM, PORTLAND HOUSE

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 have been no edits to these minutes.

Members of the Audit Committee:

Mr Stewart Campbell, Chairman
Professor Brian Caddy
Mr Gerrard Bann

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

1.1 There were no apologies.

2.0 Minutes of the Audit Committee meeting held on 10 September 2013

2.1 The Audit Committee noted the minutes of the meeting held on 10 September 2013 having previously agreed them by email.

3.0 Matters Arising

3.1 There were no matters arising.

4.0 Internal Audit

4.1 Mr Campbell welcomed Mr Wilkie to his first meeting of the SCCRC Audit Committee. Mr Wilkie provided Members with a brief summary of his audit background and confirmed that he would be overseeing the internal audit work at the Commission from now on. He confirmed that the 2013-14 Internal Audit Plan had been agreed at the last meeting on 10 September 2013 and that the audit work would be completed before 31 March 2014. He also confirmed that all

audit reports would be completed in time for the year end Audit Committee meeting in June 2014 in order to meet the annual assurance timescales.

5.0 External Audit

- 5.1 Mr Haseeb presented Members with the 2013-14 Annual Audit Plan and confirmed that this had been agreed with management in advance of presentation to the Audit Committee. He set out the main content of the plan, explaining both the role of the external auditors and a summary of the proposed work for 2013-14. He confirmed that Table 1 contained a summary of the assurance plan based on the external audit and management assessment of current risk.
- 5.2 In reference to Table 1 Mr Reddick provided an update on the Management Statement & Financial Memorandum, confirming that he was currently drafting the Commission's new Framework Document based on the recently issued template from Scottish Government. He confirmed that this would be agreed with Justice Directorate and the Board in January 2014 and would therefore be in place prior to year end.
- 5.3 Mr Haseeb referred to Table 2 and set out the key milestones in the 2013-14 Audit Timetable. He confirmed that a number of dates would be agreed following the approval of the annual accounts timetable. Mr Reddick referred to the Fees and Resources section of the report and noted a typo in respect of the audit fee for the year. Mr Haseeb confirmed that he would have this updated based on the original audit fee notification letter.
- 5.4 Mr Campbell asked Members for any comments that they had on the 2013-14 Annual Audit Plan. Professor Caddy asked for clarification on the matters raised in respect of payroll arrangements. Mr Reddick confirmed that the Commission had historically experienced a high level of errors from the payroll provider in respect of the Commission's monthly payroll. He also confirmed that recharging arrangements in respect of costs to be allocated to other departments/organisations were also inefficient and that arrangements had been made to meet with the Payroll Administrator in order to resolve both historic issues and streamline the recharge arrangements.
- 5.5 Professor Caddy asked for an update on the review of the value of the dilapidation provision. Mr Reddick provided a summary of the background to this provision whereby the Commission had over the past 4 years provided for the costs associated with both lease redecoration requirements and general dilapidations in the eventuality that the Commission moved premises. He confirmed that he had agreed with external audit that a review would be completed by year end in respect of the anticipated value of the required provision and the most appropriate accounting arrangements for this provision. Mr Campbell asked how this review would be taken forward. Mr Reddick confirmed that a revaluation of the costs of dilapidations would be obtained from the contractor who undertook the main office refurbishment work and that this approximate value would be used for future accounting provisions.
- 5.6 Mr Campbell thanked Mr Haseeb for his report and confirmed that the format and content of the plan was much clearer than previous reports.

6.0 Best Value Update

- 6.1 Mr Reddick confirmed that the Commission had committed to undertaking a full best value review during 2013-14 as part of its Business Plan Objectives. He confirmed that the review was planned for quarter 4 and that the Audit Committee would have sight of this in June 2014.

7.0 Risk Management

- 7.1 Mr Campbell provided an update for the auditors on the work that had been undertaken to date on the revised Risk Management Strategy and Corporate Risk Register. He confirmed that both documents had been considered by the Board in October 2013 where it had been agreed that the Audit Committee would take forward some final changes and updates before updating the Board.
- 7.2 Mr Reddick summarised the main updates that he had taken forward following the meeting of the Board in October 2013 as follows:
- Agreed changes to corporate risks 3 and 4 had been incorporated within the latest draft and reference to Board Members' skills and training had been combined with staff.
 - The wording of corporate risk 4 had been updated to focus on the quality of decision making.
 - Corporate risks 3 and 4 had been reordered as agreed.
- 7.3 Mr Bann and Professor Campbell confirmed that they were both happy with the updates and more generally with how the Risk Management Strategy and Corporate Risk Register now looked. Mr Campbell suggested a minor update to the definition of risk 4 which Mr Reddick agreed to implement.
- 7.4 Mr Campbell asked Mr Wilkie for any comments he had on the revised documents. Mr Wilkie confirmed that the register appeared appropriate from an internal audit perspective and that he agreed with the "top 10" approach now adopted by the Commission. Mr Campbell confirmed that the register was now more closely linked to the Commission's objectives and corporate planning and overall appeared to be much more appropriate for the organisation.
- 7.5 Mr Campbell referred to the updated Risk Management Strategy and identified a number of minor updates which Mr Reddick agreed to take forward. Mr Wilkie confirmed that he was impressed that a strategy was in place with supporting guidance as often organisations would have a risk register in place without supporting guidance.
- 7.6 Mr Reddick referred to the copy of the Scottish Government's "Our Approach to Risk Management" paper which had been circulated for information. The Audit Committee discussed the document with all attendees and agreed that there were a number of inconsistencies and inappropriate definitions within it. After further discussion it was agreed that Mr Wilkie would provide contact details at Scottish Government for the Audit Committee to provide feedback.

8.0 Business Continuity Planning Update

8.1 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 IT infrastructure. Mr Reddick also set out a number of issues that had arisen in respect of IT arrangements over the past two months and remedial action which had been agreed with the IT support provider. In addition, Mr Reddick confirmed that the Business Continuity Plan had been updated to reflect changes to personnel details and contact information.

9.0 Any Other Competent Business

9.1 There was no other competent business.

10.0 Date of Next Meeting

- Thursday 5 June 2014 @ 2pm

Chris Reddick
23 December 2013