

SCOTTISH CRIMINAL CASES REVIEW COMMISSION

MINUTES OF THE MEETING OF THE AUDIT COMMITTEE ON THURSDAY 13 JUNE 2019 @ 10:30, PORTLAND HOUSE

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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:

Mrs Elaine Noad (Chair)
Professor Jim Fraser
Mr Colin Dunipace (by conference call)

In attendance:

Mrs Liz Maconachie, Senior Audit Manager, Audit Scotland
Miss Stephanie Harold, Senior Auditor, Audit Scotland
Mr Jim Montgomery, Senior Internal Audit Manager, Scottish Government
Mrs Mabel Hall, Internal Audit Manager, Scottish Government
Mr Gerry Sinclair, Chief Executive
Mr Chris Reddick, Director of Corporate Services, SCCRC (minutes)

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 13 February 2019

The Audit Committee noted the minutes of the meeting held on 13 February 2019. The Audit Committee also noted the version for the publication scheme.

4.0 Matters Arising

Professor Fraser referred to the 2018-19 Annual Plan and questioned when the proposed culture audit would be undertaken. Mrs Hall confirmed that it had been agreed to push this review back into 2019-20 and undertaken after the roll out of the

new IT system and the proposed office move in order to gauge opinion in respect of these two major changes.

5.0 Internal Audit

2018-19 Annual review

- 5.1 Mrs Hall presented her report on the 2018-19 Annual Review to Members and confirmed that an overall substantial assurance opinion had been provided and that only three low level recommendations had been made. She noted that good progress had been made on matters identified in 2017-18.
- 5.2 Mrs Noad referred to the recommendation to put in place a memorandum of understanding in respect of future Board appointments. The difficulties surrounding this were discussed. Mr Reddick confirmed that it would be discussed with sponsor team at the next scheduled quarterly meeting, after which he would provide an update to Audit Committee Members. The Audit Committee noted the report and congratulated staff on their hard work in achieving such a positive outcome.

2018-19 Follow Up Review

- 5.3 Mrs Hall presented her 2018-19 Follow-up Review and confirmed that all previous audit recommendations had been fully implemented and were now closed off. The Audit Committee noted the content of this report.

2018-19 Annual Assurance Report

- 5.4 Mrs Hall presented her 2018-19 Annual Assurance Report and confirmed that substantial assurance had been provided. She noted that the Commission was well managed and the internal controls environment was operating effectively. Mrs Maconachie noted that she was very pleased with the internal audit assurance report which external audit could place reliance upon. Mrs Noad also thanked the internal audit team for their work and asked that the Audit Committee's thanks be passed on to all relevant staff.

6.0 External Audit

2018-19 Draft Annual Accounts

- 6.1 Mr Reddick presented the draft 2018-19 Annual Accounts to the Audit Committee, confirming that there had been no significant presentational changes in format or in accounting policy from the previous year. He took Members through the main points of the accounts including the performance reports and financial statements. He also confirmed that the external audit process this year had been extremely smooth and the new team had provided excellent support in the production of the Annual Accounts. He noted that all agreed audit actions had been made and that no further updates were required at this stage.
- 6.2 The Audit Committee thanked Mr Reddick and confirmed that the 2018-19 Annual Accounts were comprehensive and easy to follow and thanked staff for their input.

Proposed Independent Auditor's Report & Letter of Representation

- 6.3 Mrs Maconachie confirmed that the circulated report provided and introduction to the Annual Report & Accounts for 2018-19 in line with ISA260. She confirmed that there were no unadjusted misstatements and no outstanding work and that an unqualified audit opinion was being provided. She confirmed that Appendix A contained the Independent Auditor's Report and confirmed that the accounts presented a true and fair view. She also noted that Appendix B contained the Letter of Representation which would be submitted by the Accountable Officer along with the signed accounts.

Draft Annual Audit Report 2018-19

- 6.4 Mrs Maconachie presented the draft Annual Audit Report for 2018-19 to the Audit Committee. She confirmed that Part 1 provided details of the audit of the annual accounts, noting that all papers had been provided by Commission staff in line with the agreed timescales and that these were of a good standard. She also noted that all finance staff had been extremely helpful throughout the course of the audit. She set out the materiality levels that had been set for the Commission and summarised Exhibit 2 in respect of audit findings/recommendations and the follow-up of prior year recommendation.
- 6.5 Mrs Maconachie provided an overview of Part 2 of her report which she confirmed focused on financial sustainability and governance and in particular noted the challenges facing the Commission in the future with regarding to funding and meeting fixed operating costs. She also summarised the review of the governance arrangements and noted that these were operating effectively. She also summarised the appendices to the report and in particular the audit recommendations, agreed management actions and the outcome of the follow-up review. She then asked the Audit Committee for any questions on the report.
- 6.6 Mrs Noad noted that the report provided an excellent update a very positive outcome for the Commission, thanking staff for all their hard work. Professor Fraser also acknowledged the financial sustainability issues outlined and suggested that these were common across the sector. Mr Reddick noted that medium term financial main soon be facilitated by the provision of 3 year indicative budgets and support from Scottish Government in respect of recent developments with a financial impact on the Commission including the recent analogue pay agreement with Scottish Government and approval of the accommodation plans. Mr Thomson confirmed that the Scottish Government was working on a medium term financial strategy.
- 6.7 Mr Sinclair referred to Appendices 1 and 2 and noted that the audit comments were very detailed and could perhaps be misinterpreted by an unqualified reader, despite the outcome being so positive. He noted that the management comments were also very detailed in order to adequately contextualise the audit findings. The Audit Committee discussed the format and style of the report in detail. Mrs Noad also suggested that a prefix to the follow up section may be helpful in future so as not to confuse current recommendations with previous year recommendations. After further discussion the Audit Committee noted all of the external audit reports and thanked Mrs Maconachie and her

team for their comprehensive review. Mrs Maconachie thanked Members for their feedback and staff for their input.

7.0 Audit Committee

Terms of Reference

- 7.1 Mr Reddick confirmed that Audit Committee Terms of Reference had been reviewed in full in 2017-18 and that no further revisions or updates had been suggested within the version circulated. The Audit Committee noted the Terms of Reference.

Draft Annual Report 2018-19

- 7.2 Mr Reddick also provided members with a summary of the draft Audit Committee's Annual Report for 2018-19 confirming that this followed the same format to the 2017-18 report and noted all of the various sources of assurance that they have received throughout the year to facilitate their recommendation to the Accountable Officer that the annual accounts be signed. The Audit Committee formally approved the report and recommended to the Accountable Officer that the 2018-19 Annual Accounts be signed.

8.0 Risk Management: Corporate Risk Register

- 8.1 Mr Reddick presented the updated quarter 4 version of the Commission's Corporate Risk Register, confirming that there had been no changes or suggested scoring updates from the previous version considered by the Audit Committee and the Board in February 2019. After full discussion the Audit Committee noted the quarter 4 Risk Register.
- 8.2 Mr Reddick agreed to circulate the Corporate Risk Register to the next meeting of the Board on 28 June 2019 for approval.

9.0 Business Continuity Plan

- 9.1 Mr Reddick presented the redacted version of the updated Business Continuity Plan, confirming that the majority of updates were in respect of staffing details and contact information. He also confirmed that the Audit Committee's previous recommendation in respect of recording details of planned tests had been actioned and that the report now only contained a summary. He also provided Members with an overview of the most recent test which had been undertaken in May 2019 with a positive outcome.
- 9.2 Members noted the updated plan.

At this point in the meeting the Audit Committee Members and Auditors were asked if they wished to have a private meeting. They all agreed that this was not required as they had no matters to raise.

10.0 AOCB

There was no other competent business.

11.0 Date of Next Meeting

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

Chris Reddick
19 June 2019