



# MINUTES

## SCTS AUDIT AND RISK COMMITTEE

MEETING: 24 January 2022 (held remotely via video conference)

### Members Present:

Joe Al-Gharabally, Non-Executive Member SCTS Board (Chair)  
Sheriff Principal Craig Turnbull, Non-Executive Member SCTS Board  
Nigel Paul, Non-Executive Member  
Simon Cunningham, Non-Executive Member

### Attended:

Eric McQueen, Chief Executive, SCTS  
Richard Maconachie, Chief Finance Officer, SCTS  
Noel Rehfisch, Deputy Chief Executive, SCTS  
Alice Wallace, Director Finance and Procurement, SCTS  
Gillian Battison, Head of Financial Governance, SCTS  
Jim Montgomery, Internal Audit, Scottish Government  
William Wilkie, Internal Audit, Scottish Government  
Gary Devlin, Azets, External Auditor  
Nicola MacKenzie, Azets, External Audit  
Steven D'Arcy, Interim Corporate Secretary  
Karen Lawrie, Head of Secretariat, SCTS (Minutes)

**Apologies:** None.

### 1. Declaration of Interests

1.1 There were no declarations of interest from Members.

### 2. Minutes of the Meeting of 1 November 2021

2.1 The minutes of the last meeting were approved.

### 3. Matters Arising

3.1 There were no outstanding actions from the previous meeting.

#### *Update from the SCTS Board*

3.2 The Committee received an update on the matters discussed at the Board meeting in November, which was held in-person at the Inverness Justice Centre.

### 4. COVID-19 Update

4.1 The Executive updated the Committee on the latest position concerning the impact of COVID-19 on the organisation, covering current workloads and recent business changes.

4.2 The Committee had received a comprehensive overview of the ongoing arrangements put in place to manage the pandemic that had been prepared for the November meeting of

the SCTS Board. Oversight of the response continued to be provided by the Strategic Incident Management (SIM) Team. This ensured that the situation was kept under review with key information shared and sound decisions made.

4.3 The Executive provided an update on the significant impact caused by the Omicron variant. Positive staff cases had been at their highest level of the pandemic during December and January, although absences had now returned to a more normal level. Following an announcement by the First Minister on 18 January regarding the relaxation of some measures, all SCTS buildings would return to 1m physical distancing from 31 January. Existing baseline safety measures such as mandatory face coverings, enhanced ventilation, contact tracing and enhanced cleaning/hygiene regimes would remain in place. Members acknowledged that there was an intention to remove physical distancing restrictions and re-open SCTS buildings to the public in late February/early March, if positive progress on COVID continued.

4.4 The Committee thanked the Executive for the comprehensive update and assurances provided on COVID-19.

## **5. SCTS Financial and Procurement Update**

5.1 The Executive reported on key developments in the Finance and Procurement Unit (FPU) in relation to Recruitment, Skills Development and Finance Systems.

5.2 Since the last meeting a number of posts had been filled, including two key roles, although there were still five vacancies. The Executive advised that work was underway to consider how best to introduce a programme of modern and graduate apprenticeships across SCTS. The Finance Team would be able to benefit from such a scheme, which would enable skills to be developed in-house.

5.3 The results of the Finance and Procurement Team Staff Survey 2021 were welcomed by the Committee. The results showed improvement in all areas, with the exception of pay and benefits. Members highlighted the positive trend in the Bullying and Harassment data, acknowledging the work of the senior team managers in addressing the challenges.

5.4 The Committee welcomed the ongoing progress to fully staff the FPU team. A further update would be provided at the next meeting.

## **6. Shared Services Update**

6.1 The Committee were updated on the key developments in respect of the Scottish Government's Shared Services implementation initiative, which would provide a successor for the current accounting system used by SCTS and a range of public sector organisations. The impact on SCTS of the implementation was outlined and discussed.

6.2 The Committee acknowledged the ambitious programme timeline and the additional work that SCTS would have to undertake to ensure a successful transfer to the new system, in addition to business as usual. The Executive confirmed that the SCTS input to the programme would be progressed under the aegis of the Corporate Lab.

6.3 Members requested an update for the April meeting to include progress and governance through the SCTS Lab structure and that programme updates be provided at all future meetings to allow for continued scrutiny. Internal Audit confirmed that they would be monitoring the programme from a general audit perspective and would share the outputs with the Committee to provide a level of assurance.

## **7. Internal Audit**

### *Annual Audit Plan – 2022-23*

7.1 The draft Internal Audit Plan for 2022-23 had been shared with the SCTS Accountable Officer and senior management for consideration in advance of the meeting. Internal Audit reported that three audits were planned during the year, which should ensure sufficient risk-based coverage to maintain compliance with Public Sector Internal Audit Standards.

7.2 The Committee welcomed the annual audit plan, however sought assurance that the Audits would take account of the information contained in the SCTS Assurance and Best Value Framework.

### *Progress Report – 2021-22*

7.3 Internal Audit confirmed that the 2021-22 Audit Plan, including all follow-up reviews, had been completed.

7.4 Internal Audit advised that the Governance and Assurance review had been completed, with a “reasonable” assurance. Members supported the proposed actions to address the recommendations arising from the review.

## **8. External Audit**

8.1 The External Audit Annual Plan for 2021-22 was presented. The plan included the audit of the 2021-22 Annual Report and Accounts; consideration of SCTS’ reporting arrangements for governance and transparency; financial management; financial sustainability and value for money; monitoring SCTS’ participation in the National Fraud Initiative and any other work requested by Audit Scotland.

8.2 Members were content with the scope and timeline of the Audit Plan.

## **9. Annual Whistleblowing Report**

9.1 The Committee received the annual report on the SCTS Whistleblowing Policy. The executive reported that the policy had been reviewed during the course of the year. A range of activities had taken place throughout 2021 to maintain awareness of the policy and associated policies relating to grievances and complaints.

9.2 The Committee noted that no instances of whistleblowing had been raised under the policy in 2021.

## **10. Annual Peer Review – Future Proposals**

10.1 Members considered proposals for the future Peer Review process, following their request for an update at the last meeting.

10.2 A number of meetings had been held with operations staff to agree a check sheet that provided the necessary level of assurance to the courts as well as the Finance and Procurement Team. Guidance would be developed to ensure that areas of responsibility were fully understood by each business unit. The check sheets would be completed on a quarterly basis with the results reviewed by senior managers to identify and take forward any areas of concern.

10.3 Work was now underway to develop check sheets for other areas of SCTS including the Supreme Courts, Office of the Public Guardian and Tribunals to ensure sufficient assurance was provided from all areas.

10.4 The Committee accepted the outlined proposals for Peer Reviews.

## **11. Corporate Risk Register**

11.1 The Corporate Risk Register was reviewed. Members were content that the ongoing actions were recorded appropriately.

11.2 The Executive outlined the agenda for the SCTS Board and Committee Annual Corporate Risk Workshop that would take place on 7 February. The workshop would look across the four core business themes (Criminal/Civil/Tribunals and OPG/Corporate) and review how the future priorities and key activities impact on the SCTS' risk profile.

## **12. Feedback from Members Annual Appraisal**

12.1 In advance of the meeting, members had completed their annual appraisal exercise reflecting on their personal contribution and the Committee's performance during 2021.

12.2 The reflections of the Committee were similar to previous years. Members brought a wide variety of skills and knowledge to the Committee providing valued input and challenge to discussions. The format of meeting agendas was approved for future meetings. During 2021 all committee meetings had been held virtually. It was anticipated that, from April, meetings would be held in person, subject to COVID restrictions.

12.3 It was acknowledged that following the departure of Simon Catto, a newly appointed Board member would be assigned to the Committee. Both Internal and External Audit offered to host a short induction with the new member to provide background on their work.

## **13. Any Other Business**

13.1 None

## **14. Papers for Scrutiny/Exception Reporting Only**

14.1 The following papers had been circulated for scrutiny:

- Action Tracker
- Data Incidents Report
- Fraud, Theft and Losses Report
- Core Work Plan 2021-22
- Core Work Plan 2022-23
- SCTS VAT Annual Report – 2020-21
- SCTS Response to Log4j cyber security vulnerability
- Internal Audit – SCTS Governance and Assurance 2021-22 Report

14.2 No matters were raised by exception.

## **15. Date of Next Meeting**

15.1 The next meeting would be held on Monday 25 April 2022.

## **16. Deep Dive Session – Criminal Justice – Recover, Renew, Transform Programme**

16.1 David Fraser, Executive Director Court Operations, joined the meeting to provide an insight in to the Recover, Renew, Transform programme (RRT) which was being taken forward by SCTS and justice partners.

16.2 An outline of the key aspects of RRT programme was presented, which were to return the system to pre-pandemic capacity with backlogs addressed through the court recovery programme. This included activities to ensure that cases were resolved at the earliest opportunity; to embed new ways of working and transform the outcomes for those affected by the criminal justice system. The overarching ambition of the programme was to build a justice system that was effective, transparent, collaborative, safe, resilient, preventative and user-focused.

16.3 A number of key priorities were being taken forward at pace which included remote appearance by professional witnesses, virtual summary trials for domestic abuse cases, an increased use of evidence on commission, improved efficiently within the summary justice system (using Pre-intermediate Diet Meetings) and the development of virtual custody courts.

16.4 The Executive confirmed that the Criminal Justice Board provided the necessary cross justice oversight, scrutiny and agreement for any proposals within the RRTP.

16.5 The Committee thanked David for his informative presentation.

Scottish Courts and Tribunals Service  
January 2022