



MINUTES

SCTS AUDIT AND RISK COMMITTEE MEETING: 20 January 2025, Parliament House

Members Present:

Maggie Craig, SCTS Board (Chair)
Lynsey Walker, SCTS Board
Sheriff Olga Pasportnikov, SCTS Board
Claire Robertson, Non-Executive Member
Patrick Bartlett, Non-Executive Member

Attended:

Malcolm Graham, Chief Executive SCTS
Noel Rehfish, Deputy Chief Executive, SCTS
Steven D'Arcy, Corporate Secretary, SCTS
Alice Wallace, Chief Finance Officer, SCTS
Chris Brown, Director Finance and Procurement, SCTS
Gillian Battison, Head of Financial Governance, SCTS
William Wilkie, Internal Audit, Scottish Government
Dougie Shepherd, Internal Audit, Scottish Government
Michael Oliphant, Audit Scotland
Tommy Yule, Audit Scotland
Graeme Samson, Audit Scotland,
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 4 November 2024

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.

3.3 The Executive advised the Committee that the SCTS Board had been informed of a reprofiling of delivery dates for the new case management system to support the Office of the Public Guardian (OPG). The revised timescales which, whilst necessary in the circumstances, were noted as a significant concern by the Board given the functionality and age of the current OPG case management system. The Board remitted the matter to the Audit and Risk Committee to assess assurance in relation to the project delivery process and timescales. An Executive-led workshop would be held initially to review the position, the steps taken to manage delivery and any observations or lessons learned. This would then be presented to

the Committee at its April meeting to consider the approach taken and whether any further steps were required to prevent recurrence in future projects of a similar nature.

3.4 The SCTS Board would review this matter alongside a visit to OPG to observe the new system in operation in June.

4. Oracle Fusion Shared Services Update

4.1 The Executive reported on key developments following the launch of the Oracle Fusion Cloud Accounting system on 1 October. A number of workstreams were working well with good progress and a business as usual state emerging. It was confirmed that the Period 9 Finance Report to the end of December 2024 had been checked against the Oracle Smartview functionality for the first time. The report aligned with a contingency reporting model, which provided reassurance in the data held in the new system. However, it was highlighted that business continuity arrangements and workarounds remained in place for two major areas: 'Purchase to Pay / end to end accounting' and, Role Based Access (RBACS) data which had not been received in spite of a number of specific requests. Concern for the wellbeing of main users of Oracle in Finance and Procurement, CDi and Property services unit was expressed. The Executive confirmed that they were continuing to engage and support the Scottish Government's introduction of the Shared Services system. They were continuing to report system issues arising to the Scottish Government and monitoring responses.

4.2 The Executive advised that a meeting had been arranged with the Scottish Government Shared Service Programme Manager to discuss the shortcomings that remained relating to Purchase to Pay and end to end accounting. The outstanding matters on the issues log would also be discussed. The Executive would also be writing to Lesley Fraser at the SG to express concerns as well as the Chief Finance Officer at the Scottish Government.

4.3 Members discussed the additional risks being faced due to manual work arounds in place but were assured by the Executive that there the internal controls in place and additional monitoring throughout the processes was providing assurance on the currency and accuracy of the information held.

4.4 The Committee recognised the ongoing frustration and challenges being faced by the Finance and Procurement Team following the launch of the new system. They thanked and commended the team on their resilience and perseverance in managing a new system and manual workarounds during the transition period. Members acknowledged the escalation of the systems issues by the Chief Executive and confirmed that they would be willing to formally escalate the matter to the SCTS Board should that prove necessary.

5. Internal Audit

Progress Report – 2024-25

5.1 Internal Audit confirmed that work on the 2024-25 Audit Plan remained on track to be completed by 31 March 2025. Fieldwork had commenced on the Data and Cyber Security/Resilience review. Reports on the Estates Vision and Strategy and Data Breach Identification and Cause audits were being prepared.

5.2 Members acknowledged the detailed progress update and assurance that the 2024-25 Audit Plan remained on track.

Annual Audit Plan 2025-26

5.3 The draft Internal Audit Plan for 2025-26 had been shared with the SCTS Accountable Officer, Chair of the Audit and Risk Committee and relevant senior managers in SCTS, for consideration in advance of the meeting. Internal Audit reported that three audits were planned during the year, which would ensure good risk-based coverage to maintain compliance with Public Sector Internal Audit Standards. The plan would be subject to regular review throughout the year to ensure it remained current and reflected the changing risk environment.

5.4 The Committee welcomed the annual audit plan and endorsed its proposals.

6. External Audit

6.1 The External Audit Annual Audit Plan in respect of the 2024-25 Annual Report and Accounts would be shared with the Executive towards the end of February and would be tabled at the next meeting. The audit would follow a similar timetable to last year.

6.2 External Audit thanked the Finance and Procurement team for their openness regarding the challenges presented by the implementation of the Scottish Government Oracle Fusion Shared Services system. They confirmed that all Finance systems would be reviewed as part of the audit which would include any contingency arrangements in place. They also commended the SCTS on their detailed recording of the system issues encountered and their escalation and challenge to the Scottish Government.

7. Annual Whistleblowing Report

7.1 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 2024 to maintain awareness of the policy. The Committee discussed the policy and stressed the importance of periodic communication of it to staff for their awareness.

7.2 Members proposed some minor changes to the Whistleblowing policy and additional access routes in order to make it more approachable to the reader. This would support a culture of openness and encourage all appropriate reporting. The Committee welcomed the promotional work in place and the Executive agreed to review the policy in view of the comments made.

8. Corporate Risk Register

8.1 The Corporate Risk Register was reviewed. The Committee scrutinised the risk scoring, which had been reviewed and updated by the Executive since the last meeting. The revised scorings were accepted.

8.2 The target risk scores were discussed. The Executive would consider how these were set going forwards, reflecting on what the SCTS could control to ensure they remained realistic.

9. Feedback from Members Annual Appraisal

9.1 In advance of the meeting, members had completed their annual appraisal exercise reflecting on their personal contribution and the Committee's performance during 2024.

9.2 Members reflected that they were able to bring a wide variety of skills and knowledge to the Committee, providing valued input and challenge to discussions. They felt the Committee was working well. It was noted that two new members had been appointed during the last year.

9.3 Members agreed that they would like to seek the views of others, including the SCTS Board, the Executive, Internal and External Audit and senior management in the future to allow them to fully reflect on their performance. The Committee would also hold an additional meeting to discuss its workings arrangements and meeting format.

9.4 The Executive agreed to keep the production of the minutes under review to ensure they captured the depth of the discussions. They would also consider if any additional information from the SCTS Board could be shared with members to provide additional context to discussions. The joint Board and Committee risk workshop, scheduled for 27 January would provide the opportunity for new Committee members to meet with members of both the SCTS Board and its other Committees.

10. Any Other Business

10.1 The Chair informed that this was Patrick Bartlett's last meeting as he was standing down from the Committee. The Committee wished him well for the future and thanked him for his insight and support. A recruitment exercise to appoint a new member would commence shortly.

11. Papers for Scrutiny/Exception Reporting Only

11.1 The following papers had been circulated for scrutiny:

- Action Tracker
- Data Incidents Report
- Fraud, Theft and Losses Report
- Core Work Plan 2024-25
- Core Work Plan 2025-26

11.2 The Committee discussed the nature and volume of the data breaches that continued to be reported. They acknowledged the increased business levels across the organisation and the complex nature of a number of the tasks completed by the operational staff. Members also recognised the steps taken to introduce additional training, guidance materials and awareness sessions. A continued focus on this area would be required over the coming period, informed by the upcoming internal audit report which would inform further activity and priorities.

11.3 The Committee welcomed the informative update at each meeting. A deep dive session focussing on Data Breaches was planned for the August meeting.

12. Date of Next Meeting

12.1 The next meeting would be held on Monday 28 April 2025.

13. Deep Dive Session – Lady Dorrian’s Review of Sexual Offences – Implementation of recommendations

13.1 The Committee welcomed David Fraser, Executive Director Court Operations and Danielle McLaughlin, Head of the Lady Dorrian Review Implementation Team to the meeting.

13.2 An overview of the key recommendations set out in the report '[Improving the Management of Sexual Offence Cases](#)' was provided. These included the establishment of a national, specialist sexual offences court; the pre-recording of the evidence of all complainers in the court; strong judicial case management; specialist trauma-informed training for all court personnel; improved communications between justice agencies and improved guidance for jurors.

13.3 The presentation to the Committee focussed on two recommendations – pre-recorded evidence and the sexual offences court – with the challenges and risks for each outlined. It was noted that there had been real success in increasing the uptake of evidence by commission, supported by new SCTS facilities, in ensuring an effective and consistent approach to case management and in the development and roll-out of trauma-informed practice training.

13.4 Danielle McLaughlin provided an update on work under way to secure the legislative change necessary to make further progress, including the establishment of the sexual offences court. Proposals were contained in the [Victims, Witnesses and Justice Reform \(S\) Bill](#) currently before the Scottish Parliament. The importance of ensuring that key elements of the review's proposals were maintained was stressed, in order to ensure that the package of reforms would achieve real improvements for both complainers and the process as a whole.

13.5 The Committee welcomed the informative update on developments.