

Meeting Minutes

Meeting: Audit Risk and Assurance Committee

Date: 18th April 2023 1400 - 1700

Minuted by: Diane Piper (DP), Governance Secretary, Redress Scotland

Committee Members

- Colin Spivey (CS) Audit Risk and Assurance Committee Interim Chair, Redress Scotland Board Member
- Neil Mackay Audit Risk and Assurance Committee Member
- Lynne Harvie (LH) Audit Risk and Assurance Committee Member, Redress Scotland Panel Member
- Catherine Dyer Audit Risk and Assurance Committee Ad-hoc, Non-executive Member

Participants

- Joanna McCreadie Redress Scotland Chief Executive
- Michael Stevens (MS) Redress Scotland Head of Finance and Resources
- Michael Reid (MR) Redress Scotland Finance Manager
- Gary Gallacher (GG) Redress Scotland Head of Operations (in part)
- Michelle Nairn (MN) Redress Scotland Head of People (in part)
- Mel Lowe (MN) Redress Scotland Head of Policy and Improvement (in part)

By Invitation

- William Matthews (WM) Redress Scotland Interim Chair
- Pauline Gillen (PG) Audit Director, Audit Scotland

Agenda item 1. Welcome, apologies and conflicts of interest

1.1. Welcome and Introductions

CS opened the meeting welcoming all attendees with a particular welcome to Catherine Dyer (CD), newly appointed ad-hoc member of the committee and Pauline Gillen (PG), Audit Director with Audit Scotland, our recently appointed external auditors.

Before proceeding CS and the committee noted formally their thanks to the previous chair of Redress Scotland, Johnny Gwynne, for his dedication and contribution to setting up Redress Scotland.

Brief introductions were made.

1.2. Apologies: None.

1.3. Declarations of Interest: No notes of interest were declared.

1.4. Appoint survivor voice; NM agreed to adopt the role of the survivor during the meeting.

Agenda item 2. Minutes of the previous meeting 17th January 2023

The minutes of the meeting held on the 17th January 2023 were approved with no changes.

Agenda item 3 Matters arising from the previous meeting

The following matters arising were noted.

JM confirmed that the strategic sponsorship evaluation form has been completed and submitted. All non-departmental public bodies undertake this assessment. The only point to note is that the framework document is still outstanding. It is anticipated this will be finalised very soon as there are only a few final adjustments to be made.

JM provided an update on the ongoing situation with the Fornethy survivors. Scottish Government have committed to undertaking a review of the events at Fornethy at the time. Redress Scotland are expecting to receive applications from survivors from Fornethy and these will be treated the same as all applications through our part of the process. The committee noted that any changes to the scheme would have wider implications.

NM asked for an update on the letter WM sent to JG on the matter of potential fraud within the Scottish Government part of the scheme. WM advised he wrote to JG and spoke with the Deputy Director who attended the last Oversight board meeting. Since then more work has taken place inside Scottish Government on fraud. The committee agreed to keep this as an open action until such time as Scottish Government have drafted a policy which can be shared with the committee. JM confirmed that fraud was on the agenda for next Joint Collaboration Board meeting. Once we have the opportunity to review the redress division's policy we can build in our own internal processes aligned with Scottish Government.

Action 1. Keep fraud as an ongoing action and take to the Oversight Board once the Scottish Government Policy is available. JM

Agenda item 4 Governance

4.1 Update from Oversight Board Meeting 13th March 2023

CS advised that all present with the exception of CD were at the meeting. No comments were made on the draft minute of that meeting.

4.2 Actions Arising for ARAC

One action for the Audit Risk and Assurance Committee was to look at best value. CS noted that this is still a work in progress and it was agreed at this stage to mark the paper as exempt from publication. Discussion around best value took place.

The committee agreed to keep this topic on the agenda as an ongoing item and the work will be shared with the Oversight Board.

Action 2 Best value to remain on the agenda – ongoing

Agenda Item 5 CEO Report

JM was invited to share highlights from her report with the committee.

JM advised that the initiatives implemented by the operations team to help support the increased number of applications has been working well. So far no errors have been reported and the evidence suggests we can work efficiently with higher volumes.

In relation to the number of reconvened panels the team have been working with panel members and the practice development group with the aim being to bring this number down. The data is showing a reduction of 7% in the number of reconvened panels. It was also noted that training and advice from Harper MacLeod has increased the confidence of panel members to use their discretion in making decisions. The number will never totally reduce as robust decision making means it is likely that questions are asked and information clarified.

JM noted that around 40% of awards are at level 5. This may have implications for the overall costs for the scheme.

There were 28 freedom of information requests and all responses were made within the required timescale to meet our K.P.I.

JM reported a material error made by a panel. The initial error was made by Scottish Government and then an error was made by Redress Scotland panel members. A report will be prepared on the material error and shared with this committee.

Action; JM/GG to share final report on material error with the committee.

JM added that our decision making is robust and the practice development group is a good platform for engaging with panel members. Also discussed at the Practice Development Group were the development of standards of practice, including new quality standards for decision making.

The developed guidance on in person meetings (oral testimony) now includes feedback from survivors.

A draft of the Corporate plan has been presented to all committees and survivors. We expect Scottish Government to feedback this week and then we will go to Oversight Board for final approval.

The senior management team are working on individual business plans. These will be presented in the form of a grid for easy tracking and will come to the committee in due course.

We are still in the early stages of drafting our annual report and accounts which will include our recommendations to Scottish Government for improvements within the scheme.

The AGM is planned for the end of August however audit timings will be a key influence on what will be available for approval at this meeting.

At the last meeting of the Joint Collaboration Board redaction was discussed and Scottish Government confirmed they were working on this and expect to have some guidance to share in the near future.

Data sharing meetings have commenced between both parts of the redress scheme, Scottish Government and Redress Scotland. Scottish Government have advised that they will start to prepare statistics for publication on an annual basis. Redress Scotland will continue to prepare our own statistics

In terms of communication we are committed to following our publication scheme and the website is populated with our key documents. Short films with survivors being prepared along with shorts from both JM and WM.

5.1 Update report on Complaints and Compliments

GG shared the highlights from the paper on complaints and compliments. GG highlighted that training within the team in managing complaints has been undertaken and staff have been encouraged to have more direct connection with survivors, often by telephone to try to understand the complaint better. The feedback so far has been good and survivors appreciate this more personal approach.

There are still a number of complaints coming to Redress Scotland which are for the Scottish Government part of the scheme. Of the complaints received by Scottish Government the most common complaint is around timescales.

GG noted that in since July/ August 2022 prescribed timings for responding to complaints have been met.

The report now includes compliments and six have been received. Survivors have noted the care that has been taken around decision letters and mention that often this is the first time they have been heard. The offering of different feedback points throughout the process also enables greater engagement with survivors.

It was suggested that future reports identify the number of complaints which have been upheld, and how we can influence the Scottish Government part of the scheme in terms of turnround of applications.

The committee agreed it would be useful to have twice yearly reports on complaints and compliments and DP will update the workplan accordingly.

GG confirmed that panel members have issued a letter of apology to those survivors who received letters with errors. A Policy on Apologies is being developed.

Action; Future reports to include the number of complaints which have been upheld - GG

Action Report on Complaints and compliments to be presented to ARAC twice yearly, DP to update the workplan.

5.2 Practice development group – Update from meeting on 22nd March

The minutes and workplan from this group were taken as having been read. There was one question around the wording of the paragraph on emotional abuse and neglect This will be revisited before further distribution.

Action; relook at wording of PDG minute in relation to emotional abuse and neglect - JM

Agenda item 6 Financial reports

6.1 Financial report -Period 12 pre year-end adjustments management accounts

MS summarised the financial results for the committee advising that following post end of year adjustment we will be £7k over our end of year forecast. This translates to a variance of 0.2%. Scottish Government accept variances up to 3% and are therefore content with our forecasting. MS highlighted that In periods 6 and 9 we returned funds to Scottish Government.

At the end of March our cash in the bank was £444k. Although the expectation is that all cash is returned on the 31st March it has been agreed with Scottish Government that Redress Scotland will retain this amount, equivalent to 6 months operating costs, as we still have bills to pay before the Grant in Aid money is received.

MS clarified that from the next financial year, 2023/24, functional budgets will be reported on.

MS offered to draft a statement around the amount of cash we hold in the bank and our process for drawing this down from Scottish Government.

Action; MS to draft a statement around bank balances.

6.2 Internal Audit – payroll and expenses

MS reminded members that TIAA, our internal auditors, were appointed in February this year. Three areas will be reported on, payroll, budgetary controls and third party payments (invoices). TIAA will attend the next meeting of the Audit Risk and Assurance Committee. MS went on to confirm that both of our first two audit reports were marked as providing substantial assurance. All advisory recommendations sat at the bottom of the scale and will form part of a financial improvement plan to be submitted to a future Audit Risk and Assurance Committee meeting.

6.3 External Audit – Audit Plan

Pauline Gillen (PG) Audit Director at Audit Scotland presented the audit plan for 2022/23. PG explained that for a number of reasons their appointment was later than expected and this has extended the audit timeline. PG added that we can expect the timeline to start earlier next year.

PG summarised the work to be done and the focus of the audit highlighting the levels which will spark investigations.

Key focus areas will be on planning and risk assessment with particular focus on fraud.

PG concluded by summarising the reporting arrangements, timetable and fee. The sign off date for the accounts is to be late November. CS asked about this date requesting consideration of earlier completion of the audit. However PG advised that due to Covid and internal changes there was nothing which could be done this year. The expectation is to start earlier next year.

CS expressed concern around the date of the AGM in August and it was agreed this will be discussed with JM/WM.

CS thanked PG for taking the committee through the paper and stated that the committee were looking forward to working with the external audit team.

Action: CS/WM/JM to discuss content of August AGM.

Agenda item 7 Strategic Risk register for Redress Scotland

7.1 Report on Review of strategic risk register and follow up from risk workshop

JM advised that papers presented incorporate some of the feedback from the risk workshop held in January. The committee were asked to consider and approve on 6 areas. The feedback from this meeting will be useful prior to seeking sign off by the Oversight Board. JM confirmed that the risk register and associated documents will be published on the website.

The areas for consideration;

1. The strategic risk register

JM asked the committee if the identified risk and mitigations meet Redress Scotland's requirements.

It was suggested that a risk around communication with Scottish Government and how this is perceived is included. This impacts the flow of information and is reflected in the number of complaints and reconvened panels.

NM requested that a simple taxonomy be prepared to give comfort that key risks are covered. It was agreed that NM would meet with the executive team to discuss this further.

Action 3 Communications risk to be amended by JM

Action 4 NM to meet with the executive team to discuss the taxonomy further.

2. Minor changes

It was noted that on P7 identification of risk panel members were not included on the list. This will be rectified.

Action; JM to add into the paper that that feedback from panel members will also be sought.

3. The Redress Scotland approach to risk

The committee were content of approach being taken

4. Risk taxonomy – agreed as above

5. Feedback on overarching statements

The committee were content with these.

6. Risk appetite statement

A statement has been drafted for each risk using the Finance Manual and Scottish Government guidance. There was discussion on the way the statements were worded and JM reminder the committee that these would be read by survivors and should reflect the language and tone of Redress Scotland. JM will review these prior to submission to the Oversight Board

Action; JM to redraft this section based on feedback from the committee

7.2 Review of risk in detail

Insider Fraud and Follow on from presentation from Gordon Young on 13th March

JM reminded members these papers are a deep dive for exploratory discussion. It has been found that these are a useful exercise for Senior Management Team. A number of suggestions are included in the paper.

Following a full discussion the members of the Audit Risk and Assurance Committee agreed that the paper addressed all aspects of internal fraud, members agreed with the approach being adopted and were content for the paper to go to the oversight board.

Agenda item 8 Policy Approvals

8.1 Staff Code of Conduct

MN reminded the committee that previous policies have focussed on non-executive members and panel members. The staff code is not as formal as the one for members but covers the same areas.

The Staff Code of Conduct was agreed subject to a few minor corrections and the inclusion of links to other policies.

8.2 Health and Safety Policy

MN advised that the Health and Safety policy presented has been drafted with the help of our health and safety providers Worknest.

The committee agreed it was an extensive policy and were happy to support its presentation to the Oversight Board. MN confirmed that Worknest will undertake an audit which will result in a workplan to be reviewed on a regular basis.

8.3 Business Continuity Policy

ML advised that 3 papers were being presented today the policy, the plan and the next steps. ML added that a business impact assessment would be undertaken at a future date.

Several suggestions were made for improvement and it was agreed that a hard copy would be required for all panel, board and team members.

Agenda item 9 Work Plan and Action Tracker

9.1 Work plan with updates

The workplan was agreed. Conflicts of interest to be added.

Action DP to add conflicts of interest to the workplan

9.2 Action log update

The actions were noted and it was requested that dates be inserted.

Action DP to add dates for completion of outstanding actions

Agenda item 10 - AOCB

There was one item for noting. JM advised that we have found a qualified organisation to look at our cyber security. They will be invited to the next meeting of the Audit Risk and Assurance Committee.

Agenda item 12 Review of Meeting and Survivor Voice Neil

NM noted that the conduct of the meeting reflected an effective organisation which balances costs, risks and survivor outcomes. The impact on survivors was drawn out in all the papers and during the discussion.