

Meeting Minutes

Meeting: Audit Risk and Assurance Committee

Date: 10th April 2024 13:00 – 16:00

Minuted by: Celine Lauter (CL), Executive Secretary, Redress Scotland

Committee Members

- Bill Matthews(WM) Audit, Risk and Assurance Committee Chair, Redress Scotland Deputy Chair
- Colin Spivey(CS) Audit, Risk and Assurance Committee Member, Non – Executive Member of Redress Scotland
- Catherine Dyer(CD) Audit, Risk and Assurance Committee Member, Non- Executive Member of Redress Scotland
- Neil Mackay(NM) Audit, Risk and Assurance Committee Member, Non- Executive Member of Redress Scotland
- Jane Gordon (JG) Redress Scotland Audit, Risk and Assurance Committee member, Panel Member

Participants

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

By Invitation

- Kirsty Darwent (KD) Chair, Redress Scotland
- Cameron Boyd (CB) TIAA
- Pauline Gillen (PG) Audit Scotland

Apologies

Agenda item 1. Welcome, apologies and conflicts of interest

1.1 Welcome

WM opened the meeting and welcomed all present.

1.2 Apologies

Apologies were received from Diane Piper, Governance Secretary, and Martin Ritchie, TIAA.

1.3 Declarations of Interest:

No declarations were made.

1.4 Appoint survivor voice;

NM was appointed as the meeting reviewer from the perspective of the survivor.

Agenda Item 2 Minutes of the previous meeting 17th January 2024

NM requested an amendment to the minute under Agenda Item 6, paragraph 13, with the addition of: “*NM highlighted the need for impact assessments of data and cyber security if a move to non SG IT infrastructure was considered.*”

The minute of the meeting of 17th January 2024 was approved subject to the above.

Agenda Item 3 Matters arising from the previous meeting

WM noted that some actions had not been added to the Action Log and CL will raise this with DP.

Agenda item 4 Governance

Update from Oversight Board Meeting 25th March 2024

WM provided an update from the meeting where capacity and performance were discussed. The 30 day KPI has not been met over a period of time. The addition of 15 new panel members (PMs) is expected to support work to increase capacity and reduce the queue of applications. A 90 day KPI for Priority 3 applications is being introduced.

Agenda Item 5 Report from the Chair

WM reported that KD initiated a governance review alongside the recent audit process. DP produced a paper on this which was shared with ARAC.

WM commended JM and the team on the work that went into the onboarding and induction of new panel members.

A productive meeting recently took place with current group of people who observe panels to discuss how this process can be further developed.

Agenda Item 6 CEO Report

JM provided further information on the recent panel member training. 'Ready for practice' meetings have concluded and 15 panel members have been appointed. This is around an increase of a third in the number of PMs. A new buddying process has been established. Five additional Panel Support Co-ordinators have been recruited and a previous short term contractor has returned as the new Quality Assurance Lead. There will be a focus on increasing capacity over the next year and the new business plan will reflect this.

Early indication of statistics for 2023/24 includes: a doubling in number of applications received, increased panel sessions by around 50%; and an increase in the number of decisions by around 75%. The challenge for this year is to increase output and maintain quality. Early indications are that the number of decisions each month will gradually increase; 90 decisions were made in March which is the highest number yet.

The Scottish Government has received an increased number of applications in recent months. There has been some turnover in case workers and there has also been a reduction in the number of applications being sent to Redress Scotland. NM and WM raised the question of how survivors experience the full end to end process and CD asked how shared work on this is progressing. JM said that some data has been shared and the data group is working well. Over time this should help improve forecasting.

JG asked how applicants moving through priority bands are monitored. GG indicated that RS has a robust process with markers on applications i.e. when applicants turn 68.

WM congratulated JM and team on what has been achieved in 2023-24, while noting the work planned to improve decision making timescales.

JM reported that recommendations had been made to SG in the annual report and accounts, however, there has not yet been a response to these which means deadlines will not be met.

Agenda item 7 Audit Updates

7.1 Internal Auditors, Cameron Boyd, TIAA

7.1.1. Training

WM handed over to CB. The assurance review on training and development was completed in March 2024 with an overall assessment of reasonable assurance. RS has implemented appropriate processes and cultures to support staff and panel members. 4 recommendations were identified; 3 classed as important with 1 routine.

CB shared the management action plan and gave an overview of the recommendations identified.

ARAC accepted the training audit report as it stands.

WM congratulated the team for reasonable assurance grade.

7.1.2 Governance

CB confirmed that the overall assessment for governance (report still in draft) was substantial assurance and gave an overview of the recommendations.

NM raised questions around expectations on risk mapping, as a '3 lines of defence' model may not be proportionate for Redress Scotland. CB agreed with this and highlighted that it is a low level routine priority 3 recommendation.

7.1.3 Internal Audit Programme 2024/25

CB shared the draft audit strategy and the areas of focus for internal audit. MR had initially included publications and freedom of information but this had already been addressed in records management.

An in-depth discussion took place around potential areas of focus including business continuity, cyber security, quality assurance, creditor payments and end to end process.

Stakeholder engagement was identified as a focus area that could be prioritised and there was consensus that cyber security should be high on the agenda.

KD raised the approach of the auditors working collaboratively given the complexity of cyber security.

WM suggested that, for the quarter ahead, the first priority should be stakeholder engagement. This was agreed by ARAC.

CB confirmed that FOI would be removed and replaced with stakeholder engagement. JM and MR to discuss this along with CB. The plan will then be iterated for approval by ARAC.

Action: JM to meet with MR and CB, TIAA

7.2 External Auditors, Pauline Gillen, Audit Scotland

7.2.1 Interim Audit Report

WM handed across to PG. The team is currently working on the interim report.

7.2.2 Audit Plan for 2023/24

PG gave an overview of the audit plan, highlighting the following:

- Page 5, Exhibit 1– materiality levels set at 2% of gross expenditure; this is higher than last year’s due to recognition of being first full year of financial statements.
- Exhibit 2 – outlined risk to financial statements (a standard risk that all audits include). Fraud and expenditure risk has been rebutted.
- Page 9 - wider scope and best value requires RS to cover governance arrangements and financial sustainability.
- Page 10, reporting arrangements – dates still to be firmed up but will be discussed with management to ensure dates are clear. Exhibit 5 detailed dates for proposed annual report and accounts.
- Paragraph 35 – audit fee outlined.

PG confirmed that, following conversations around the Oracle Fusion system, October is the go ahead date – rather than delaying the implementation further, certain areas will be descoped.

WM queried Paragraph 31 and the possible suggestion that RS is preventing Audit Scotland from completing the meeting audit timetable. PG indicated that it is an internal target date for Audit Scotland and is consistent with the date signed off last year (end of November) but flexibility for future years can be discussed at a later date.

NM raised fraud rebuttal, if it was included last year and whether AS can give assurance around the controlled environment that may prevent fraud. PG clarified that it is the same wording from last year (standard for all audits) as a significant inherent risk of fraud has not been identified that would require additional procedures for external audit.

7.3 Progress on Finance Action Plan

MS reported that 8 internal audits have now been undertaken and the first external audit has been completed. There were 5 substantial assurance scores and 3 reasonable assurance scores. Overall, there are 26 recommendations. Of those recommendations, 14 have been completed, 7 are ongoing, and 5 are to be progressed. Included in those yet to be started is the Oracle Fusion system that was due in April but has been delayed by 6 months. All dates have been reviewed with the

relevant areas of business and now include dates for when they will likely be completed.

WM thanked MS.

Agenda Item 8 Complaints and Compliments

Meeting paused at 14:38 and recommenced at 14:45.

8.1 Report on Complaints and Compliments

GG outlined the key points in the paper that had been circulated.

There has been an increase in the number of complaints to RS, mostly due to increased waiting times. RS is engaging with complainants, mainly by telephone, and addressing the concerns being raised. A decision has been taken to have a smaller group within the team managing complaints to achieve greater consistency.

RS is generally engaging with survivors longer when they make a complaint, with the aim of providing a more person centred experience. There are also now improved letter updates and information.

There is an 80% response rate within the KPI; those outwith took only slightly longer to close the complaint. Positive feedback is also received and outlined. Work remains ongoing with website updates and RS is focusing on feedback and trying to improve.

WM noted that it was a complete report and was good to see the positive feedback being received for the Operations Team. CS queried whether most complaints were from individuals or advocacy groups and GG confirmed they are mainly from individuals.

CD noted that the report was very encouraging and helpful. GG stated that it is an opportunity to be open and transparent to survivors around where their application is in the system.

Agenda Item 9 Policy Scrutiny

9.1 Fraud Policy

JM highlighted the amendments made from previous discussions, including adding an extra section for panel members. JM indicated that this had been a joint effort with Jane Gordon.

ARAC approved the policy ahead of it being considered by the OB.

Agenda Item 10 Papers for Information

10.1 Management Accounts P11

MS indicated that he had not submitted the period 12 report due to pre-adjustments. In Period 11 there was an underspend of £77.6k with the expected underspend for Period 12 being £190k. The expected year end underspend is £101k which equates to 2.7% of the budget (within the KPI).

NM raised potential interest terms for cash balances. MS and CD clarified that this is not possible as balances needs to be returned to SG. MS indicated that there is an agreement with central finance that RS retains around 6 weeks of expenditure should there be issues with the grant in aid.

WM thanked MS and his team for their work.

Agenda item 11 Audit, Risk and Assurance Committee Work Plan

11.1 Forward Plan ARAC

WM indicated that Risk Register should be added to the next meeting. WM made a suggestion that a cycle of private meetings with the auditors should take place at the end of ARAC meetings. It was agreed to add internal auditors at the end of the next meeting. WM suggested considering a deep dive on risk on the next agenda or following. NM suggested it would be helpful to have a list of all third party contracts to consider performance expectation. WM indicated that it is not an extensive list but agreed it should be looked at.

Action: Add Risk Register to next meeting and Internal Auditors at end of next meeting

Action: Add risk deep dive and third party contracts to later meeting.

Agenda item 12 AOB

No further business was noted.

Agenda item 13 Review of Meeting Survivor Voice

WM invited NM to provide feedback from the survivor perspective.

NM identified key areas where survivor voice came through strongly including operational updates, and the complaints report. There was also discussion of impact on survivors in relation to capacity and performance. It was notable that the discussion of quality was focussed on survivor experience.

WM highlighted that RS recently had a workshop where it was talked about how we can do more to ensure that survivor voices are heard so this is always top of our minds.

WM closed the meeting at 15:14.