

Meeting Minutes

Meeting: Audit Risk and Assurance Committee

Date: 9th April 2025 1330-1530

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

Committee Members

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

Participants

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

By Invitation

- Martin Ritchie (MR) TIAA
- Gillian McCreadie(GM) Audit Scotland

Apologies

None

Agenda item 1. Welcome, apologies and conflicts of interest

1.1 Welcome

WM opened the meeting and welcomed all present.

1.2 Apologies

There were no apologies.

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 Risk Workshop

The annual risk workshop was undertaken together with members of the Oversight Board and senior management team. A separate minute will be prepared for this item.

Agenda Item 3 Minutes of the previous meeting 5th February 2025

The minute from the meeting on the 5th February was approved as a true reflection of the discussions.

Agenda Item 4 Matters arising from the previous meeting

The action log was presented for approval. Several updates were discussed and updates captured.

Agenda item 5 Governance

5.1 Draft Oversight Board Minute 24th March 2025

The draft minute from the Oversight Board meeting on the 24th March 2025 was presented for information and will go forward for approval to the May meeting of the Oversight Board.

5.2 ARAC Terms of Reference

The Terms of Reference for the ARAC were previously agreed back in September 2022. They were presented for review and update.

Members agreed the terms still reflect the operation of the committee with the addition under **item 2 Membership** to the training of new members. All new members, regardless of their background, will be provided with a short induction to the role.

Action; Terms of reference agreed subject to the addition of a statement on training of new members. WM/JM to action.

Agenda Item 6 Report from the Chair

WM advised members of his activity since the last meeting. These included observing a number of panels. WM noted that there are still novel and contentious issues arising.

WM has also been involved along with KD and JM in developing papers on efficiencies and effectiveness as part of the business plan and business case presented to the Deputy First Minister.

WM had supported the recruitment exercise which involved screening of almost 300 applicants. Presentations to the Deputy First Minister have resulted in the appointment of an additional 25 panel members. The committee noted that no additional budget has been provided.

Agenda Item 7 CEO Reports

CEO Report and dashboard.

JM highlighted the key messages from her report;

- The sponsorship team have been working with Redress Scotland for possible inclusion in the final programme for government. Additional funding may be available however a decision is not expected for sometime.
- The Efficiency and Effectiveness group (EEG) has had its first meeting and considered the terms of reference for the group and the action plan which contained 23 possible areas for consideration. Each action will be assessed in terms of cost, benefit and risk. JM continued that some will require testing. Regular reports will be presented to the Oversight Board as part of the governance oversight of this work. Four actions will be undertaken in collaboration with the redress division and overseen by the joint collaboration board. Good progress is being made.
- The team have seen a big increase in the number of applicants with previous convictions. These take time to process and therefore more costly than other applications.
- The newly appointed panel members appear to have a good spread of expertise. 2 tranches will be developed with start dates in April/May and again in

November. It was noted at the earlier risk workshop that there will be several challenges associated with the expanded number of panel members. Regular reports will be provided to both Audit Risk and Assurance Committee and Oversight Board.

- In light of the recruitment of panel members and the costs involved for onboarding the expectation is that we will be operating at the top of our budget for the forthcoming year. MS and GG have scheduled regular monthly meetings to review the situation throughout the coming year.
- Throughput from Scottish Government has been lower than forecast, 110 as opposed to 170 applications. This is a significant reduction but has allowed Redress Scotland to address the waiting list.
- Our business plan is almost complete and ready for publication. The emphasis is on efficiency and improvement.
- From observing panels there are still new and complex cases being presented for decision.
- A new approach to quality has been adopted where an application is tracked from the beginning to end of the process to provide insight to the various stages and identify any additional supports which may be required.

JM opened to members for questions.

There was concern at the lower number of applications than forecast and wondered if there was any more information available i.e. how often the forecast is revised and the methodology used. GG advised that there is limited detailed information available therefore making it difficult to rely on the forecast numbers provided. WM noted that this is a key risk for us and further shows we are not in control of the flow of applications.

Members were also keen to know how the governance committees would be informed of the work of the efficiencies group. JM responded that regular reports will be presented to the governance committees with the Oversight Board looking at strategic risk and scrutiny and the ARAC looking at process and controls. JM continued that everyone has a vested interest in this work and following agreement with WM and KD, routine reports will be shared widely including the practice development group.

Agenda item 8 Strategic Risk Register

8.1 Deep Dive Survivor Trust and Confidence

WM reminded those present that the annual review of the risk register took place in the morning where all risks were considered in detail and updated where necessary. New risks were also identified, business continuity being one of these together with the quality of legal representation provided to some applicants.

The revised risk register will go to a future Oversight Board meeting for approval.

As part of the ARAC remit there are regular **deep dives** into individual risks within the register. ML has prepared a report on survivor trust and confidence which helps to clarify what the risk is and the mitigations which are in place.

ML presented her findings advising that 5 key risks and their impact have been identified and asked members to consider if there is anything which may have been missed from the presentation, adding that the risk will be reworded to relate to Redress Scotland only and not the scheme as a whole.

During discussion the following points were raised

- We should reiterate that confidence and trust is impacted by speed of decision making. At present the only mitigation is communication with survivors.
- There is a risk that communications with survivors at the beginning and end of the process are not reflective of values.
- Our process for reviews and reconsiderations may not be managed effectively.

ML continued that the mitigations highlight how risks are managed with reference to control points and risk mapping.

Members were appreciative of the work done in this area and liked the use of control phraseology.

ML added that there is a vast amount of information available and more finesse is required. Members suggested the creation of a one page dashboard of key control points which can then be tracked.

GG added that we can identify control points around a number of risks and establish if current control points be repurposed to incorporate more aspects.

Additional points noted included the addition of practice notes as a control point and the lack of reference to panel support coordinators who are also part of the process. Also noted was it is the responsibility of panel members to fact check.

WM reiterated that the purpose of the deep dives is to check that the risk management process is in place and is effective. The library of deep dives will provide the assurance the committee requires in order to report on activity at the end of the year.

Future deep dives will include People and Resources (June) and Cyber and Business Continuity later in the year (September).

Agenda Item 9 Audit Updates

Internal Audit Reports – presented by MR

9.1 Business continuity and disaster recovery

The internal audit report for business continuity and disaster recovery offered limited assurance in this area with 6 recommendations for improvement and 3 routine recommendations, all contained in the report.

WM thanked MR adding that the organisation was aware this was an area which required attention. In order to address the shortcomings a business continuity working group has been established to consider the recommendations.

WM suggested that although there is a business continuity group with members from across the organisation the committee should ensure it receives detail on the activity and improvements made. As this is the first time the organisation has received only limited assurance the proposal is that we should check in again before the next audit review to confirm that progress is being made.

MS added that a number of the recommendations have already been completed. Representatives from across the organisation have completed business impact assessments and potential issues highlighted and an action plan developed. Desktop scenarios should be complete within the next couple of meetings.

JM confirmed there was an awareness that this activity had slipped due primarily to staff illness and prioritising other work such as the development of a business case for the Deputy First Minister. Another activities which has been reprioritised is the updating of the policy register.

It was agreed that in future any work delays resulting in reprioritising of work will be shared with governance committees.

JM concluded that the audit has provided a clear way forward in terms of actions and priorities.

It was further agreed that a verbal update on progress will be provided in June and a full report in September. If there is sufficient evidence base that testing had been done, then TIAA can prepare an interim report.

Action; all agreed MS to provide a short verbal update from working group to June meeting with a full report in September.

9.2 Creditor payments

MR advised that substantial assurance was awarded with only one minor recommendation for the policy to reflect new Oracle accounting system.

9.3 Follow up report on recommendations

MR advised that this report is brought annually to the committee and provides assurance that, of the issues raised, appropriate action has been taken.

In summary, 3 recommendations have been implemented, 1 has been superseded with 2 outstanding.

WM concluded that he was content to see recommendations progressing.

External Audit Presented by GM

9.4 Audit Plan for 2024/25 Audit

GM highlighted some of the key information from the 2024/24 audit plan previously circulated. A number of points were noted;

- Exhibit 1 Materiality levels for Redress Scotland
 - Overall materiality level is £90k
 - Performance level £58k
 - Reporting threshold £5k
- Exhibit 2 - significant risks of material misstatement to the financial statements
There is only one risk in relation to fraud, that of management override which can't be rebutted.

A new area of focus will be the change in financial system. Audit Scotland are also working with Scottish Government on the impact of the new system in all areas.

- Exhibit 3 – Timetable and proposed fee

GM added that some interim work has started but there is currently nothing to report.

WM requested that any additional meetings required are agreed as soon as possible.

Agenda Item 10 Papers for Information

10.1 Management accounts P11

MS advised that Period 11 accounts were shared and discussed with the Oversight Board in March. The year to date underspend is expected to be in the region of £482k. It was agreed at the March board meeting not to draw down £400k.

10.2 Complaints and Positive Feedback Report

GG noted that the report circulated was the annual updated report on complaints and positive feedback. Also included in the present version is information on general enquiries.

There has been a significant increase in the number of general enquiries this year and this is attributed to the increase in timescales for processing applications. Feedback from the survivor forum is that they appreciate our communications and the proactive way we interact with survivors. Communication has been key and we have not had many complaints around timescales.

We have started to see more complaints about the decisions which have been made. These are primarily dissatisfaction with the level of award. It was noted that numbers are still low.

Whilst there continues to be a drop in complaints there is also a drop in positive feedback and the feeling is survivors are feeding back more informally therefore formal response not necessary.

The next report will consider the effectiveness of our management of general enquiries addressing the effectiveness of these communications and outlining in greater detail the nature of survivor enquiries.

WM noted it was good to see positive feedback included in the report and asked if there was a Scottish Government complaints report. GG confirmed that one had been prepared following a request from a survivor but this is not something prepared routinely.

JM advised that this was one of the reports we publish on the website and as such a note will be added that the report relates to the work of Redress Scotland only. Complaints for the redress division are forward when received. Members felt it would be useful to see a similar report for other parts of the scheme.

Action: Add clarification that the report relates only to complaints received by Redress Scotland and that other complaints are forwarded to the other parts of the scheme. The amended report will then be shared with Scottish Government together with a request for a reciprocal report.

Agenda Item 11 Audit, Risk and Assurance Committee forward plan

Several additions to the forward plan were identified. These included,

- A private meeting with Audit Scotland to be scheduled, following audit sign off
- The effectiveness of our internal and external auditors will be discussed in February as part of the self evaluation exercise
- Agree one forthcoming meeting to be held in person
- The June meeting to include first review of the draft annual report and accounts and work on business continuity

Agenda item 12 AOB

None

Agenda item 13 Review of Meeting Survivor Voice

NM provided a summary of discussions where the survivor was at the heart of the meeting;

- The support from the Deputy First Minister in the recruitment of additional panel members
- All risks on the strategic risk register were viewed in relation to impact and expectation of survivors. Our values are embedded in statute and evidenced in our culture which underpins all our work both internally and externally
- The support by Redress Scotland into the final programme for government
- The preparation of a full and thorough induction programme for all new panel members
- Continued focus on communications with survivors, particularly around timescales
- Undertaking a deep dive into survivor trust and confidence
- Complaints and positive feedback report with a strong focus on improvement
Development of business continuity to ensure the organisation is efficient and stable and supports the decision making process

WM thanked everyone for their contributions and there being no further business the meeting ended at 1545.