

DRAFT MINUTES OF THE SCOTTISH PRISON SERVICE RISK MONITORING AND AUDIT COMMITTEE (RMAC) MEETING HELD IN DUMYAT BOARD ROOM, SPSC, ON FRIDAY 28 JUNE 2024 AT 09:00-12:00

Present: Ian Harley, RMAC Chair and Non-Executive Director
Teresa Medhurst, Chief Executive, SPS
Lynne Clow, Non-Executive Director
Rebecca Murray, Head of Improvement, SPS
Gerry O'Donnell, Director of Finance, SPS
Nigel Ironside, Head of Digital Services, SPS
Con Pender, Infrastructure and Security Manager, SPS
Jennifer Cameron, Research Analyst, SPS
Mark Grady, HRBP, SPS
Alison Malone, Operational Auditor, SPS
Adam Jobson, Director of Organisational Development, SPS
Michael Oliphant, Audit Scotland
William Wilkie, Internal Audit Manager, Scottish Government
Tommy Yule, Audit Scotland
Rachael Blackburn, RMAC Secretariat

Introduction and Welcome

1. The Chair welcomed all present to the meeting.

Declarations of Interest

2. There were no new declarations of interest.

Apologies for Absence

3. Apologies for absence were received from Dougie Shepherd, Stephen Uphill, Linda Pollock and Michael Beardmore.

Draft Minutes of the last RMAC Meeting Held on 27 March 2024

4. The draft minutes of the meeting held on 27 March 2024 were agreed as a true record.

Action Log following Last RMAC Meeting

5. The Chair and members reviewed the Action Log and agreed the update against each action.

Action: Mrs Blackburn

RMAC(JUN)01/24: Changes to ex-gratia process

6. This report sought RMAC feedback on the proposed changes to the ex-gratia claiming process. In addition, a video explanation of the process was shown.

7. In January 2024, the operational audit team undertook a review of ex-gratia processes and management. It found that there was inconsistent practices and documentation used across the estate. It concluded that there is a need for a review of the ex-gratia process, including recording documentation and guidance. To aid the development of a revised claiming process a Short Life Working Group (SLWG) was set up earlier this year. The group have met on three separate occasions with representation from OD, Roster Managers, HR Policy and Operational Audit. The proposed changes reflect their feedback.

8. The POA(S) have been consulted and are content with the proposed changes.

9. Members noted this paper and video with thanks.

10. Mr Grady informed the group that the video shown, along with documentation and training projects will play an important part in taking the proposed changes forward, this is to ensure a clear understanding of process and expectations. He added that it will be necessary for SHAR sheets and the claiming process for hours to be recorded in a consistent way, as this will also allow for clearer analysis across each establishment.

11. Mr Jobson advised the group that stats show a high rate of overtime worked, which is in line with expectations with an increasing population. He noted that random checks will also be carried out to ensure processes are being implemented and that these will be carried out by Unit managers/middle management.

12. Mr Grady informed the group that this process is expected to go live in October 2024. It was noted that the process has been kept separate from HR and Payroll systems due to additional assurances required from the Operations Directorate. The group were advised that discussions will take place on the management of the process 'post payment'.

RMAC(JUN)02/24: Chair's Annual Report

13. This report provided an overview of RMAC for 2023-24. IH expressed thanks to MB for his support in putting together this report.

14. Members noted this paper with thanks.

External Audit update - Review of Internal Controls of the previous year (Verbal update)

15. Mr Yule advised that the draft Accounts have been received within timescales, adding that there had been a delay in receiving the Ex-Gratia information, however this was expected later today. The group were made aware that there were ongoing discussions with regards to how this process would be managed in future years to avoid similar delays.

16. Mr Yule informed the group that there has been exceptional delays from MYCPS in issuing the Pension Disclosure figures for 2023-24 and that this information may not be available until 31 August 2024. Guidance has been provided by HMT that reports may be published without this information on 31 July, however Mr Yule advised they would assess this nearer the time. The group were made aware this delay was across both Scotland and England, additionally it was highlighted that if this information was not included in this year's report, it will be required for reporting year 2024-25.

17. Members noted this update with thanks.

18. Mrs Medhurst expressed her appreciation to both internal team and external audit for the work produced together, noting the difficulties the teams faced in 2022-23.

19. Mr O'Donnell added that he would like to expressed thanks to both D. Walsh and P. Shrestha for the magnificent achievements and the challenges they've overcome.

RMAC(JUN)03/24: - Risk Management Progress Update

20. This report provided an overview of the current position of the SPS Corporate Risk Register and details of work undertaken since the last RMAC meeting to support the embedding of, and engagement with, the revised Corporate Risk Management processes

21. The Corporate Risk Register was reviewed in March 2024 by risk sub-owners as part of the recent Improvement Framework meetings (Q4, 2023/24). It was then reviewed by EMG, incorporating these sub-owner discussions, at the end of April 2024.

22. Training material for staff on Organisational Risk Management was recently finalised. This is aimed at all SPS staff to give general awareness and understanding of risk management within the organisation, and to particularly support staff who have risk register responsibilities. This document has now been published centrally on the Strategy & Improvement SharePoint site, along with the risk management guidance document and templates for all staff within the organisation to access.

23. Members noted this paper with thanks.

24. Ms Clow expressed concerns over HMP Highland, noting that while it has moved into 'construction project mode', it does not appear in the Major Projects Risk Report (MPRR). Ms Murray advised that HMP Highland was using a similar tool to HMP Kilmarnock, provided by the private sector. She added that HMP Kilmarnock has since moved away from the tool to the central approach and they are keen for Highland to follow.

25. In addition, Ms Clow flagged risk, cost and the potential knock on impact of this project. Ms Clow added that she understands why the noted risks are around staffing and location however feels there also needs to be focus on construction and budget. Mr O'Donnell informed the group that contracts for HMP Highland have been signed, funding has been secured and the associated risks with the overall project have been mitigated.

26. Mr Harley noted that with the exception of HMP Highland, all establishments have now adopted the template. He queried how to transfer the overall risk associated with Major Projects to the Corporate Risk Register. Ms Murray advised she would discuss with Mr Beardmore and agreed that it would be beneficial to have further discussions with Barrie Copeland on how to make this more sophisticated.

RMAC(JUN)09/24: "In-Depth" Review of One Corporate Risk – Cyber Security

27. This presentation by Nigel Ironside, Head of Digital Services provided an update on SPS' risk of cyber-attacks, including threat assessments, mitigations, risk progress and the impact.

28. SPS is subject to the risk of cyber-attack like any other organisation. SPS Digital Strategy 2023 has implemented the transition from on-premise legacy systems to cloud-hosted operations across many of its critical systems. Mr Ironside provided an overview of the presentation and what processes have been put in place to assess and highlight potential threats, whilst advising that a number of large steps have been taken over the last 18 months.

29. Mr Ironside provided the group with additional background to support the presentation and work completed to date.

30. Members noted this paper with thanks. Ms Clow noted that massive progress has been made since the initial discussions on Cyber Security.

31. Ms Clow raised key learning and management of backups process, and the importance of documenting and auditing of a regular backup as part of the process. Mr Ironside advised that these are areas of focus with further work planned for 2024-25.

Mr Harley also thanked Mr Ironside for the progress made and he initiated a discussion on red team testing in addition to penetration testing

32. Mr Ironside advised the group that the Scottish Cyber Co-ordination Centre hosted a seminar around their revised changes, looking at incident and vulnerability management and how Cyber exercising and training works. He confirmed SPS has expressed an interest for the Digital Services team to be involved in going forward and this would enable them to contribute while also receiving support from broader public sector.

33. The group were made aware that unlike Office365 which is hosted on the Cloud, PR2 data is hosted in a Class 1 Data Centre.

34. Mr Ironside informed the group that while OD has assured there are contingency plans in place, they have yet to have sight of these. Mrs Medhurst advised that Ms Pollock is aware of this and intends to make progress, however, due to competing priorities they have not had the capacity to action yet. Ms Murray advised that the team will be taking a look at corporate business continuity in this coming year now that Ms Cameron is on board.

RMAC(JUN)04/24: Information Security Update

35. This paper provided an update on the status of the Information Security Action Plan, ahead of a more detailed update to follow in September.

36. RMAC were invited to note the number of security incidents during 2023-24. Additionally, Digital Services have recruited heavily into the Information Management team;

- A new Head of Information Management
- 1 x Information Security Manager
- 2 x Information Managers
- 5 x information admin staff

37. Digital Services have included the Information management Plan in its Annual Delivery Plan (ADP) for 2024/25. The plan covers the completion of the actions required from the internal audit undertaken in August 2023 and a training plan for all establishments.

38. Members noted this paper with thanks.

RMAC(JUN)05/24: Internal Audit - Annual Assurance Opinion

39. This report summarises Directorate for Internal Audit and Assurance (DIAA) work during the year and provides an overall assurance opinion on SPS's risk management, control and governance arrangements. Its primary aim is to provide the Accountable Officer and RMAC with a professional opinion. External Audit colleagues may also take this opinion and the content of this report into consideration when carrying out their work. This report helps form the basis of a general report on internal audit work which will be considered, in due course by the Scottish Government Audit and Assurance Committee (SGAAC).

40. During 2023-24 seven reviews were carried out, all of which attained reasonable assurance ratings. There was generally strong engagement from SPS staff with internal audit activities throughout the year, although work still continues to fully embed this. Six follow up reviews were carried out and noted only 21% of recommendations had been fully implemented (4/19), with the rest either partially implemented (8/19) or outstanding (7/19). The view is that SPS's risk management arrangements are now developing and DIAA take assurance that this process is being overseen by the RMAC.

41. Members noted this paper with thanks.

42. Ms Clow queried if SPS has the capacity to manage the volume of work expected to be undertaken.

43. Mrs Medhurst advised that assurances need to be provided and while there is a level of tolerance around delivery times that they would be reluctant to step back from any obligations. Mrs Medhurst added that while at this time there have been no reports of being overwhelmed, if this position were to change she would bring this forward for discussion.

RMAC(JUN)06/24: Internal Audit - Audit and Risk Committee Progress Update

44. This report provided an update on key progress highlights, internal audit strategic matters, integrated assurances, strategic best practices and the internal audit plan and progress for 2023-24

45. Since the last Risk Monitoring & Audit Committee (RMAC), the final reports on the Business Continuity and Service Resilience; Business Planning and Change Management and Organisational Learning and Development have been issued. Work has commenced on the 2024-25 Audit Plan and fieldwork has started on the Ex-Gratia and Counter-Fraud and Awareness reviews. Initial planning has commenced on the Cyber-Security review and planning around the Major Capital review and Governance advisory will commence mid-July. Additionally, the 2023-24 Annual Assurance Opinion Report is included as a separate paper. The overarching assurance opinion is 'Reasonable.

46. Members noted this paper with thanks.

RMAC(JUN)07a&b/24: Draft Governance Statement

47. This paper provided an overview of SPS' overarching governance and accountability framework, in addition to their scope of responsibilities, risk management, review of effectiveness and significant governance and risk issues.

48. Members noted this paper with thanks.

RMAC(JUN)08/24: Annual Operational Audit Report 2023-24

49. This report provided an update on the work of the Audit and Assurance Unit (AAU) in relation to Operational Audits conducted during the 2023/2024 financial year

50. Of the 29 audits scheduled in the 2023 /2024 financial year, 23 audits were completed. Three Prisoner Earning audits and two Infection Control audits were cancelled to facilitate an urgent request from Operations Directorate to review the organisations Ex-gratia Processes and Management in establishments. This request was in response to an audit report by the external auditors (Audit Scotland). Of the 23 audits completed, 8 audits resulted in substantial audit assurance, 14 in reasonable audit assurance and 1 in limited audit assurance. Critical Friend Review was also at HMP Stirling and an Estate wide audit of Ex-gratia.

51. Of the 23 audits completed at establishments only one audit attracted a limited assurance rating. Limited assurance was provided for the follow up review of the Management of Offenders at Risk due to Substance (MORS) Policy at HMP Barlinnie

52. The initial limited assurance assessment for the MORS policy at Barlinnie, which resulted in the requirement for a follow up review, was primarily due to NHS Greater Glasgow and Clyde's refusal to engage fully with the MORS policy and this issue was escalated to the appropriate Policy Owner and Director.

53. Members noted this paper with thanks.

54. Ms Malone advised the group that concerns with Greater Glasgow and Clyde are under review and have been escalated to the Policy Owner to look at moving forward.

55. It was noted that the report states HMP Greenock were able to provide substantial assurances on Searching. Mr Uphill requested clarification on this as the report reads as though they were unable to review this evidence. Ms Malone clarified that while HMP Greenock may not have met their quote, it is likely that searching was still evidenced.

Any Other Business

56. Mr Harley requested that at the next Annual Review of RMAC Terms of Reference (Dec) the Annual Accounts are moved to July/August.

Date of Next Meeting

57. The next RMAC meeting which will focus on the Annual Accounts will be held on 31 July from 09:30 to 12:00.

RMAC Secretariat
28 June 2024