

**MINUTES OF THE SCOTTISH PRISON SERVICE RISK MONITORING AND
AUDIT COMMITTEE (RMAC) MEETING HELD IN SPSC, DUMYATT, ON
THURSDAY 27 MARCH 2025 AT 13:00-16:30**

Present: Ian Harley, RMAC Chair and Non-Executive Director
Teresa Medhurst, Chief Executive, SPS
Linda Pollock, Deputy Chief Executive, SPS
Michael Beardmore, Head of Strategic Planning, SPS
Lynne Clow, Non-Executive Director
Gerry O'Donnell, Director of Finance, SPS
Stephen Uphill, Non-Executive Director
William Wilkie, Internal Audit Manager, Scottish Government
Arietta Voumvaki, Internal Audit (observing), Scottish Government
Tommy Yule, Audit Scotland

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, Michael Oliphant, Lisa Taylor and Becky Murray.

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

4. The draft minutes of the meeting held on 27 November 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: Ms Blackburn

RMAC(MAR)01/25: External Audit Annual Audit Plan

6. Members were advised that due to unplanned leave Mr Oliphant has not had the opportunity to review the plan, however, no amendments are anticipated.
7. This report provided an overview of the planned scope and timing of the 2024/25 audit of the Scottish Prison Service's annual report and accounts. Michael Oliphant, of Audit Scotland, has been appointed by the Auditor General for Scotland as external auditor of the Scottish Prison Service (SPS) for the period from 2022/23

until 2026/27. The 2024/25 financial year is therefore the third of the five-year audit appointment.

8. Key points raised:

- Materiality – £7.9 million. The benchmark used to determine materiality is gross expenditure based on the audited 2023/24 financial statements. Materiality has been set at 1.6% of the benchmark.
- Performance materiality – £5.6 million. Using professional judgement, performance materiality has been set at 71% of planning materiality.
- Reporting Threshold - £350,000.

9. SPS faces a challenging financial position and this is likely to continue for the foreseeable future. These pressures include inflationary pressures, large capital projects, like the construction of HMP Glasgow, the renewal of the Scottish Court Custody and Prisoner Escort Service contract and pay awards.

10. As part of the 2022/23 audit, it has been identified that there is scope for SPS to strengthen their IT Strategic Planning and cyber security arrangements.

11. 2024/25 audit timetable is consistent with last year.

12. Members noted this paper with thanks.

RMAC(MAR)02/25: Risk Management Progress Report

13. This report provided an update on the current position of the SPS Corporate Risk Register, and details of work undertaken since the last RMAC meeting to support the operation of effective Risk Management processes across SPS.

14. The Corporate Risk Register (CRR) was reviewed by EMG in January 2025. The review focussed on the high-level strategic risk themes faced by SPS and whether they are reflected in the CRR and/or in subordinate registers. This review was supported by a Horizon Scan, carried out by the Corporate Assurance Policy Manager. Overall, it was concluded the CRR continues to record a high number of risks at both red and amber; and whilst the organisation has numerous actions and measures in place, that this is demonstrative of the level of risk of prisons in Scotland, and the Scottish Prisons Service as an organisation currently carry.

15. The one area that did emerge strongly from the Horizon Scan that warrants further exploration within SPS is the use of AI. The Improvement team has now established an AI Working Group to explore the issue further and understand the risks and opportunities it poses for SPS.

16. The below points from the Major Project Risk Reporting section were noted;

- The project to transfer HMP Kilmarnock has now been formally closed, following successful harmonisation of the staff group.
- The construction contract for HMP Glasgow has now been signed, and so the risk related to delays to signature has been removed.
- The Learning & Development contract has been awarded; it will be within budget and so the risk around the budget constraints has been removed.

- HR & Payroll rolled out in February 2025, and so the risk of further delay has been removed.
- Two new specific technical risks have been added to HR Transformation.

17. In the November risk management update, we noted that scoping had begun in preparation for the possibility of TCFD requirements being in place for the 2023/24 Annual Report and Accounts. For 2023/24, the Scottish Government clarified that TCFD requirements would not apply in Scotland. At time of writing, SPS has not been made aware that this derogation applies in 2024/25 and we are therefore working to the assumption that TCFD are a required element of the Annual Report and Accounts.

18. Members noted this paper with thanks.

19. Members discussed associated risks with Prisoner Population, it was advised that there has been early activity against this risk however any mitigating actions may not have been included in the report at this stage.

20. It was noted that resilience of SPS assets is not included on the risk register, and it was queried whether SPS had considered how they would manage disruption to services (such as hot water and electricity) should there be a failure. It was highlighted that SPS have managed instances in the past with minimal disruption and that there are robust contingencies in place to mitigate these risks. The committee again discussed cyber security and its potential to cause a significant disruption.

21. Mrs Pollock advised the group that plan to bring a paper to the EMG on the back of the internal audit report, in addition to this they have discussed the potential of purchasing external support for monitoring.

22. It was queried whether SPS had liaised with Scottish Governments in relation to AI as it is understood they have also been conducting work on this. Mr Beardmore confirmed that they have been engaging with SG colleagues and attending Scottish AI Task Force meetings. He added that they have also been provided training materials, particularly around AI Risk Management.

Scottish Courts and Tribunals Service (SCTS) Good Practices

23. Mrs Pollock advised members that both her and Mrs Medhurst met with the SCTS Deputy Chief Exec and Corporate Secretary, with a follow up meeting between herself, Mr Beardmore and STCS Corporate Secretary and Head of Risk.

24. During their discussions STCS's talked through their approach to Risk, including the use of risk tolerance; and their structure. Mrs Pollock advised that it was informative and helpful discussion, adding that she had also spoken with their 'Head of Change' portfolio manager who have shared documents with SPS, which are being considered as learning for our Risk and Planning functions.

25. Mr Beardmore agreed that following discussions they have come away with good learning and heartened that there appears to be similarities in our approaches.

Mr Beardmore added that there are fundamental differences between SPS and SCTS, in particular that they have a different public body status, so they have a statutory board and that affects the level of governance and the escalation of risks in quite a quite a significant way.

26. Members were made aware that appetite and tolerance was recently introduced into the most recent iteration of the risk management guidance, so is not yet embedded. Some business areas are confident in using it where others aren't.

27. Mr Beardmore advised it was worth noting that SCTS are roughly 8 years into their risk management improvement journey and they have relatively recently started to focus on appetite alone at a corporate level and that for some areas there is no expectation of them using appetite and tolerance. They solely base assessments of risks on a target score, whereas SPS has attempted to use both. This has prompted further discussions, particularly around EMG review of risks, and the best way to start to use the appetite more comprehensively in the quarterly reviews of the risk register.

28. Members noted this with thanks.

RMAC(MAR)03/25: Assurance Mapping Update

29. This paper sought RMAC's feedback on the proposed model for SPS' Assurance Framework and assurance mapping method, the initial stages of which are appended to this paper. In September 2024, RMAC adopted Assurance Mapping as one of its strategic priority areas for the next few years.

30. Two topics from the Internal Control environment have been mapped so far in order to show how the mapping will be presented and organised – (i) risk management and (ii) planning and performance. Others will be progressed based on RMAC feedback and the mapping document updated until all areas are completed.

31. Once the mapping is completed, a Deep Dive slot at an RMAC meeting could be used to report on the overall exercise and results.

32. Members noted this paper with thanks.

33. Mr Wilkie queried what the purpose of the 'Operational Assurance' section was for as this isn't clear in the paper. Mr Beardmore advised the group that this is to aid in drawing boundaries, in particular, around this corporate mapping, and to acknowledge that there is already a set of overarching assurance mechanisms that exist within operational delivery and compliance.

34. There are a vast number of existing individual policies and procedures existing within an operational context, many of which have their own assurance mechanisms. The aim at this stage is to draw attention to what this corporate mapping won't do, which is go into the individual detail of all of these individual policies, as many will have bespoke assurance mechanisms already in place.

35. Members discussed the paper at length, in particular, the balance between first, second and third lines of defence, the potential of a forth being added, implementation and what the next steps would look like. Mr Beardmore advised that the statements of assurance processes is in train at the moment and should be completed in the next 6-8 weeks, he added that he was hoping to use this as the basis to judge the next steps.

RMAC(MAR)04/25: Internal Audit Progress Update and Annual Plan

36. This report provided an update on key messages;

- Since the last RMAC, the final reports on the Cyber Security and Major Projects/Capital review have been issued.
- Draft Reports on the Counter-Fraud and Awareness and Health and Safety reviews have been issued.
- Fieldwork work is continuing on both the Governance and Public Body Reform advisories.
- The report on the Ex-Gratia advisory is being prepared
- Both the Business Continuity/Service Resilience and Estates Management Follow-Ups have been completed.

37. DIAA Portfolio, Programme and Project Assurance (PPPA) continues to engage with SPS around further work for both HMP Glasgow and HMP Highland. The Digital HR project (HR and Payroll) went live in February after a Major Project Go Live Review late last year. Assurance for the next phase (recruitment) is being planned and DAO are engaging with SPS around this. Members will be updated with further information as it becomes available.

38. Members noted this paper with thanks.

39. Mr Wilkie advised the group that since the completion of the papers provided, they have issued the Health and Safety review and ex-gratia advisory work. This should be finalised by mid to end of April.

40. Mr Wilkie advised that they have had a good level of engagement with relevant staff. Which they expect to continue into the 2025-26 review. Members were made aware that the Business Plan, Change Management Review and Organisational Culture follow ups have been moved to 2025-26 due to implementation dates.

41. Mr Wilkie added that that the HR project went live in February after the Major Project Go Live review last year. Assurance for the next phase, which is recruitment, is being planned and the digital assurance officer is engaging with SPS.

42. Members were made aware that the 2025-26 plan is in consideration, in anticipation of being brought to RMAC in May 2025. A number of proposals have been made, with further discussions around FOIs, SARS and FAIs, which are still ongoing. It was noted that it would be useful in the short term to identify two assurance reviews that can be scheduled in for Q1.

43. Mr Harley proposed the below questions;

- How could we utilise assurance activity in relation to DIPLAR actions?

- What role could Internal Audit and RMAC play in tracking any actions following FAI?

44. Mr Harley noted that there has been an increase in DILPAR, and queried should RMAC be looking at the process with Internal Audit. Mrs Medhurst agreed that we need assurance on these processes and how robust they are, noting that the information SPS are providing could be clearer and more refined.

45. Members discussed this at length and agreed to a follow up discussion outwith RMAC.

Action – Teresa Medhurst / Linda Pollock / Internal Audit

Global Internal Audit Standards update for Accountable Officers

46. The Directorate of Internal Audit & Assurance (DIAA) is continuing to refresh its strategy, and work is ongoing to take into account requirements under the Global Internal Audit Standards which came into effect on 9 January 2025. The GIAS includes a number of significant changes to existing principles under the existing Public Sector Internal Audit Standards (PSIAS).

47. Following discussion with key parties, including Audit Scotland colleagues and contacts at the IIA, we have postponed our mandatory External Quality Assessment to autumn 2025 in order that we can be assessed against the GIAS. Other organisations who had EQAs due in 2024/25 are taking similar approaches.

RMAC(MAR)04/25 A&B: Operational Audit End of Year Report & Operational Audit Plan 2025-26

48. This report provided an update on the work of the Operational Audit Team in relation to Operational Audits conducted April 2024 to March 2025.

49. Members were advised that 37 out of 44 (84%) audits scheduled in 2024/25 financial year have been completed, 3 outstanding audits are scheduled to take place in March 2025 and 4 audits have been carried over to the 2025/26 Operational Audit Plan. The Audit Team were unable to fully complete the 2024/25 Operational Audit Plan due to long term sick absence in the Team.

50. At the request of the Governor of HMP Shotts the audit team conducted a bespoke Security review at the establishment in August 2024. The review was not a full Security audit but focussed on Cell Certification, Pedestrian Entrance, Perimeter Security, Population and Numbers Check and Vehicle Lock. The review outcomes were shared with the Senior Management Team.

51. In August 2024 Operational Auditor Alison Malone was asked to be part of an Ex -Gratia Short Life Working Group. were made in December 2024 and since then the SLWG has been involved in the roll out of new ex gratia products across the estate.

52. Audit Areas noted for 2025-26; Security, Searching, PSIPS, Progression, Rule 95, Ex-Gratia, Complaints, MORs, Information Security, Cell Sharing Risk Assessment, Violence Reduction and Operational Readiness.

53. Operational readiness audits have been completed, including the first in-person audit for Kilmarnock. Due to resourcing, they have been unable to complete two 'Rule 95/Use of Force' audits, which have been carried forward. There is one outstanding 3 month review on 'Prisoner Earnings' at HMYOI Polmont. Members were advised that they have agreed to an extension as they expect this could take up to 6 months.

54. Members noted this paper with thanks.

55. Members were made aware that establishments have engaged well and that they have tried to remain flexible when audits coincide with HMIPS inspections. Ms Malone added that many have appreciated the work being carried out.

Any Other Business

56. Mr Wilkie and Mr Shephard advised that they would be unable to attend RMAC on 28 May, however, they will arrange a discussion with Mrs Medhurst and Mrs Pollock prior to the meeting.

57. It was agreed that the deep dive in May would be on the HR Transformative project / Payroll.

Date of Next Meeting

58. The next RMAC meeting will be held on 28 May 2025 from 13:00-16:30 in SPSC, Lochnagar.

RMAC Secretariat
27 March 2025