

**MINUTES OF THE SCOTTISH PRISON SERVICE RISK MONITORING AND  
AUDIT COMMITTEE (RMAC) MEETING HELD IN SPS HQ ROOM G09, ON  
WEDNESDAY 30 JULY 2025 at 13:00 TO 16:00**

**Present:** Ian Harley, RMAC Chair and Non-Executive Director  
Teresa Medhurst, Chief Executive, SPS  
Linda Pollock, Deputy Chief Executive, SPS  
Lynne Clow, Non-Executive Director  
Gerry O'Donnell, Director of Finance, SPS  
Heather Duncan, Head of Finance, SPS  
Michael Oliphant, Audit Scotland  
Tommy Yule, Audit Scotland  
Dougie Shepherd, Senior Internal Audit Manager, Scottish  
Government  
Lisa Taylor, Head of OCE Branch and Acting Head of Strategy and  
Planning, SPS  
Stephen Uphill, Non-Executive Director

**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 William Wilkie.

**Draft Minutes of the last RMAC Meeting Held on 28 May 2025**

4. The draft minutes of the meeting held on 28 May 2025 were agreed as a true record.

**Action Log following Last RMAC Meeting**

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

**Action: Mrs Blackburn**

6. It was highlighted that the implementation rate of internal audit recommendations could still be improved. Internal Audit colleagues advised they would be happy to offer awareness sessions to SPS staff to highlight the work that they do.

**Action: Linda Pollock / IA**

## **RMAC(JUL)01 A&B/25: External Audit Draft Annual Report to Board and ISA 260**

7. An overview was provided by Tommy Yule summarising the findings from the 2024/25 audit of the Scottish Prison Service (SPS). The audit work on the 2024/25 annual report and accounts is now substantially complete and Audit Scotland anticipate being able to issue unmodified audit opinions in the Independent Auditor's Report on 30 July 2025.

8. Key messages from the report;

- All audit opinions confirmed that the annual report and accounts were free from material misstatement.
- There were no significant findings or key audit matters to report. All audit adjustments required to correct the financial statements were processed.
- Limited progress has been made towards implementing prior year recommendations.

9. In 2024/25, SPS required authorisation for a £13.7 million (2.2 per cent) overspend against revenue and capital budgets due to late reprogramming of capital expenditure and unexpected costs. Despite this, arrangements for securing sound financial management are generally effective and appropriate.

10. During the current financial year, increased funding was made available through the 2025/26 Budget Act. SPS is forecasting a balanced capital budget and a £1m resource underspend for 2025/26. Limited progress has been made in the development of a medium-term financial strategy, restricting SPS's ability to demonstrate its financial sustainability. Performance of the Scottish Courts Custody and Prisoner Escorting Services (SCCPES) contract continued to see improvements during 2024/25.

11. The prison population continued to rise with no ease on the pressure being put on service delivery.

12. The contract for the new HMP Glasgow was signed in February 2025, with an expected cost of £998.4 million and a planned completion date in 2028.

13. Members noted this paper with thanks.

14. Mr Harley noted that IT Strategic Planning and Cyber Security has been previously discussed at RMAC and the committee will continue to monitor progress on these topics.

15. Ms Clow added she is keen for an update from the Fraud Response Group on the timescales of implementing recommendations following their 'Counter Fraud and Awareness' review. It was noted that there are strong controls in place however these are expected to be reviewed.

**Action: Adam Jobson**

16. Following discussions and an update provided by Mr O'Donnell, a change to page 3, paragraph 5 was requested.

## **RMAC(JUL)02 A&B/25: Draft Annual Report and Accounts from Finance Director**

17. The SPS Chief Executive is planning to sign the Annual Report and Accounts 2024-25 on 31 July 2025 - following, and subject to, a recommendation for their adoption by RMAC. Audit Scotland will sign the Independent Audit Report separately, following signature by the Chief Executive.

18. The draft Financial Statements were provided to Audit Scotland on 19 May 2025, a week ahead of the timetable and the commencement of the external audit Field work. The draft Annual Report and Accounts 2024-25 were issued to Audit Scotland on 05 June 2025. During the audit of the financial statements, regular progress meetings took place between FP&S and Audit Scotland.

19. Total expenditure for the year was £627.7m against the Spring Budget position (SBR) of £614.0m. This is an authorised overspend against budget of £13.7m.

20. The DEL overspend of £11,831k is primarily attributable to overspend in capital (£10,813k). Also, factors affecting DEL overspend are the overspends in running costs (£1,908k) and depreciation (£92k) and compensated by underspend staff costs (£982k). Outside Departmental Expenditure Limit (ODEL) actual outturn is slightly consistent with the revised budget. The overspend in AME largely relates net impact of a downward valuation of HMP Stirling (£3,411k), impairment reversal of (£36k) and provisions utilised during the year (£1,249k).

21. The net operating cost for the financial year is £505.0 million. This is an increase of £17.2m (3.5%) on the previous year and is largely attributed to staff costs.

22. Members noted this paper with thanks.

23. Mr O'Donnell advised that completion of the Annual Report and Accounts was a collaborative effort across teams. Mr Harley advised that he appreciated the visuals and noted the continual improvements and improved readability of report.

24. Mrs Taylor added a special mention to Andy Kay, thanking him for all his work in collaborating and collating this report, and the improvements made over the past 3 years.

25. During the meeting, small changes were suggested for updating, these were not material updates or changes but minor amendments. All members accepted the proposed amendments to the report and agreed they were content for the Annual Accounts and Annual Report to be recommended to the Accountable Officer and Advisory Board for adoption.

*The external auditors left the meeting*

## **Review of Performance of External Auditors (RMAC Members, Accountable Officer and Deputy Chief Exec)**

26. Members discussed their experience of working alongside Audit Scotland, it was agreed that SPS have built a positive, mature and responsive relationship with the auditors which has enabled effective team working and open communication. For future Annual Audit Reports, it was queried whether it would be possible for time be set aside for a feedback meeting prior to submission, with the potential for follow up meetings with relevant areas throughout the year.

27. Mrs Medhurst noted that although they still have work to do and progress to make there has been a marked improvement made over the last 5 years.

## **Any Other Business**

### **RMAC Q2 Progress Report**

28. Since the last Risk Monitoring & Audit Committee (RMAC), fieldwork has commenced on the Wellbeing Interventions and FAI Taskforce reviews. The draft report on the Data Strategy review is being prepared. Annex A provides an update.

29. Fieldwork has commenced on both the Role of Operational Audit and Public Sector Reform/Transformation Advisories. The report on the 2024-25 Governance Advisory, which was brought forward into Q1, has now been issued.

30. The Business Planning Change Management Follow-Up has been completed and the Major Projects and Capital follow-up is in progress.

31. Members noted this paper with thanks.

32. Members were made aware that during a monthly meeting between Senior leaders and the Operations Director, Ms Beal presented slides that felt relevant to today's discussion around an operational update. Those who attended noted, while there is still work to be done, the slides were interesting and appeared to be far sighted in terms of presented options.

33. Following discussion Mr Harley requested that Natalie be invited to a future RMAC to provide an update on Operational Audit.

**Action: Natalie Beal**

34. Ms Clowe queried if, given the current pressures on the organisation, there a need to look at the forward audit plan, and assess whether there are audits that could be deferred till the current pressures have levelled out. Mrs Medhurst agreed that it is likely that they will be looking to extend some elements and audit actions however will be looking to carry out a full review before over committing and that there will be discussions on what the delivery landscape is expected to look like to ascertain what is and is not feasible.

35. Mr Harley reminded the committee that it is important that internal audit actions are agreed in a way that the resulting action will add value and also that realistic timescales are agreed for closure. SPS Executive leadership needs to continue its focus on timely closure of IA actions. Those present agreed to maintain this focus.

**Private discussion with Internal Audit (RMAC Members only)**

36. This discussion was not minuted.

**Date of Next Meeting**

37. The next RMAC meeting will be held on 24 September 2025 from 9.30am in SPS HQ, Room G09.

**RMAC Secretariat**  
**30 July 2025**