

MINUTES: AUDIT & ASSURANCE COMMITTEE MEETING
23 September 2025, MS Teams

Present

Mr Stephen McAllister (Chair) (via MS Teams)
Mr James Maybee
Mr Jim Farish

In Attendance

Mr Mark McSherry, Chief Executive
Mr Paul Keoghan, Director Corporate Services
Mr Bryan Coia, Internal Audit Manager, Scottish Government
Mr Mark Ferris, Senior Audit Manager, Audit Scotland
Mrs Sophie Farnell, Finance & Governance Officer
Miss Kathleen McAuley, Office Administrator (Minute Taker)

Welcome

1. The Chair called the meeting to order at 14:00 and welcomed all members.
2. The Director Corporate Services (DCS) introduced Mrs Sophie Farnell, Finance & Governance Lead to Members.

Apologies

3. The Chair noted apologies submitted for Prof Kieran McCartan, Mr Dougie Sheperd, Ms Jennifer Law and Ms Fiona McMillan.

Declarations of Interest

4. The Chair called for declarations of interest and noted no declarations were submitted.

Approval of Previous Minutes

5. The Committee reviewed and approved the minutes of the meeting held on 23 June 2025.

Matters Arising

6. The Committee noted updates on the following actions; 7.1.1. (06/25), 8.3 (06/25), 7.2 (08/23), 17.3 (06/23) and 7.1 (02/23).

Agenda Items

7. Chief Executive Update - Verbal

7.1. The Chief Executive (CE) updated members on the following:

- 7.1.1. Members were given an update on the ongoing Spending Review and the Committee were informed that budgets were expected to be announced in December 2025. The CE also noted that further PSR sessions with the Minister of Finance are planned to go ahead in October 2025.
- 7.1.2. The CE informed the Committee that discussions continue with PCS regarding the staff pay review.
- 7.1.3. The CE informed Members of the Scottish Human Rights Commission (SHRC) Report on the OLR and confirmed a meeting between the CE, the RMA Convener, the Chair and Director of SHRC will be held on 30 September 2025 to discuss the report and publication. The CE confirmed that while the RMA welcomes the report there are concerns regarding certain elements of the reports and in particular the omission of existing safeguards contained within the OLR legislation. The CE advised that he will be writing to the Justice Committee and advising Ministers of these concerns.
- 7.1.4. The CE informed the Committee that the SMT are currently looking at the Business Continuity Plan and using a test scenario of the office not being available.
- 7.1.5. The Committee noted the verbal update from the CE.

8. Corporate Risk Register – Committee Paper 563

8.1. The Director Corporate Services (DCS) presented the Corporate Risk Register to the Committee advising that the register consists of 3 risks being treated, 8 risk being tolerated, 8 risks have been terminated and 3 risks transferred.

8.2. Members were updated on the 3 risks being treated:

- 8.2.1. Failure to Implement RMP's: The Head of OLR (HOLR) informed the Committee that the risk level has reduced due to the implementation of improved processes at SPS.
- 8.2.2. Lack of Assessors: Members were informed 1 new assessor has been appointed and there are 3 deferred candidates. However the number of RAO's being instructed by the court remains very high resulting in the risk score remaining at high.
- 8.2.3. Cyber Security: The risk remains unchanged at medium. A new business continuity plan framework has been developed in line with Scottish Government guidance.

8.3. Members were advised that a review of the tolerate risks was carried out to ensure alignment with the current risk management strategy. A review of the register revealed many of the risks had similar themes and allowed risks to be consolidated. This resulted in a reduction in the number of risks held on Tolerate register from 21 to 9.

8.4. The Committee noted the updates to the Corporate Risk Register.

9. Internal Audit Report – OLR Process – Committee Paper 564

- 9.1. The Internal Audit Manager (IAM) presented the OLR Processes Report to the Committee advising the report formed part of the Audit Plan agreed by the Accountable Officer and noted by the Committee on 26 February 2024.
- 9.2. The scope of the review was to evaluate and report on the controls in place to manage risk surrounding OLR process arrangements. The review identified 3 medium recommendations:
 - 9.2.1. AIR Reporting Dates: The CE advised no progress has been made on dates as legal advice has been sought.
 - 9.2.2. Case Notes: Members were advised that this has been implemented since June 2025.
 - 9.2.3. Escalation Procedures with Stakeholders: Focus has been on escalation to the HOLR and Sharon at SPS. Formal escalation is part of legislation.
- 9.3. The CE advised that the report touches on staff resources which have increased recently and the structure within the team is currently being reviewed.
- 9.4. The Committee noted the Internal Audit Report on the OLR Process.

10. Internal Audit Report – Cyber Security and Resilience – Committee Paper 565

- 10.1. The IAM presented the Cyber Security and Resilience Report to the Committee advising that the report formed part of the Audit Plan agreed by the Accountable Officer and noted by the Committee on 21 March 2024.
- 10.2. The scope was to evaluate and report on the controls in place to manage the risk surrounding cyber resilience and stakeholder communication arrangements. The Review identified 3 high and 2 medium recommendations:
 - 10.2.1. Business Impact Analysis and Maximum Tolerable Outages – high
 - 10.2.2. Completion of Business Continuity Plans – high
 - 10.2.3. Assurance over key controls – high
 - 10.2.4. RACI matrix across RMA and the SCOTS services – medium
 - 10.2.5. Resilience Supports – medium
- 10.3. The DCS advised Members that work on the recommendations has commenced with the Business Continuity Plans being prioritised.
- 10.4. The Committee noted the Internal Audit Report on Cyber Security and Resilience.

11. Internal Audit Progress – Committee Paper 566

- 11.1. The IAM presented the Internal audit Progress paper to the Committee advising of the following key messages:
 - 11.1.1. The final OLR Report was issued on 24 June 2025 which resulted in 3 medium level recommendations and led to a Reasonable assurance category

rating.

11.1.2. The final Cyber Resilience review was issued on 6 August 2025, this was delivered by Internal Audits co-source EY. This resulted in 3 High level and 2 Medium recommendations which led to an Insufficient assurance category conclusion.

11.1.3. Internal Audit recently commenced the review into Organisational Resilience including wellbeing with review and fieldwork scheduled to conclude to conclude in October 2025.

11.2. The Committee noted the Internal Audit Progress paper.

12. DIAA Bulletin – July 2025 – Verbal

12.1. The IAM presented the DIAA Bulletin to Members.

12.2. The Committee noted the verbal update on the DIAA Bulletin.

AOCB

13. No other business noted.

Date of Next Meeting

14. The Committee noted the date of the next meeting will be 27 October 2025.

15. The Chair thanked everyone for attending and closed the meeting at 15:00.