Scottish Courts and Tribunals Service

MINUTES

SCTS AUDIT AND RISK COMMITTEE
MEETING: 27 July 2026, Parliament House

Members Present:
Maggie Craig, SCTS Board (Chair)
Elizabeth Barnes, Non-Executive Member
Claire Robertson, Non-Executive Member

Attended:
Malcolm Graham, Chief Executive, SCTS
Noel Rehfisch, Deputy Chief Executive, SCTS
Alice Wallace, Chief Finance Officer, SCTS
Steven D'Arcy, Corporate Secretary, SCTS
Chris Brown, Director Finance and Procurement
Sarah Weiss, Head of Financial Accounting
Dougie Shepherd, Internal Audit, Scottish Government
William Wilkie, Internal Audit, Scottish Government
Michael Oliphant, Audit Scotland
Tommy Yule, Audit Scotland
Graeme Samson, Audit Scotland
Karen Lawrie, Head of Secretariat (Minutes)

Apologies:
Sheriff Olga Pasportnikov, SCTS Board
Lynsey Walker, SCTS Board

1. Declaration of Interests

1.1 There were no declarations of interest from Members.

2. Minutes of the Meeting of 27 April 2026

2.1 The minutes of the last meeting were approved.

3. Matters Arising

3.1 There were no outstanding actions from the previous meeting.

Update from the SCTS Board
3.2 The Committee received an update on the matters discussed at the Board meeting in June 2026.

4. Internal Audit

Progress Report – 2026-27
4.1 Internal Audit confirmed that work on the 2026-27 Audit Plan had commenced and remained on track to be completed by 31 March 2026. Fieldwork had commenced on the Office of the Public Guardian Review. The Committee noted that the nature and scope of the review had changed due to external factors. Three follow-up audits – Change Management, Financial Sustainability and Estates Strategy and Vision had been completed.

4.2 The format of the progress report was discussed. Internal Audit confirmed they would consider the presentation of the information ahead of the next meeting. The exception reporting papers shared at each meeting would also be reviewed and only submitted if relevant to the Committee.

5. External Audit

5.1 External Audit presented their Annual Report on the 2025-26 audit of the Annual Report and Accounts. This confirmed that, subject to satisfactory completion of the outstanding audit work and final review of the revised annual report and accounts, they anticipated issuing unmodified opinions on the financial statements, the regularity of income and expenditure, and the other matters prescribed by the Auditor General for Scotland. The Committee noted that there were no recommendations raised by Audit Scotland in respect of the 2025-26 Audit within their report.
5.2 The Auditors noted the wider scope and Best Value audit showed that SCTS had effective and appropriate arrangements in place for securing Best Value and for reporting and monitoring performance against key performance indicators linked to the strategic priorities.

5.3 The Committee discussed the follow-up of prior year recommendations in relation to the development of SCTS strategies – Digital, Estates and the Medium-Term Financial Strategy. The Executive confirmed that work was underway to develop and finalise the three strategies during 2026.

5.4 The SCTS were commended on a strong report and for the effective engagement between auditors and staff. The Committee welcomed the summary of the report provided by Audit Scotland.

6. Directors Statement of Assurance to the Accountable Officer

6.1 The Executive confirmed that Directors had given the Accountable Officer written assurance that effective controls and safeguards operated within their respective business areas. As a result, the Accountable Officer had received a reasonable assurance that internal controls were operating across SCTS in most areas. Reference was made in the certificates of assurance to the outcome of limited assurance from the Information Commissioner's Office (ICO) audit published in September 2025 and the positive progress made in addressing the recommendations throughout 2025-26.

6.2 The Committee acknowledged that the Annual Assurance exercise had been completed. They noted that the Accountable Officer had received assurance that controls were in place across the organisation.

7. Review of Final Accounts 2025-26

7.1 The Committee reviewed the draft SCTS Annual Report and Accounts for 2025-26. They agreed that the key achievements during the last year had been reflected and that statutory reporting requirements and guidance had been met.

7.2 Members were content with the final accounts and recommended that they be submitted to the SCTS Board for approval at their meeting on 10 August. They commended the quality of the accounts and the report which was clear and transparent.

7.3 Malcolm Graham recorded his thanks to those involved in the preparation of the Annual Report and Accounts and to SCTS staff and Audit Scotland for a smooth audit.

8. Draft ARC Annual Report to the SCTS Board

8.1 Members considered the final draft of the Audit and Risk Committee's Annual Report to the SCTS Board. The report reflected the Committee's work during the last year and its priorities for

the coming year. The report was approved by members and would be presented to the Board on 10 August.

9. Data Incidents Report/ICO Audit Update

9.1 The data incidents report was reviewed. It was noted that five reportable incidents had been submitted to the Information Commissioners Office (ICO) during the last quarter. The ICO had taken no action on three of the incidents report. Two incidents remained open and under consideration by the ICO.

9.2 The Executive provided an update on the ICO Audit completed in 2025. A final follow-up audit would be completed in August. Good progress had been made in addressing the recommendations with over 53% implemented and a further 30% expected to be completed within the next year and the remainder delivered over the next two years as part of planned improvement activity. A further update would be presented to the Committee at the next meeting.

9.3 The Committee welcomed the informative update and the significant progress made in addressing the recommendations following the ICO Audit.

10. Corporate Risk Register

10.1 The Corporate Risk Register was reviewed. The register had been updated since the last meeting. Members noted that the treated score for the Sustainable Services risk had increased from 12 to 16, moving the risk from Amber to Red. This reflected growing demand and capacity pressures across the High Court, Tribunals and the Office of the Public Guardian (OPG), which existing controls had not been sufficient to address. High Court business had remained materially above recent levels, with the additional capacity planned from the end of the year expected to sustain throughput rather than reduce the backlog. Tribunal performance had continued to be affected by increasing volumes and constrained judicial member availability. Within OPG, Power of Attorney applications had continued to exceed registrations. These pressures, together with uncertainty over longer-term funding and the need for wider reform and investment, had increased the risk to the sustainable delivery of core services.

10.2 The Committee discussed the position at OPG, where the Power of Attorney caseload had continued to grow despite increased processing through recruitment, training, overtime and improvements to the case management system. Further digital improvements and development of a future operating model covering people, processes and technology had been required to place the service on a more sustainable footing. The Committee requested that the deep-dive session at the next meeting focus on OPG's recovery and longer-term transformation.

11. Cyber Security Update

11.1 Lora Crabtree, Head of Cyber Security and Risk, joined the meeting. Lora informed the Committee of the multi-year approach being taken to align cyber assurance reporting with the Cyber Assessment Framework (CAF). Members received a presentation outlining the framework and the planned approach to complete the required objectives.

11.2 The presentation focused on CAF Objective C, which covered the detection of cyber security events. The current assessment indicated that SCTS had a useful foundation through its existing monitoring and alerting capabilities, while recognising that effective detection required a broader approach encompassing people and processes as well as technology.

11.3 The Committee welcomed the informative update which had provided assurance that core detection arrangements were in place. An update on the remaining CAF objectives would be provided at future meetings.

12. Organisational Resilience Update

12.1 The Committee received an overview of SCTS's developing approach to organisational resilience and the Pathway to Resilience Programme, which provided a structured approach to anticipating, preparing for, responding to and recovering from disruption while protecting critical services and statutory functions. The programme reflected SCTS's increasing reliance on digital services, third-party providers and integrated working with justice partners and suppliers, and comprised three complementary workstreams covering communications and engagement; business continuity, risk management and critical services; and response and recovery arrangements.

12.2 Members noted that a maturity assessment had identified sound foundations in business continuity planning, emergency contacts and escalation arrangements, while further work had been required to validate critical services and dependencies, strengthen disaster recovery arrangements, and improve confidence through training and exercising. A new Incident Response Framework was being developed to provide a consistent and scalable structure for coordinating SCTS's response to significant disruption, with clear escalation routes and decision-making responsibilities at strategic, tactical and operational levels. The framework would support the prioritisation and recovery of critical services and statutory functions where normal operations were disrupted.

12.3 The Committee welcomed the detailed overview of activities underway and commended the joint structured approach being taken in regard to in these two critical areas - cyber and resilience - for the organisation. Updates would be provided at future meetings to ensure the Committee had oversight of the work and assurance of the SCTS ability to respond to and recover from any significant disruption.

13. Any Other Business

13.1 The Executive advised the Committee of the ongoing issues regarding the administration of the Civil Service Pensions by Capita. The UK Government were now involved in a recovery plan to address the current pension backlogs. The Committee would be updated on the progress of the UK Government and Capita recovery plan, the significant impact on some SCTS staff and proportionate SCTS actions to mitigate these impacts at the next meeting.

14. Papers for Scrutiny/Exception Reporting Only

14.1 The following papers had been circulated for scrutiny:

- Action Tracker
- Fraud, Theft and Losses Report
- Core Work Plan 2026-27
- Internal Audit – Final Advisory Report – Office of the Public Guardian Transformation
- Internal Audit – Change Management Follow-up Report
- Internal Audit – Financial Sustainability – Follow-up Report
- Internal Audit – Estates Strategy and Vision – Follow-up Report
- Internal Audit – Q1 Strategic Messaging Paper - Issue 66
- Internal Audit – Technical Bulletin – Issue 65
- Internal Audit – Government Internal Audit Agency – Cross-Government Insight Study – Productivity in the Public Sector
- Internal Audit - Government Internal Audit Agency – Cross-Government Insights – Staff Overpayments

15. Date of Next Meeting

15.1 The next meeting would be held on Monday 2 November 2026.

16. Deep Dive Session – Oracle Fusion Shared Services Update

16.1 Clare Beck, Head of Financial Systems and Project Lead, joined the meeting. Clare presented an overview of the challenges and successes that had been encountered following the launch of the Oracle Fusion Cloud system in October 2024.

16.2 The principal challenge remained the preparation for the roll out of the 'compromise solution' for the use of Purchase to Pay in 2026-27. Plans were underway, recognising the additional processes and business support required to ensure all the necessary management and maintenance steps were in place.

16.3 The Committee welcomed the detailed update, acknowledging that SCTS was seen as a positive and knowledgeable contributor to the wider Scottish Government Oracle programme and viewed as a centre of excellence on some of the finance modules e.g. Accounts Receivable and Cash Management within the Oracle Fusion Cloud system.

16.4 Members commended the work of the Finance and Procurement Team and the quality of the Annual Accounts produced despite the ongoing challenges with the Oracle Fusion reporting system.

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