



INFRASTRUCTURE, GOVERNMENT AND HEALTHCARE

Scottish Prison Service

Annual audit report to Scottish Prison Service and the Auditor General for
Scotland

Year ended 31 March 2010

30 June 2010

AUDIT

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About this report

This report has been prepared in accordance with the responsibilities set out within the Audit Scotland's *Code of Audit Practice* ("the Code").

This report is for the benefit of only Scottish Prison Service and is made available to Audit Scotland (together "the beneficiaries"), and has been released to the beneficiaries on the basis that wider disclosure is permitted for information purposes, but that we have not taken account of the wider requirements or circumstances of anyone other than the beneficiaries.

Nothing in this report constitutes an opinion on a valuation or legal advice.

We have not verified the reliability or accuracy of any information obtained in the course of our work, other than in the limited circumstances set out in the scope and objectives section of this report.

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Complaints

If at any time you would like to discuss with us how our services can be improved or if you have a complaint about them, you are invited to contact Grant Macrae, who is the engagement leader for our services to the Board, telephone 0131 527 6611, email grant.macrae@kpmg.co.uk who will try to resolve your complaint. If your problem is not resolved, you should contact Lorraine Bennett, our Head of Audit in Scotland, either by writing to her at Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EG or by telephoning 0131 222 2000 or email to lorraine.bennett@kpmg.co.uk. We will investigate any complaint promptly and do what we can to resolve the difficulties. After this, if you are still dissatisfied with how your complaint has been handled you can refer the matter to Russell Frith, Director of Audit Strategy, Audit Scotland, 110 George Street, Edinburgh, EH2 4LH.

This report summarises our work for 2009-10 and our findings in relation to our audit of the financial statements, corporate governance and performance management arrangements.

Financial statements

Following Chief Executive approval on 30 June 2010 we issued an audit report expressing an unqualified opinion on the financial statements for the year ended 31 March 2010 and on the regularity of transactions reflected in those statements.

The 2009-10 reportable spend, including capital and revenue, shows a net underspend of £0.5 million. This has been achieved through an underspend on capital expenditure of £3.1 million and an overspend on operations of £2.7 million. The actual cost per prisoner place for 2009-10, as defined, was £31,703 (2008-09 UK GAAP: £31,106; restated for IFRS: £31,004); within the target of £36,500 and represents an increase of 2% compared to 2008-09.

Total provisions as at 31 March 2010 are £26.9 million (2009 : £72.9 million), of which £16.1 million (2009 : £64.2 million) relate to prisoner claims. This significant reduction in provisions is due to the UK and Scottish Government amending legislation and implementing a timebar of one year on ECHR claims. This timebar came into effect on 2 November 2009 and therefore the provision for any potential claims that had not been instigated by this date has been released.

Net Assets at 31 March 2010 are £581.1 million (2009 restated for IFRS: £557.0 million). The main reason for the movement in net assets is the significant release of provisions in the year, partially offset by the revaluation and indexation exercise in the year resulting in reductions to the value of land and buildings.

Governance and accountability

We considered corporate governance arrangements as they relate to systems of internal control, the prevention and detection of fraud and irregularity, standards of conduct and arrangements for the prevention and detection of corruption, and its financial position.

The annual internal assurance programme supports the assessment of the operation of the system of internal control. Responsible officers provide a statement of assurance to the chief executive to assist in his preparation of the statement.

Our testing of the design and operations of controls over entity level controls and significant risk points in key financial processes confirms that, subject to minor weaknesses reported in our interim audit report, controls are designed appropriately and operating effectively.

Performance

Scottish Prison Service ("SPS") continues to have strong performance management arrangements in place, and performance is measured on a monthly basis against key performance indicators. A number of key performance indicators have been set by Ministers, with the primary financial measure being average annual cost per prisoner.

SPS have reported savings of £14.3 million for 2009-10 against a target of £17.2 million under Scottish Government efficiency targets. Budgeted savings have not been attained due to the record number of prisoners experienced during the year. SPS have been set an efficiency target of £25.6 million for 2010-11, which management notes will be challenging to achieve due to the anticipated rise in prisoner numbers.

Our audit work is undertaken in accordance with Audit Scotland's *Code of Audit Practice*. This specifies a number of objectives for our audit.

Audit framework

This year was the fourth of our five-year appointment by the Auditor General for Scotland as external auditors of SPS. This report to Scottish Prison Service and the Auditor General provides our opinion and conclusions and highlights significant issues arising from our work.

We outlined the framework under which we operate, under appointment by Audit Scotland, in the audit plan overview discussed with SPS's audit committee on 10 February 2010.

The purpose of this report is to report our findings as they relate to:

- the **financial statements** and our audit opinions on net operating costs and the regularity of transactions;
- **use of resources**, including financial outturn for the year ended 31 March 2010 and financial plans for 2010-11 and beyond;
- arrangements around **governance and accountability**, including risk management and our consideration of the work of internal audit; and
- **performance management** and SPS' arrangements to achieve efficiency savings.

Best Value

Audit Scotland and the Scottish Government have been committed to extending the Best Value audit regime across the whole public sector for some time now, with significant amounts of development work having taken place during the last year. Using the Scottish Government's nine best value principles as the basis for audit activity, Audit Scotland selected five areas as priority development areas (use of resources, governance and risk management, accountability, review and option appraisal, and joint working). Audit Scotland is introducing Best Value 2 (BV2) across the whole of the public sector, starting with the Local Government sector. The impact on SPS is yet to be determined. We will keep management informed of developments in this area and applicability to SPS.

Responsibilities of SPS and its auditors

External auditors do not act as a substitute for SPS's own responsibilities for putting in place proper arrangements to account for the stewardship of resources made available to it and its financial performance in the use of those resources, to ensure the proper conduct of its affairs, including compliance with relevant guidance, the legality of activities and transactions, and for monitoring the effectiveness of those arrangements and, through the accountable officer, to make arrangements to secure Best Value.

Action plan

We have not identified any new recommendations this year to bring to management's attention. We have not repeated recommendations raised in reports issued during our earlier work in respect of our 2008/09 audit. Responsibility for taking action and monitoring progress in response to recommendations we raise lies with management.

Acknowledgement

We wish to record our appreciation of the continued co-operation and assistance extended to us by your staff.

Overview of activities

SPS is an executive agency of the Scottish Government whose function is to provide secure custodial services and enhance opportunities for people sent to prison. SPS spends around £320 million per annum operating thirteen establishments in Scotland. In addition to these thirteen establishments, 2009-10 was the first full year of operations of the second prison run through a public private partnership at HMP Addiewell, with the first such prison being HMP Kilmarnock. Construction began during the year at HMP Low Moss, and the establishment is expected to be operational by June 2012. This will be operated by SPS itself, subject to receiving funding for operating expenses.

Prisoner numbers at 31 March 2010 stood at 7,868 (2009 : 8,028) which is within the estate's assessed operating limit of 8,968 but above the design capacity of 7,441 prisoners. Although numbers at 31 March have reduced since the prior year, the underlying trend of increasing average prisoners held in custody continues to rise. Average prisoner numbers have increased by 132 (1.7%) from 7,835 in 2008-09 to 7,967 in 2009-10. Increasing prisoner numbers remains the most significant challenge facing SPS. Managing this level of prisoner population continues to place cost pressures on SPS. It is estimated this will be the most significant challenge for a number of years as prisoner numbers are expected to increase significantly.

It is anticipated that the ongoing development of the prison estate will partially mitigate this risk. In addition to work at HMP Low Moss, significant construction work took place at HMP Glenochil, HMP Perth, HM YOI Polmont and HMP Shotts (Phase one). In 2010-11 SPS will complete the redevelopment of HMP Glenochil, HMP Perth, HM YOI Polmont and HMP Edinburgh as well as Phase one of HMP Shotts.

Following amendments to the financial statements we intend to issue unqualified opinions on the financial statements and the regularity of transactions reflected in those financial statements.

Key issues arising from our audit of the financial statements are:

- Prisoner compensation claims – the amount of provision held within the financial statements for potential prisoner claims and associated legal costs has decreased significantly during 2009-10. Following changes agreed between the UK and Scottish governments to the Scotland Act, the Scottish Government passed legislation which came into effect on 2 November 2009. The effect of the legislation has been to reduce the amounts set aside for potential prisoner claims and related costs to £16.1 million (2009: £64.1 million) releasing a net amount of £47.3 million from provisions to the operating cost statement during 2009-10. The existing provisions predominately consist of the estimated costs the organisation may have to pay to prisoners and, due to their nature, have been made using an element management judgement. We have discussed these amounts with management and have obtained confirmation from the Scottish Government Legal Department that the amounts provided for are appropriate.
- A revaluation exercise was performed by the District Valuer on 31 March 2010 over the land and buildings at the following prisons: HMP & YOI Cornton Vale, HMP Castle Huntly, HMP Dumfries, HMP Glenochil, HMP Kilmarnock, HMP Noranside and HMYOI Polmont. A revaluation was also carried out of the surplus land at HMP Barlinnie and HMP Edinburgh. This revaluation resulted in a £37.2 million write down in the value of land and buildings. We have placed reliance on the valuations provided by the District Valuer as an external expert and noted the assumptions made by him.
- Remaining land and buildings which were not subject to a physical revaluation were also revalued using current indices provided by the Valuation Office Agency (“VOA”) and Department of Trade and Industry. This resulted in a £56.5 million reduction in value of the remaining prisons and buildings owned by the Scottish Prison Service. We have confirmed that the indices used are in line with those provided by the VOA and DTI and that senior management within SPS review these indices for reasonableness within the context of the entity.

Audit opinions and key issues

Reporting arrangements and timetable

In accordance with the agreed timetable, draft financial statements were available for audit on 24 May 2010. This is in line with 2008-09 and an advancement of the timetable in prior years. This is noteworthy as the transition to IFRS required increased work over prior years. This allowed for timely completion of the audit and approval of the financial statements by the risk monitoring and audit committee on 9 June 2010.

Audit opinion

Following Chief Executive approval on 30 June 2010 we issued an audit report expressing an unqualified opinion on the financial statements for the year ended 31 March 2010 and on the regularity of transactions reflected in those financial statements.

Key issues arising during our audit of the financial statements

Our audit plan overview and interim management report identified four key risk areas. We have summarised our findings in each of these areas below.

Key risk area	Conclusions
Provisions for liabilities	<p>Provisions for liabilities at 31 March 2010 are £26.9 million (2009 : £74.4 million) of which £16.1 million (2009: £64.2 million) is in relation to prisoner claims.</p> <p>Management have continued to engage third party experts, including lawyers where appropriate, to assist in the estimation of provisions. As the nature of the provisions, in particular the prisoner claims, are uncertain, we feel this approach is most appropriate.</p> <p>The primary reason for the reduction of prisoner claims provisions during the year was the passing of legislation by the Scottish Government introducing a timebar for ECHR claims following agreement of changes to the Scotland Act between the UK and Scottish Governments. This effectively limits the time period which such claims under ECHR legislation can be made to one year from the date of the alleged circumstances. This Act has an effective date of 2 November 2009, and as such, any claims greater than one year old and not received by that date cannot be progressed. Management, in conjunction with their legal advisors, have estimated that the impact of the legislation on SPS is to reduce the amount set aside for potential prisoner claims and related costs to £16.1 million (2009: £ 72.9 million) allowing a net amount of £47.3 million to be released from provisions during 2009-10.</p>
Application of International Financial Reporting Standards as interpreted by the International Financial Reporting Manual (IFReM)	<p>Management has prepared fully IFReM compliant financial statements, for the first time, for the year ended 31 March 2010.</p> <p>As part of the implementation process, management prepared shadow financial statements (converting the comparative information for 2008-09 from UK GAAP to IFRS), which we reviewed and reported our findings on to management on 10 December 2009. We made two minor recommendations at this time, both of which have been appropriately addressed.</p> <p>The transition to IFRS has resulted in significant changes to the format of and notes to the financial statements. The main adjustments to the numbers in the financial statements were in relation to the accounting for the PPP arrangements at HMP Kilmaronock and HMP Addiewell, both of which are now accounted for fully 'on balance sheet' in accordance with IAS 17 <i>Leases</i> and IFRIC 12 <i>Service concession arrangements</i>.</p>

Audit opinions and key issues (continued)

Key risk area	Conclusions
<p>Valuations at 31 March 2010</p>	<p>In line with the SPS accounting policy, seven establishments were subject to full valuation during the year (HMP Kilmarnock, HMYOI Polmont, HMP Glenochil, HMP & YOI Cornton Vale, HMP Castle Huntly, HMP Dumfries and HMP Noranside) with the remaining land and buildings subject to indexation in line with the IFReM. In addition, all surplus land held by SPS was valued during the year. As in recent years, the valuations have resulted in decreases to the value of the SPS estate.</p> <p>After reviewing the valuations supplied by the District Valuer, management questioned minor matters in relation to the methods of valuations, however there were no material matters which required clarification, and management accepted the valuations offered by the District Valuer.</p> <p>The 2009-10 financial statements reflect a total reduction in value across the prison estate of £93.7 million, of which £37.2 million is in relation to the specific properties valued in the year. A total reduction in value of £15.9 million has been reflected at HMP Glenochil which is mainly attributed to the decrease in the tender price index ("TPI") since the project was procured. The TPI decrease has also led to a reduction of £10 million at HMP Polmont, with the remaining £11.3 million being incurred across the remaining prisons valued during the year, which has been attributed to the general conditions in the property / construction markets.</p> <p>All remaining land and properties were valued using indices provided by the VOA and DTI and this further resulted in a decrease in value of £56.5 million. The prisons significantly affected by the indexation adjustment were HMP Edinburgh (£21.0 million), HMP Addiewell (£11.0 million), HMP Perth (£11.3 million) and HMP Barlinnie (£8.6 million).</p> <p>As the revaluation loss was attributable to fluctuations in market values, the majority of the movement (£56.9 million) was charged against the revaluation reserve with the impairment of £36.8 million being charged to the Operating Cost Statement as an impairment charge where valuations have taken properties below depreciated historical cost.</p>
<p>Capital programme</p>	<p>Scottish Prison Service has a large fixed asset base, and significant expenditure has been incurred during the year on capital projects. The original budget for capital expenditure was £111.4 million, representing a reduction of 1.6% on the budget for 2008-09.</p> <p>During our interim audit, we identified that the capital budget had been adjusted to £90.8 million at the spring revision, a reduction of £20.3 million. The reduction in the budget was due to the delays in the progress of capital projects during the year and the amount had been transferred to the Justice Department of the Scottish Government.</p> <p>The final capital outturn for the year has amounted to £87.7 million, which represents a variance of £3.1 million on the adjusted budget. The shortfall in capital spend is due to the extreme weather conditions experienced in January and February 2010, which has led to delayed capital expenditure at HMP Shotts. The shortfall represents approximately one week of budgeted capital expenditure.</p>

Regularity of transactions

Under the terms of our appointment, we are required to gain assurance over the regularity of expenditure in the year by SPS. In order to do this, we have updated our understanding over the processes in place to receive Scottish Government circulars, register, allocate and distribute responsibility for action points and monitor and follow up on these action points. Testing of the register and monitoring process identified that these processes are designed, implemented and operating effectively.

Every communication received is entered into a basic case management system which details who needs to take action and when the action is due.

We tested a sample of communications from the Scottish Government to ensure that the correct procedures had been followed. In all cases we found that the correct procedures had been followed.

In 2009-10 SPS recorded an overspend on operations of £2.7 million and recorded an underspend on capital expenditure of £3.1 million. The outturn against original budget is detailed below.

A total budget of £485.9 million for 2010-11 has been approved, of which £136.8 million relates to capital expenditure and £349.1 million relates to revenue expenditure. Achievement of this budget will be challenging due to continually increasing prisoner numbers and achieving efficiency targets set by the Scottish Government.

It is unlikely additional funding will be received should prisoner numbers increase, though SPS can volunteer amendments to the budget at the Autumn and Spring budget revisions.

There is a central procurement team at SPS which continues to ensure that the organisation complies with all relevant EU regulations around procurement.

Financial position

Performance against the financial targets were as follows:

£'000	Target £000	Revised target £000	Outturn £000	Variance £000
Operating target	£346,468	£297,043	£299,723	£2,680
Capital allocation	£108,643	£90,843	£87,743	(£3,100)
Total	£455,111	£387,886	£387,466	(£420)

The reasons for the difference between the original forecast and the final outturn are explained in the reconciliation below.

Reconciliation of the financial plan and outturn reported in the financial statements

Management prepared a reconciliation of key movements during the year and after the year end during the preparation of the financial statements.

Movement	£'000	Movement	£'000
Financial plan forecast outturn	455,111	31 March revised target return	387,886
Autumn budget revision	625	Operations overspend	2,680
Spring budget revision	(67,850)	Capital underspend	(3,100)
31 March revised target return	387,886	Final financial statements	387,466

The spring budget revision included the release of the prisoner claims provision, totalling £46.5 million. As noted previously, this provision was released due to the passing of the one year timebar on 2 November 2009. In addition, a net amount of £21 million was surrendered to the Scottish Government to support the delivery of the justice infrastructure investment plan and other Government priorities.

There were no movements between the draft financial statements and the final financial statements.

Financial management and budgetary control

The board of management of SPS meets on a monthly basis, and the financial performance of the organisation is a standing item at every meeting. This allows any concerns about or risks to the financial performance to be raised formally at regular intervals.

SPS is funded almost wholly by the Scottish Government. Due to the nature of the operations of the organisation, housing individuals handed custodial sentences by the courts of law, fiscal management is of critical importance as SPS must house all offenders sent to them.

The SPS budget is amended through the Autumn and Spring budget revisions. Any such amendments must be authorised by the Scottish Government. SPS has to operate within its designated funding for the year, as it is generally not allocated any additional funding for any increase in prisoner numbers.

Efficiency savings

This is the second year where specific efficiency saving targets have been allocated to SPS. Internal audit have monitored the progress of the savings, and a report was submitted to the director of finance and business services as at 31 March 2010.

SPS achieved efficiency savings of £14.3 million against targeted savings of £17.2 million (2009 : £15.7 million of savings against a target of £8.6 million). The primary reason for SPS not achieving the budgeted savings is due to the record number of prisoners the organisation has experienced throughout the year. Savings of £13.5 million and £0.8 million were achieved against operations and headquarters respectively.

SPS has been set an efficiency saving target of £25.6 million for 2010-11 Management has noted that this will be challenging to deliver due to the anticipated rise in prisoner numbers.

Financial planning

The allocated budget for 2010-11 is £485.9 million (2009-10 : £455.1 million). Of this £136.8 million (2009-10 : £108.7million) relates to capital expenditure and £346.5 million (2009-10 : £346.4million) relates to revenue expenditure, for which detailed budgets have been prepared.

Funding for SPS is determined each year by the Scottish Government as part of the national budget process, and is subject to parliamentary approval. SPS has to operate within its designated funding for the year, as it is generally not allocated any additional funding for any increase in prisoner numbers.

Stakeholder engagement and consultation

SPS engages stakeholders through a variety of means including prisoner surveys and involvement with the community justice authorities. Feedback is received from such engagements and acted on by management where appropriate. A new inspector of prisons was appointed during the year who provides reports on his findings. This included a review of HMP Cornton Vale in the year.

Key risks

Management is aware that achievement of the financial plan and efficiency targets in 2010-11 by SPS will be challenging to due increasing prisoner numbers. The budget secured for 2010-11 includes capital funding to allow the development of the capital plan, including the completion of HMP Shotts (Phase one). However, the current economic environment coupled with the new Westminster government and the future Scottish Government elections creates a risk over the commitment of future funding to SPS to continue such development. This includes HMP Low Moss where revenue budgetary commitment has not yet been obtained.

Management arrangements

Asset management

Management introduced a programme in 2007, whereby specific annual objectives and targets were introduced for each establishment. During 2009-10, further progress has been made in areas including environmental performance and sustainable development. Management set a number of specific sustainable development objectives and targets for each individual establishment. These included improvements in energy efficiency management, improved waste management and recycling practices. In addition, the organisation is to publish its Carbon Management strategy in 2010-11. This will be in compliance with the UK and Scottish Government's policies and targets for tackling climate change.

Responsibility for the monitoring of capital projects is devolved to the Estates Development Team. The team comprises senior management from different directorates across the organisation and hold regular, minuted meetings. The estates development programme has continued to progress during 2009-10. The redevelopment of HMP Perth, HMP Edinburgh, HMP YOI Polmont, HMP Shotts and HMP Glenochil were progressed during the year, in addition to the commencement of construction at HMP Low Moss. Major projects planned for 2010-11 include the completion of construction of HMP Shotts (phase one) and continued progress at HMP Low Moss.

Information management

SPS remains committed to following government guidance on matters such as data security. SPS complies with the Freedom of Information (Scotland) Act 2002 ("FOI"), and under its publication scheme seeks to act in the spirit of openness to provide information within twenty working days. As is appropriate, any FOI requests are carefully considered by management to ensure inappropriate information, for example personal information is not released.

- The statement of internal control does not disclose any significant weaknesses in the systems of internal control but does highlight the continuing increase in prisoner numbers as a risk;
- There is a formal process to record, distribute and monitor action in response to key guidance and circulars;
- There is a formal fraud policy in place at SPS; and
- SPS have a formal policy around receiving and reviewing Audit Scotland national reports.

Recommendations

We did not identify any significant recommendations for development in governance and accountability arrangements.

Introduction

Corporate governance is concerned with structures and processes for decision-making, accountability, control and behaviour. The three fundamental principles of good corporate governance – openness, integrity and accountability – apply to all bodies.

Through its chief executive, the Board is responsible for establishing arrangements for ensuring the proper conduct of its affairs, including compliance with relevant guidance, the legality of activities and transactions, and for monitoring the adequacy and effectiveness of these arrangements. The *Code* requires auditors to review and report on corporate governance arrangements as they relate to:

- the Board's reviews of its systems of internal control, including its reporting arrangements;
- the prevention and detection of fraud and irregularity; and
- standards of conduct and arrangements for the prevention and detection of corruption.

Governance framework

We considered corporate governance arrangements as they relate to systems of internal control, the prevention and detection of fraud and irregularity, standards and conduct and arrangements for the prevention and detection of corruption, and the financial position of SPS.

The annual internal assurance programme supports the assessment of the operation of the system of internal control. Responsible officers provide a statement of assurance to the chief executive to assist in his preparation of the statement.

The Chief Executive resigned in November 2009. The existing director of finance and business services was appointed to fill the vacated role on a temporary basis. A new permanent Chief Executive has since been appointed and will take up post on 19 July 2010.

Our testing of the design and operation of entity level controls and significant risk points in key financial processes confirms that, subject to some minor weaknesses reported, controls are designed appropriately and operating effectively.

The statement of internal control does not disclose any significant weaknesses in the systems of internal control and is consistent with our understanding. We also found that there is a process to record, distribute and monitor action in response to key guidance and circulars.

Internal audit

Internal audit delivered its annual plan for 2009-10 in full and we relied on work over payroll, cash and banking, employee compensation payments, preparation for the implementation of best value and staff costs. No significant observations or weaknesses were found by internal audit except in relation to operational issues in the securing of productions at HMP Glenochil. Internal Audit made a number of recommendations which have been rolled out and accepted by all relevant prisons.

Our review of the internal audit function, and review of its working arrangements, found no areas of weaknesses within its operations. Accordingly, we expect to be able to rely on the work of internal audit again in the final year of our appointment as auditors.

On 25 May 2010, the risk monitoring and audit committee received internal audit's annual report, which concluded that *"Our review of the corporate governance and control environment, management of risk and reliance placed on the work of other external providers and review bodies enables me, as Head of Audit & Assurance, to offer an overall reasonable level of assurance"*.

This finding was consistent with our understanding of the organisation and also consistent with our review of internal audit reports.

Internal controls

The design and implementation of organisation-wide controls is effective. Our work over the design and implementation of organisation-wide controls confirms that, with the exception of some minor weaknesses in policy compliance (which have since been addressed), controls are designed appropriately and implemented.

Fraud policy

There continues to be a strong fraud policy in place at SPS, with no significant changes in the year. Management continue to recognise the importance of strong internal controls designed to mitigate the risk of fraud. This is evidenced through the internal fraud response group which co-ordinates investigations when necessary. The fraud response group is responsible for undertaking preliminary investigations, reporting to the risk monitoring and audit committee, board and chief executive and proceeding with a follow up investigation if required.

We also note that in line with best practice there is a formal whistle blowing policy at SPS which governs the procedures to be followed in the event of suspecting or detecting fraud.

A number of minor instances of fraud were identified during the year but no there were no significant issues identified. We noted that the audit and assurance department were instructed to conduct a full review which investigated one suspected fraud. This demonstrates good practice by management.

Audit Scotland national studies

Audit Scotland periodically undertakes national studies on topics relevant to the performance of central government bodies. While the recommendations from some of the studies may have a national application, elements of the recommendations are also capable of implementation at individual organisation level, as appropriate.

In the 2009-10 period the following reports were relevant to Scottish Prison Service:

- improving public sector purchasing;
- improving civil contingencies planning; and
- Scotland's public finances: preparing for the future.

On 28 February 2010, we reported to Audit Scotland that management had not formally considered the conclusions and recommendations of the reports at committee level, however the executive team had considered the reports and noted specific issues which were relevant to Scottish Prison Service and how these fitted into the Scottish Prison Service strategy. In August 2010 we will be required to report to Audit Scotland on management's consideration of the following reports:

- Protecting and improving Scotland's environment; and
- Efficient government programme 2008-2011.