The 2017/18 audit of Community Justice Scotland
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Introduction

1. The Scottish Government's justice strategy sets out its ambition to shift the balance from short custodial sentences to community-based sentences which it considers are more effective in reducing reoffending and reintegrating people into the community.\(^1\)

2. The Scottish Parliament passed the Community Justice (Scotland) Bill on 11 February 2016. It received Royal Assent on 21 March 2016. The Community Justice (Scotland) Act ("the Act") established a new non-departmental public body called Community Justice Scotland to:
   - promote community justice
   - encourage improvements in the quality and range of community justice services
   - advise Scottish Ministers on the performance of the community justice system.

3. This report is based on the 2017/18 audit of Community Justice Scotland and draws to the Parliament's attention governance issues that Community Justice Scotland has experienced during its first year of operation.\(^2\) The auditor has given an unqualified opinion on Community Justice Scotland's annual report and accounts for 2017/18.

Governance

4. The Scottish Government followed good practice by appointing the chair and chief executive of Community Justice Scotland in September 2016 in advance of Community Justice Scotland beginning work on 1 April 2017. In March 2017, it appointed four non-executive board members to Community Justice Scotland.

5. The Act states that:

   "Community Justice Scotland is to consist of—

   (a) a member appointed by the Scottish Ministers to chair Community Justice Scotland, and

   (b) at least 5 but no more than 8 other members appointed by the Scottish Ministers."\(^3\)

6. Throughout 2017/18, Community Justice Scotland operated with a chair and four members.\(^4\) While this number of board members may have been appropriate for a small, new organisation, this is not consistent with the Act. The Act makes provision for the number of board members to be amended by regulation.\(^5\) This provision has not been used. The Act also makes provision for the board to appoint a deputy chair.\(^6\) The board decided not to do this.

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\(^2\) I am laying this report, Community Justice Scotland's annual report and accounts and the auditor’s report under section 22 of the Public Finance and Accountability (Scotland) Act 2000.
\(^3\) Community Justice (Scotland) Act 2016, schedule 1, paragraph 3(1)(b).
\(^4\) The board appointed a co-opted member who attended board meetings between March and December 2017.
\(^5\) Community Justice (Scotland) Act 2016, schedule 1, paragraph 3(5).
\(^6\) Community Justice (Scotland) Act 2016, schedule 1, paragraph 3(7).
7. Between October 2017 and October 2018, the chair of Community Justice Scotland has been absent. During this period, the board was meeting monthly, which might be expected in a newly established organisation. The remaining four non-executive members agreed that three of them would take turns to chair board meetings. In April 2018, the board agreed to appoint an interim chair and the Scottish Government agreed this. The chair resigned in November 2018 and the Scottish Government is planning to recruit a new chair. In addition, the Scottish Government appointed an additional four new members to Community Justice Scotland in October 2018.

8. During 2017/18, the board had two committees: the Audit and Risk Committee and the Human Resources and Remuneration Committee. The former met twice during 2017/18. The latter did not meet during 2017/18 but has met twice during 2018/19. The board plans to review the membership and scheduling of its committees following the appointment of new non-executive board members.

9. Community Justice Scotland is a small organisation with 26 staff members and expenditure of £1.2 million in 2017/18. It has limited financial capacity among its staff and was supported by the Scottish Government to prepare its 2017/18 accounts through a shared service agreement, recognising that Community Justice Scotland uses Scottish Government financial systems. The auditor has recommended that Community Justice Scotland increases its internal financial capacity.

10. The auditor also reported that: "[…] Board members are relatively inexperienced non-executives in respect of services on Central Government organisations" and noted that the appointment of four new board members was an opportunity to "[…] ensure sufficient experience in relation to finance, governance and risk management".

Conclusion

11. Community Justice Scotland has a critical role in delivering the ambitions of the Scottish Government's justice strategy and expanding and enhancing the understanding and use of community justice. In terms of governance, Community Justice Scotland had a challenging first year. In 2018/19, its budget has increased to £2.2 million. This will likely increase during 2019/20 as it starts to commission community justice services itself. All public bodies, irrespective of their size, must demonstrate clear and effective governance.

12. I have asked the auditor to monitor Community Justice Scotland's progress and report, as appropriate, following the 2018/19 audit.
The 2017/18 audit of Community Justice Scotland

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