



MINUTES

SCOTTISH COURT SERVICE AUDIT AND RISK COMMITTEE

MEETING: Monday 19 January 2015 – Parliament House, Edinburgh

Members Present:

Joe Al-Gharabally, Non-Executive Member SCS Board (Chair)
Tony McGrath, Non-Executive Member SCS Board (Deputy Chair)
Simon Catto, Non-Executive Member SCS Board
Ian Doig – Non-Executive Member (External)

Also Attended:

Eric McQueen –Chief Executive, SCS
Richard Maconachie, Chief Finance Officer, SCS
Noel Rehfisch, Corporate Secretary, SCS
Sarah Collin, Financial Controller, SCS
Mark Taylor, Assistant Director, Audit Scotland
Angela Cullen, Assistant Director, Audit Scotland
Rachel Browne, Senior Audit Manager, Audit Scotland
Sarah Self, Senior Audit Business Partner, Scottish Government
Myra Binnie, Internal Audit Manager, Scottish Government
Stephen Humphreys, Executive Director Judicial Office for Scotland, SCS
(Session on Risk only)
Graeme Welsh, Business Development Manager Civil Courts Reform, SCS
(Session on Risk only)
Karen Lawrie – Executive Support, Secretariat, SCS (Minutes)

Apologies:

Angus MacKenzie – Non-Executive Member (External)

1. Declaration of Interests

1.1 There were no new declarations of interest from Members.

2. Minutes of the Meeting of 3 November 2014

2.1 The minutes of the last meeting were approved.

3. Matters Arising

3.1 There were no outstanding actions from the last meeting.

Committee Terms of Reference

3.2 The Chair advised that the SCS Board had agreed the proposal to change the name of the Committee to the Audit and Risk Committee reflecting the increasing emphasis on risk and assurance. Minor changes to the terms of reference to reflect this update were noted.

3.3 Given the change in committee name Members suggested the core work programme should be amended to reflect the work carried out by the Committee on

corporate risks. This should reflect the fact that the Committee reviews the corporate risks identified and managed by the organisation, through in-depth scrutiny of high risk areas (in workshop sessions), annual consideration of the corporate risk register (jointly with the Board) and periodic consideration of the corporate risk register to ensure it is comprehensive and up to date.

Action: The Executive to update the Audit and Risk Committee Remit to reflect the suggestions from Members.

4. Internal Audit Update (SCS/AC/Jan15/01)

4.1 As instructed at the last meeting Internal Audit had incorporated a forward planner showing a schedule of planned audits in their report to the Committee. This will now be included in the Internal Audit report for each meeting.

4.2 Internal Audit reported that of the five main audit reviews planned in 2014-15 two are in draft report stage and to be finalised by the end of January.

4.3 The Committee raised concern that there were still several open audits and follow up audits to be completed in the last quarter of the year and, although the forward planner advises on due dates, it did not provide assurance that work had been carried out in the interim. Internal Audit advised that resources have been allocated to ensure that targets are met and that their process dictates that recommendations are only made when the reviews are finalised. It was agreed that the Chair would meet Internal Audit representatives to discuss the timing of future audits, the recording of progress on audits and follow up reviews.

Action: SCS Secretariat to arrange a meeting with Internal Audit and Audit Committee members.

4.4 Internal Audit confirmed that Audit Planning for 2015-16 will commence shortly. The Executive and Audit Committee will be involved in the planning process.

5. External Audit Update (SCS/AC/Jan15/02)

5.1 Mark Taylor, Audit Scotland, introduced Angela Cullen, Assistant Director, Audit Scotland to members. Following a rebalancing of responsibilities Angela will now be the Appointed Auditor for SCS. Mark Taylor thanked the Executive and Members for their positive engagement during his time as appointed auditor.

5.2 The Annual report on the 2013-14 audit produced by Audit Scotland was discussed. Members were pleased to note that the Executive would address areas in the report such as Best Value and looked forward to an update at a future meeting.

5.3 The five recommendations from the Annual report on the 2013-14 audit have all been assigned to the Chief Finance Officer who advised the Committee that the deadlines for implementation are currently on track to be met.

5.4 An update was provided by Audit Scotland on the Efficiency Review of Sheriff Courts. A draft report has been circulated to the Advisory Group for comment before final clearance. It is expected that the final report will be published at the end of March 2015.

Action: SCS Secretariat to arrange a meeting with Audit Scotland and Committee members to develop an understanding of the working practices of External Audit and how best to align those with the requirements of the Committee.

6. Conclusion and Recommendations following review of SCS Process of Assurance to Accountable Officer (SCS/AC/Jan15/03)

6.1 The Committee agreed that proposals for the production of the 2014-15 Directors' Statement of Assurance provided good indicators and a detailed timeline of activity and responsibility. Members noted the Executive had benchmarked current performance against areas of improvement for this year's process which will begin at the end of January.

7. Discussion on Board/ARC workshop on 2 February 2015 (SCS/AC/Jan15/11)

7.1 The Committee considered proposals for the forthcoming joint SCS Board and Audit and Risk Committee workshop. Following a discussion it was agreed that the timings of the session should be extended and that Committee Members should lead the facilitation of small break out groups of SCS Board Members as a key part of the workshop, allowing more detailed consideration of the risks and associated processes.

8. Feedback from Members' Annual Appraisal (SCS/AC/Jan15/04)

8.1 Prior to the meeting Members had completed an appraisal exercise providing feedback on their own personal contribution as well as the Committee's performance as a whole. Members discussed the collated responses in a private session.

8.2 The Chair reported that the feedback received from members was positive and all were in agreement that the Committee was well structured. Members commented that the 'Deep Dive' sessions provided a level of richness to the work of the Committee. Other than the addition of an appropriate reference to the Committee's work on risk (see paragraph 3.3, above) there were no specific changes requested to the structure of the meetings or the Core Work Programme for the year ahead.

8.3 The Chair advised that he will hold appraisal meetings with members annually to review their effectiveness and performance as Committee Members.

9. Any Other Business

9.1 None

Papers for Exception Reporting only

9.2 The following reports were provided for scrutiny/exception reporting only:

- Action Tracker
- Data Losses Report
- ICT Risk Register & Milestone Chart
- Peer Review Schedule
- Core Work Programme

The content of each report was noted and no matters were raised by exception.

10. Date of Next Meeting

10.1 27 April 2015 at 11.00am in Parliament House.

At this stage, representatives from Internal Audit and Audit Scotland left the meeting.

11. Post Meeting Presentation – SCTS Merger

11.1 Stephen Humphreys briefed the Committee on work undertaken by Scottish Court Service (SCS) staff and Scottish Tribunals Service (STS) staff to ensure the smooth merger of the SCS and STS to form the Scottish Courts and Tribunals Service (SCTS) on 1 April 2015.

11.2 The Committee noted with interest the steps taken by the Project Board to ensure that risks associated with the merger have been managed effectively and that a review will be carried out following the merger to identify any lessons learned that may be used in the future.

11.3 The Chair thanked Stephen Humphreys and Graeme Welsh for attending.

Scottish Court Service
January 2015