MINUTES

SCOTTISH COURT SERVICE AUDIT COMMITTEE
MEETING: Monday 3 November 2014 – Parliament House, Edinburgh

Members Present:
> Joe Al-Gharabally, Non-Executive Member SCS Board (via video link)
> Tony McGrath, Non-Executive Member SCS Board (Deputy Chair)
> Simon Catto, Non-Executive Member SCS Board
> Angus Mackenzie – Non-Executive Member (External)

Also Attended:
> Eric McQueen –Chief Executive, SCS
> Richard Maconachie, Chief Finance Officer, SCS
> Nicola Bennett – Director Finance, SCS
> Sarah Collin, Financial Controller, SCS
> Rachel Browne, Senior Audit Manager, Audit Scotland
> Sarah Self, Senior Audit Business Partner, Scottish Government
> Myra Binnie, Internal Audit Manager, Scottish Government
> Alan Swift, SCS Director HR (Session on Risk only)
> Karen Lawrie – Executive Support, Secretariat, SCS (Minutes)

Apologies:
> Ian Doig – Non-Executive Member (External)
> Mark Taylor, Assistant Director, Audit Scotland

It was agreed that the Deputy Chair would conduct the meeting as Mr Al-Gharabally was joining the meeting by video conference. Tony McGrath welcomed Sarah Self and Myra Binnie from Internal Audit to their first Committee meeting and invited all attendees to introduce themselves.

1.   Declaration of Interests

1.1   There were no new declarations of interest from Members.

2.   Minutes of the Meeting of 4 August 2014

2.1   The minutes of the last meeting were approved.

3.   Matters Arising

3.1   There were no actions outstanding from the last meeting

Enabling Technologies Project (SCS/AC/Nov14/36)

3.2   The Committee had asked the Executive for sight of the Enabling Technologies Project Initiation Document (PID). The contents of the document, which were circulated to Members prior to the meeting, were noted.

3.3   Members suggested the Executive follow the SMART principals when writing objectives for future PIDs as this would simplify the process of monitoring progress.

4.   Internal Audit Update (SCS/AC/Nov14/39)

4.1   Internal Audit reported the Procurement and Contract Management review had now been finalised and the Committee noted that substantial assurance had been given. This assurance would now form part of their assurance on the 2014-15 audits.

4.2   The Committee noted five main audit reviews were scheduled for 2014-15. Internal Audit assured the Members that any slippage in the review programme would be recovered. It was agreed that a forward planner with the dates of reviews and follow-up reviews would be included in future reports to the Committee.

4.3   Internal Audit reported they would be using the new 4-tier levels of assurance for 2014-15, as approved by the Scottish Government Audit and Risk Committee. Members reviewed the new levels which they accepted was best practice.

4.4   The quarterly measures and objectives scorecard was discussed. It was agreed that Internal Audit would produce the scorecard annually, with a progress update incorporated in their report provided at each Committee meeting.

Action – Internal Audit to include a forward planner in future reports.

5.   External Audit Update (verbal update)

5.1   Audit Scotland confirmed that the Annual Accounts had now been signed off and returned to SCS to lay before the Scottish Parliament.

5.2   A draft of the Audit Scotland Annual Audit Report 2013-14 will be submitted to the Executive for comment in mid-November. Details of the report will be shared with the Committee prior to the next meeting.

Action – Executive to circulate the Audit Report.

6.   Review of Core Work Plan and 2014-15 Work Plan (SCS/AC/Nov14/39)

6.1   The Committee considered the Core Work Plan for 2014-15 and the proposed topics for its "deep dives". Members were content to agree the proposals.

6.2   In considering the business objectives and corporate risks already reviewed in workshop sessions members raised the question of capacity to deliver the substantial change programme in 2015. It was **agreed that the Chair would meet with the Chief Finance Officer** to discuss this before the next meeting.

6.3   Members proposed the title of the Committee be changed to Audit and Risk Committee. It was **agreed a paper will be submitted to the SCS Board** in December proposing the change to the Committee title.

7.   ICT Programme Risk Register, Milestone Chart and RACI Chart (SCS/AC/Nov14/40)

7.1   The Executive provided an update on the ICT Programme. Members were pleased to note that a RACI table had been adopted, in this and other projects throughout SCS. It was agreed that good progress had been made in updating the documents, however further work was still required to provide the Committee with assurance on the governance and risk control processes for the IT Infrastructure Transformation programme and the Enabling Technologies Project.

7.2   The Chair advised that the SCS Board was planning to have a Risk Workshop in early 2015 and that Audit Committee Members would be invited to attend.

Action – Executive to refine the ICT Risk Register and Milestone Chart.

8.	Finance Transformation Programme (SCS/AC/Nov14/41)

8.1   The Committee received an overview of the planned Finance Transformation Programme noting the scope and timetable for delivering the report. The Executive would keep the Committee informed of progress.

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

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

SCS Peer Review Update

9.3   The Committee reviewed the Peer review programme, requesting that additional commentary be added to future updates to reflect progress made on reviews where the review date had passed.

Action – Executive to include additional narrative in future updates.

10.	Date of Next Meeting

10.1   Monday 19 January 2015 at 11.00am in Parliament House.

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

11.	Post Meeting Presentation – Managing the Workforce Risks

11.1   The Committee received a presentation on the risks associated with managing the SCS workforce.

11.2   Members welcomed the opportunity to discuss SCS people issues highlighted by the presentation and the detail afforded by the HR Scorecard.

11.3   The Chair thanked Alan Swift for his presentation.

Scottish Court Service
November 2014