



MINUTES

SCOTTISH COURT SERVICE AUDIT COMMITTEE

MEETING: Monday 4 August 2014 – 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
Angus Mackenzie – Non-Executive Member (External)
Ian Doig – 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
Mark Taylor, Assistant Director, Audit Scotland
Rachel Browne, Senior Audit Manager, Audit Scotland
Jennifer Inglis-Jones, Deputy Head Internal Audit, Scottish Government
Noel Rehfisch, Corporate Secretary, SCS
Cliff Binning, Chief Operations Officer, SCS (Session on Risk only)
Craig McCorkindale, Director Civil Courts Reform, SCS (Session on Risk only)
Karen Lawrie – Executive Support, Secretariat, SCS (Minutes)

Apologies:

None.

Tony McGrath welcomed Joe Al-Gharabally and Simon Catto to their first Committee meeting as new members and invited all attendees to introduce themselves. As this was Mr Al-Gharabally's first Committee meeting since his appointment to the SCS Board and Chair of the Audit Committee, it was agreed that the Deputy Chair should conduct this meeting.

The Committee recorded its thanks to SCS Board member Sheriff Principal Dunlop for attending Audit Committee meetings pending the appointment of the new Chair.

1. Declaration of Interests

1.1 There were no new declarations of interest from Members.

2. Minutes of the Meeting of 14 April 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

Civil Courts Reform (SCS/AC/Aug14/35)

3.2 The Committee had asked the Executive to provide information on the Making Justice Work 1 programme and in particular how risks were being managed. Copies of the Risk Log, Issues Log along with the Key Milestones Report were presented and discussed.

3.3 Members agreed that the format of the papers was helpful; however they provided the Executive with some suggested additions in order to ensure that these documents would provide sufficient levels of assurance to the Committee, demonstrating evidence of progress to plan and commentary on risk ratings and controls.

ICT Project Governance, Timescales and Risk (SCS/AC/Aug14/34)

3.4 At the last meeting the Committee had requested more information on the governance and risk management arrangements in place for the major programme of ICT projects planned, combined with an overview of delivery timescales. The Executive presented a paper outlining the arrangements in place, including proposals to ensure that both the Committee and the SCS Board are fully informed and appropriately involved in the ICT transformation programme.

3.5 The Committee agreed that the documents provided explained the governance and plans in place and accurately captured the key risks. A number of amendments were proposed to ensure that progress could be better tracked by the Committee as to draw out more detailed understanding of controls.

3.6 In view of the complexity and range of ICT projects, the Committee requested sight of an updated risk register and milestone/delivery chart at all future meetings. The Committee were satisfied that this, combined with the opportunity to explore particular projects or activities in more depth when appropriate, would provide them with the level of information and assurance required. The pace and scale of ICT change, coupled with the degree of dependency between ICT projects and core business delivery, made effective governance and delivery in this area a priority topic for the Committee to keep under review .

Action – Executive to provide an up-to-date and revised version of ICT programme risk register and milestone/delivery chart to be tabled at future Audit Committee meetings.

4. Internal Audit Update (SCS/AC/Aug14/23)

4.1 The Committee received the Internal Auditors' report on the audit work undertaken during 2013-14 and were pleased to see that substantial assurance had been provided on SCS controls, risk management and governance arrangements.

4.2 Internal Audit advised that they had been unable to conclude the Procurement and Contract Management audit and so it had not been included in the overall assurance for 2013-14.

4.3 The Chair thanked all those involved for achieving the substantial assurance.

5. External Audit Update (SCS/AC/Aug14/24)

5.1 Audit Scotland presented a report on their audit of SCS financial statements for 2013-14 which included an unqualified auditor's report to be signed on 26 August. Audit Scotland would provide its annual report on the audit to the next Committee meeting.

5.2 Audit Scotland expressed their thanks to the SCS staff for their help and assistance during the audit of this year's financial statements and SCS also thanked Audit Scotland for their professionalism.

6. Directors' Assurances to the Accountable Officer (SCS/AC/Aug14/25)

6.1 The Executive reported on the assurances provided by Executive Directors to the Accountable Officer and the Committee noted that no material control weaknesses had been identified.

The Committee was content that sufficient assurances had been provided.

6.2 The Executive advised that a review of the current Assurance Process would be carried out, the conclusions and recommendations of which will be presented to a future Committee meeting.

7. Draft SCS Annual Report and Accounts 2013-14 (SCS/AC/Aug14/26)

7.1 An earlier draft of the SCS Annual Report had been circulated for comment and discussed at the Committee meeting in April. SCS Board members had received a further draft in May and the final draft was now presented for scrutiny.

7.2 The **Committee was content to agree** the SCS Annual Report and Accounts 2013-14 and recommend that they be submitted to the SCS Board for approval.

8. Audit Committee Annual Report to the SCS Board (SCS/AC/Aug14/27)

8.1 The final draft of the Committee's Annual Report to the Board was discussed. The Report reflected on its work over the last year and members considered and agreed upon priorities for the coming year. These would be added to the Report, which would also include the Committee's recommendation that the final SCS accounts for 2013-14, be submitted to the SCS Board for consideration at its August meeting.

9. Formal Approval of the SCS Annual Report and Accounts 2013-14

9.1 **The Committee formally approved** the SCS Annual Report and Accounts 2013-14. These would now be submitted to the SCS Board with the Committee's recommendation for final approval at its meeting later this month.

10. Performance Audit of Efficiency of Sheriff Courts (SCS/AC/Aug14/33)

10.1 The Executive provided a short summary of the work being undertaken by Audit Scotland to assess the efficiency of the sheriff court system in dealing with criminal cases. This review was a follow up to an earlier report published by Audit Scotland in 2011 on its overview of the criminal justice system.

10.2 Audit Scotland advised that colleagues who were involved in the Audit of Efficiency of Sheriff Courts would be happy to attend a future meeting to discuss the findings of the report following publication. The Committee welcomed this offer.

11. Any Other Business

11.1 None

Papers for Exception Reporting only

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

- Action Tracker
- Data Losses Report
- Fraud, Theft Losses Report
- SCS Peer Review Update
- Core Work Programme

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

12. Date of Next Meeting

12.1 Monday 3 November 2014 at 11.00 am in Parliament House.

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

13. Post Meeting Presentation – Enabling Technology: Civil Case Management

13.1 The Committee received a presentation on the ICT project to deliver a new civil case management system and its linkages with other ICT strategic imperatives.

13.2 Members welcomed the opportunity for an in-depth discussion afforded by the presentation. They indicated that it would be useful to have sight of the Project Initiation Document (including the provisions for governance, accountability and stakeholder engagement). The Committee noted the links between this project and the ICT infrastructure development underway and stressed the importance of maintaining a robust “critical path” given the dependencies between a range of project activities.

13.3 The Chair thanked Cliff Binning and Craig McCorkindale for their presentation.

Scottish Court Service
August 2014