



MINUTES

SCOTTISH COURT SERVICE AUDIT COMMITTEE

MEETING: Tuesday 5 November 2013 – Parliament House, Edinburgh

Members Present:

Debbie Crosbie – Non-Executive Member SCS Board (Chair)
Tony McGrath – Non-Executive Member SCS Board
Angus Mackenzie – Non-Executive Member (External)

Also Attended:

Eric McQueen – Chief Executive, SCS
Neil Cook, Chief Finance Officer SCS
Nicola Bennett – Director Finance, SCS
Brian Howarth – Assistant Director, Audit Scotland
Esther Scoburgh – Senior Audit Manager, Audit Scotland
Gary Stewart – Senior Internal Auditor, Scottish Government
David Currie – Director Property & Services, SCS (for item 7 only)
Margaret Peattie - Secretariat Business Manager, SCS (Minutes)

Apologies:

Elizabeth Carmichael CBE – Non-Executive Member SCS Board (EC)
Ian Doig – Non-Executive Member (External) (ID)
Jennifer Inglis-Jones - Deputy Head of Internal Audit, Scottish Government (JIJ)

1. Declaration of Interests

1.1 There were no interests declared.

2. Minutes of the Meeting of 12 August 2013

2.1 The minutes of the last meeting were approved.

3. Matters Arising

3.1 The Chair reported that the SCS Board had accepted the Committee's recommendation to approve the Annual Report and Accounts for 2012-13. There were no other matters arising which would not be discussed elsewhere on the Agenda.

3.2 Action points from the last meeting were cleared.

4. Internal Audit Update (SCS/AC/Nov13/34 and SCS/AC/Nov13/35)

Internal Audit Progress Report 2013-14

4.1 No significant issues were reported and the Committee was content that progress was being made within the agreed timescales.

SEAS System

4.2 Internal Audit reported that colleagues were carrying out an audit of the Scottish Government's SEAS accounting system and that SCS would be asked to complete a questionnaire as one of the organisations which used this shared service. The Executive was already in discussion with Scottish Government officials in the SEAS team to try and resolve ongoing issues. The Committee would receive an update at the next meeting.

4.3 The Committee discussed whether a service level agreement should be drawn up to formalise the arrangements for the provision of the service and how performance would be monitored and issues resolved. It was agreed that an outline agreement be discussed with Scottish Government and brought back to the Committee at its next meeting.

Action: The Executive to provide an update on discussions with Scottish Government officials about developing a Service Level Agreement for provision of its SEAS shared service.

Audit Assurance Map

4.4 The final draft of an assurance map was received. There was discussion on how the assurance map would align to the SCS Business Plan and subsequent monitoring arrangements to ensure that it provides a proper framework for risk control and governance.

4.5 The Executive welcomed the development of the assurance map which gave details of the level of assurance in place and provided a high degree of confidence that corporate risks and business processes were being actively reviewed. As the new SCS Corporate Plan was being developed and risks re-assessed, the map would be used to make sure that robust assurance sources were in place. The Corporate Secretary would have responsibility for this framework and would report to the Committee on governance, risk and assurance matters. The Committee would receive an update on Corporate Plan development at its next meeting.

5. Internal Audit Scorecard (SCS/AC/Nov13/36)

5.1 Internal Audit had revised the draft scorecard following comments received from the Committee members and meetings with the SCS Executive.

5.2 After discussion **it was agreed** that the scorecard should be used over the coming months to enable the Committee to gauge how well it meets the requirement to assess the effectiveness of the internal audit service.

6. External Audit Update (SCS/AC/Nov13/37)

6.1 Audit Scotland presented its Report on the Annual Audit for 2012-13. The Committee was pleased to note that Audit Scotland had given an unqualified opinion on the financial statements of the organisation.

6.2 The SCS had also participated in the National Fraud Initiative (NFI) for the second time and Audit Scotland had noted in its report that this had given positive assurance on the effectiveness of its internal control system. The NFI is a UK-wide data matching exercise which matches electronic data within and between participating bodies to prevent and detect fraud. The Committee would receive a report on the outcomes of that exercise at the April meeting.

7. Procurement and Contract Monitoring (SCS/AC/Nov13/38)

7.1 The Chair welcomed David Currie to the meeting. At its last meeting the Committee had discussed the arrangements for managing its contracts and David delivered a short presentation on how the Facilities Management (FM) shared service contract with the Crown Office and Procurator Fiscal Service (COPFS) was being managed and monitored by the SCS Executive.

7.2 Fifteen key performance indicators (KPIs) had been put in place to measure the effectiveness of service delivery and the Property & Services team scored performance against that framework each month. These KPIs were reviewed annually.

7.3 The Committee received a report on the top 10 contracts within the SCS portfolio. It noted the value of each and that arrangements were in place to monitor spend through regular scrutiny by the Property & Services team and formal contract meetings with suppliers or contractors. Four service contracts were secured through a larger Scottish Government contract and any issues arising were notified to Scottish Government officials.

7.4 The Chair thanked David for his presentation. The Committee was satisfied that a good system of control was in place and that performance measures were being monitored appropriately. It noted that the Scottish Government had recently carried out an assessment of SCS procurement capability and that the report on the outcome would be shared with the Committee when ready.

8. Any Other Business

8.1 None.

Papers for Scrutiny/Exception Reporting Only

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

- Action Tracker and Regulatory Update
- Finance and Data Loss Report
- Core Work Programme

The content of the reports were noted and no matters of concern were raised.

9. Date of Next Meeting

9.1 Monday 20 January 2014 at 11.00 am in Parliament House.

At this stage, representatives from Internal Audit and Audit Scotland withdrew.

10. Risk Workshop - Review of ICT Strategy

9.1 Lawrie McDonald, Director ICT, joined the Committee to present an update on his review of the SCS ICT Strategy.

9.2 The Committee heard that the first of four recommendations had already been implemented with the ICT unit restructured to provide capacity for specialisation and respond to the need for enhanced governance in managing the projects already in the implementation stage and those which were anticipated to deliver the programme of reforms currently being taken forward under the Scottish Government's Making Justice Work Programme.

9.3 Priority was being given to redesigning and redeveloping the IT infrastructure to support new systems emerging to deliver reforms in civil and criminal justice. A specialist team was now in place to carry out that work.

9.4 The Committee thanked Lawrie for his comprehensive summary of the main findings from his review. It considered whether the three lines of defence in the assurance map would provide sufficient assurance and suggested that the discipline of the portfolio, programme and project environment model might be used to monitor and assess the ICT function. **It was agreed** that the Committee would receive a progress report on actions, key risks and any areas of concern at the January meeting with a regular update provided at subsequent meetings.

Scottish Court Service

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