MINUTES

SCTS AUDIT AND RISK COMMITTEE
MEETING: 29 January 2018 in Parliament House, Edinburgh

Members Present:
Joe Al-Gharabally, Non-Executive Member SCTS Board (Chair)
Simon Catto, Non-Executive Member SCTS Board
Dr Joe Morrow QC, Non-Executive Member SCTS Board

Attended:
Eric McQueen, Chief Executive, SCTS
Richard Maconachie, Chief Finance Officer, SCTS
Myra Binnie, Internal Audit Manager, Scottish Government
Sarah Self, Senior Audit Business Manager, Scottish Government
Michael Lavender, Scott Moncrieff, External Auditor
Gillian Battison, Financial Governance Manager, SCTS
Kay McCorquodale, Chief Development and Innovation Officer, SCTS (item 4 only)
Claire Taylor, Director IT, SCTS (item 4 only)
Karen Lawrie, Secretariat Business Manager, SCTS (Minutes)

Apologies:
Nigel Paul, Non-Executive Member (External)
Christine Carr, Non-Executive Member (External)
Noel Rehfisch, Corporate Secretary, SCTS

1.   Declaration of Interests

1.1   There were no new declarations of interest from Members.

2.   Minutes of the Meeting of 6 November 2017

2.1   The minutes of the last meeting were approved.

3.   Matters Arising

3.1   There were no outstanding actions from the previous meeting.

Update from the SCTS Board

3.2   The Committee received an update of the matters discussed at the Board meeting in December. The Chair reported the structure of the Committees that support the operation of the Board had been reviewed and reconfirmed as fit for purpose.

4.   ICMS Progress Update (SCTS/ARC/Jan18/01)

4.1   The Committee were updated on the progress for the implementation of the first stage of the Civil Online portal which was on track for implementation in March 2018. The Committee welcomed the assurance that rigorous testing had been carried out in all areas of ICMS.

4.2   It was noted that a Delivery Gateway Review would take place in mid-February. The report from the Review would be shared with the Committee on completion.

Action: The Executive to share the report from the Delivery Gateway Review on ICMS with Committee Members.

4.3   Members welcomed sight of the draft ICMS Business Case and offered constructive feedback to help clearly articulate the rationale behind the increased cost and timescale. The feedback would be considered by the Executive and incorporated in to the draft business case. It was anticipated that the business case would be finalised by the end of February.

5.   Internal Audit Update (SCTS/ARC/Jan18/02)

Progress Report 2017-18

5.1   Internal Audit reported on the progress on the 2017-18 Audit Plan. Two of the five planned audits had been completed, one field work competed with draft report issued and two audits in progress. Three of the four planned follow-up audits had also been carried out. Members were pleased to note that Internal Audit remained on track to fully complete the 2017-18 programme.

5.2   The emerging conclusions from the recently completed review of Contract Management were discussed. It was agreed that the final report would be circulated to the Committee on completion and discussed at the next meeting.

Action: The Executive to circulate the Contract Management Report to the Committee when concluded.

5.3   The potential areas of coverage and timetable for the Audit Plan 2018-19 were outlined and welcomed by the Committee. The final plan would be agreed with the SCTS Accountable Officer and shared with the Committee in advance of the new audit year commencing in April.

Action: Internal Audit to share the finalised Audit Plan 2018-19 with the Committee in advance of the new audit year.

6.   External Audit Annual Audit Plan (SCTS/ARC/Jan18/03)

6.1   External Audit presented their work plan for the 2017-18 external audit of the SCTS. The work plan outlined the core elements of their work and proposed timeline of key activities.

6.2   The audit plan detailed the approach that will be taken to the audit of the SCTS annual report and accounts. The Committee discussed the key account reconciliations which were considered to be a key audit risk, and the action that should be taken by the Executive in the interim.

7.   Action Tracker – Risks, Impacts and Resources (SCTS/ARC/Jan18/04)

7.1   The Action Tracker was considered by the Committee. Members were content that previous discussions on the prioritisation and rating levels had been reflected in the current document and with the progress made in closing actions. It was agreed that the document would continue to be presented for review at each meeting.

8.   Annual Whistleblowing Report (SCTS/ARC/Jan18/05)

8.1   The Committee received their annual report on the SCTS Whistleblowing Policy. The executive reported that the policy had been reviewed during the course of the year

and a range of activities had taken place throughout 2017 to maintain awareness of the policy.

8.2   As in previous years, no instances had been raised under the policy. Both the Executive and Members agreed that this reflected the open culture and annual staff events that gave staff the opportunity to raise concerns directly with senior managers as they arose.

9.   Feedback from Members Annual Appraisal (Oral)

9.1   In advance of the meeting, members had completed their annual appraisal exercise reflecting on their own personal contribution and the Committee's performance during 2017.

9.2   The Chair reported that positive feedback had been received, with members recording a high level of engagement. All members were in agreement that the Committee had performed well throughout the year.

9.3   It was suggested that consideration be given to the appraisal process used during the coming year, however, it was accepted that as the Committee used the same appraisal system as the Board that may not be possible. The inclusion of Internal and External Audit in the appraisal process was also put forward for consideration.

10.   Corporate Risk Register (SCTS/ARC/Jan18/06)

10.1   Following approval from members at the last meeting, the Corporate Risk Register had been re-worked into a consolidated format. Members considered the register and welcomed the revised format. It was noted that the Corporate Risk Register would be considered in depth at the joint Board and Committee Workshop on 5 February.

11.   Any Other Business

11.1   None.

12.   Papers for Scrutiny/Exception Reporting Only

12.1   The following papers had been circulated for scrutiny:

- Data Incidents Report
- Fraud, Theft and Losses Report
- ICT Risk Register
- Peer Audit Review
- Core Work Plan

13.   Date of Next Meeting

13.1   The next meeting will be held on Monday 23 April 2018 in Parliament House, Edinburgh.

SCTS Audit & Risk Committee
January 2018