

## MINUTES

### SCTS AUDIT AND RISK COMMITTEE

MEETING: 5 November 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  
Christine Carr, Non-Executive Member (External) – joined by telephone conference  
Nigel Paul, Non-Executive Member (External)

#### Attended:

Eric McQueen, Chief Executive, SCTS  
Richard Maconachie, Chief Finance Officer, SCTS  
Noel Rehfish, Corporate Secretary, SCTS  
Myra Binnie, Internal Audit, Scottish Government  
Claire Gardener, Scott Moncrieff, External Auditor  
Helen Bennett, Acting Director Finance, SCTS  
Karen Lawrie, Secretariat Business Manager, SCTS (Minutes)

#### 1. Declaration of Interests

1.1 There were no declarations of interest from Members.

#### 2. Minutes of the Meeting of 6 August 2018

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 on the matters discussed at the Board meetings in August and October.

#### 4. ICMS Progress Report (SCTS/ARC/Nov18/42)

4.1 The Committee assessed the latest position regarding the operation and development of the Integrated Case Management System (ICMS). Following the launch of the Civil Online *track my case* in March 2018 enhanced ICMS functionality had been introduced which included a search facility, removal of disposed cases from the track my case area and the introduction of an archive facility.

4.2 It was reported that additional functionality would be released in the autumn to enable users to access court documents directly from the portal. The improvements would reduce the number of simple procedure documents sent by post and marked an important step towards the introduction of online case management.

4.3 The development of phase 2, online submission, had entered its test cycle with an anticipated launch date of 1<sup>st</sup> Quarter 2019-20. Members welcomed the assurance that considerable business change activity would be undertaken to ensure the successful launch and requested that an ICMS milestone summary report be provided to all ARC meetings during the course of 2019

## **5. Internal Audit (SCTS/ARC/Nov18/43)**

5.1 Internal Audit reported on the progress made with the 2018-19 Internal Audit Plan since the last meeting in August. Two of four reviews had been completed with one report finalised and the second in draft. The Committee expressed concern over Internal Audit proposals to change the scope and timing of the Procurement and the ICMS Change Process audits. Members requested sight of the agreed timetable of the remaining audits.

**Action: The Executive and Internal Audit to discuss the scope and timing of the two audits outstanding. The agreed timing to be shared with Members.**

5.2 It was anticipated that all planned audits would be completed by the end of the Audit year.

## **6. Assurance and Best Value Framework (SCTS/ARC/Nov18/44)**

6.1 The Committee considered the Assurance and Best Value Framework which provided an overview of the assurance sources in place across the organisation in relation to key functions, services and best value themes. An updated version of the tracker was presented to the Committee as part of its annual work programme.

6.2 The Committee welcomed the tracker and agreed that it provided a focus on the key assurance areas and sources of relevance of SCTS. They suggested that consideration should be given to some form of light-touch assessment of the Executive's confidence in the overall assurance rating for each entry being added to the tracker and also agreed that a new category should be added in relation to the readiness of the organisation to capitalise on new digital initiatives. Members confirmed that the document should be maintained and presented to their meetings annually.

## **7. Review of Core Work Plan and Deep Dive Sessions for 2019-20 (SCTS/ARC/Nov18/45)**

7.1 The Core Work Plan and proposed Deep Dive Sessions for 2019-20 were reviewed. Members agreed the deep dive sessions for coming year.

- April 2019 Financial Strategy & Outlook (*including impact of Brexit*)
- Aug 2019 Business Transformation – Service to Child & Vulnerable Witnesses
- Nov 2019 Partnership working – key relationships and benefits
- Jan 2020 Information Security

## **8. Anti-Fraud Policy (SCTS/ARC/Nov18/46)**

8.1 The SCTS Anti-Fraud Policy was being revised to reflect changes in SCTS staff structures, options open to staff to report alleged fraud, internal communication processes and procedures, and the role of internal audit external specialist resource in investigations into alleged fraud.

8.2 A recommendation on the way forward and the draft Policy and Response Plan would be presented to the Executive Team in November and, if approved, would be submitted to the Audit and Risk Committee for their approval in January.

## **9. Contract Management Update (SCTS/ARC/Nov18/47)**

9.1 Following an internal audit of SCTS Contract Management a number of recommendations were made to improve the overall effectiveness of the function. A new Head of Procurement, appointed in July, had reviewed and considered his approach to addressing recommendations identified.

9.2 The Committee welcomed the appointment and the new proactive approach to the SCTS Procurement but reinforced the need to ensure that all of the recommendations in the Contract Management review were achieved or, given the proposed greater proactivity, surpassed to the satisfaction of Internal Audit.

## **10. Corporate Risk Register (SCTS/ARC/Nov18/48)**

10.1 The Corporate Risk Register was discussed. Members were content that the necessary control and actions required were recorded appropriately and taking place.

## **11. Any Other Business**

11.1 None.

## **12. Papers for Scrutiny/Exception Reporting Only**

12.1 The following papers had been circulated for scrutiny:

- Scottish Government Audit Committee Handbook – Response
- Action Tracker
- Data Incidents Report
- Fraud, Theft and Losses Report
- ICT Risk Register
- Core Work Plan
- Internal Audit – Workforce and Succession Planning
- Internal Audit – Health and Safety Review

## **13. Date of Next Meeting**

13.1 The next meeting would be held on Monday 28 January 2019 in Parliament House, Edinburgh.

## **14. Deep Dive Session – SCTS Digital Strategy**

14.1 The Committee welcomed Kay McCorquodale, Chief Development and Innovation and Claire Taylor, Director IT, to the meeting to explore the SCTS Digital Strategy which set out the direction for the next five years to improve the administration of justice in recognition of continued advances in digital innovation, coupled with growing public expectation. The Committee tested the key priorities, governance and risk areas, highlighting the importance of successful incremental change matched with the new skills and culture change across the organisation.

14.2 Reflecting the digital ambitions the Committee reinforced the importance of digital transformation being infused into the business, and not simply following the latest technology. In exploring the governance structure the Committee suggested that the SCTS Technical Design Authority would benefit from external and independent oversight.

