

MINUTES

SCTS AUDIT AND RISK COMMITTEE

MEETING: 23 April 2018 in Parliament House, Edinburgh

Members Present:

Joe Al-Gharabally, Non-Executive Member SCTS Board (Chair)
Simon Catto, Non-Executive Member SCTS Board
Nigel Paul, Non-Executive Member (External)

Attended:

Eric McQueen, Chief Executive, SCTS
Richard Maconachie, Chief Finance Officer, SCTS
Noel Rehfisch, Corporate Secretary, SCTS
Myra Binnie, Internal Audit Manager, Scottish Government
Gail Crosbie, Internal Audit, Scottish Government
Gary Devlin, Scott Moncrieff, External Auditor
Michael Lavender, Scott Moncrieff, External Auditor
Helen Bennett, Director Finance, SCTS
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:

Dr Joe Morrow QC, Non-Executive Member SCTS Board
Christine Carr, Non-Executive Member (External)

1. Declaration of Interests

1.1 There were no declarations of interest from Members.

2. Minutes of the Meeting of 29 January 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 of the matters discussed at the Board meetings in February and March.

4. ICMS Progress Update (SCTS/ARC/Apr18/11)

4.1 The Committee assessed the latest position regarding the operation and development of the Integrated Case Management System (ICMS). Phase 1 of the introduction of Civil Online, the online case tracker, had been launched successfully on 13 March. The robust testing that had taken place in advance of the launch had ensured a smooth transition to system go-live which was evidenced by positive

feedback from professional users and very low levels of calls to the helpdesk from system users and members of the public.

4.2 The development of phase 2 of Civil Online, which would enable the electronic submission of documents, was continuing alongside preparatory work for the roll-out of the ICMS system to the Court of Session.

4.3 Members were assured by the levels of governance now in place for the ICMS programme and agreed that progress reports and updates should continue to be provided to the Committee.

5. Internal Audit Update (SCTS/ARC/Apr18/12/13/14)

Progress Report 2017-18

5.1 Internal Audit reported progress on the delivery of their 2017-18 Audit Plan since the last meeting. Three of the five planned reviews had been finalised with the remaining two nearing completion. It was anticipated that work to complete the reviews set out in the 2017-18 audit plan would be concluded by the end of April, which would allow commencement of the 2018-19 Audit Plan.

Internal Audit Plan for 2018-19

5.2 The Internal Audit Plan for 2018-19, which had been agreed in draft with the Accountable Officer, was presented. The timing of the proposed audits was considered, in order to ensure these took place at points where they could add the greatest value. It was agreed that the proposed timings should be maintained, but reviewed throughout the year should any alteration be required.

Contract Management Review

5.3 Following initial discussions at the last meeting, the Internal Audit Report on SCTS Contract Management was considered. An overall limited assurance opinion had been provided. The review identified a number of recommendations that would be taken forward by the Executive. The Committee requested sight of the proposed timeline to address recommendations accompanied by a progress report ahead of the next meeting.

Action Point: The Executive to share a timeline detailing when the recommendations made in the Contract Management Review will be implemented and a progress report in advance of the next meeting.

5.4 The Committee thanked Internal Audit for a clear and concise report that would allow improvements to be implemented.

6. External Audit Annual Audit Plan (SCTS/ARC/Apr18/15)

6.1 The External Audit interim audit report of SCTS for 2017-18 was presented. Key financial systems, subject to the interim audit, had been found to be adequate. No issues had been identified during preparatory work for the audit of the final accounts that required reporting. It was noted that the draft SCTS Financial Strategy had been shared with the SCTS Board in March.

6.2 External Audit recognised the work being undertaken by SCTS to ensure that previous recommendations were followed-up and stressed the importance of ensuring that recommendations were implemented within the timescales set by the Executive where possible. An update on delivery of several of the key recommendations was provided by the Chief Finance Officer and assurances provided that key recommendations would be delivered ahead of the final audit.

6.3 Members and external attendees discussed the actions and recommendations outstanding from External and Internal Audits and the SCTS resources available to see these through to conclusion. In recognising the resource demands the Executive were keen to ensure that they take a risk based approach to timeframes in making sure that quality is maintained in the most critical areas. The development of the People, Financial and Digital Strategies were examples of taking the extra time and external engagement to produce high quality strategies that are meaningful to the organisation.

7. Draft Annual Report to the SCTS Board (SCTS/ARC/Apr18/16)

7.1 Members reviewed and approved the outline of their draft annual report to the SCTS Board. Minor amendments were noted for inclusion in the finalised version.

7.2 The Annual Report would be updated as audit work was completed and a draft final version submitted to the next meeting for formal approval.

8. Action Tracker (SCTS/ARC/Apr18/17)

8.1 The Audit Action Tracker, which had been updated to reflect action taken by SCTS since the last meeting, was discussed. Members suggested focused areas for inclusion in the narrative to assist with their consideration of the tracker.

8.2 Members encouraged the Executive to consult with Internal and External Audit leads ahead of actions from reports that they had produced being marked as implemented. It was noted that this happened in the majority of instances – but there were cases where actions had been closed near the date of the meeting itself where consultation had not been carried out ahead of the meeting. The Executive committed to involve Internal and External Audit (as appropriate) in the closure process wherever possible.

9. Corporate Risk Register (SCTS/ARC/Apr18/18)

9.1 The Corporate Risk Register was reviewed. Members were assured it had been updated to reflect recent developments and noted that the revised format had been well-received at the joint SCTS Board and Audit and Risk Committee workshop on Corporate Risk, which had taken place in February.

10. Any Other Business

10.1 The Chair proposed an annual meeting between Committee members, Internal Audit and External Audit, as this was recognised good practice. The first such meeting would be held on 6 August, ahead of the formal Audit and Risk Committee meeting.

11. Papers for Scrutiny/Exception Reporting Only

11.1 The following papers had been circulated for scrutiny:

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

No additional issues were raised.

12. Date of Next Meeting

12.1 The next meeting would be held on Monday 6 August 2018 in Parliament House, Edinburgh. It was agreed that future meetings would commence at 10.00am.

Deep Dive Session – General Data Protection Regulations

The Committee welcomed Iain Hockenull, SCTS Head of Information Governance and Correspondence, to the meeting.

Iain updated members on the impact that the introduction of the General Data Protection Regulation would have on SCTS when it came into force on 25 May and the preparatory actions taken by SCTS to ensure it was compliant.

SCTS had considerable experience of managing sensitive personal data in view of the nature of its core business and through observance of the current data protection regime that had been in place for the past 20 years. A number of priority actions had been planned for 2018-19 in order to ensure compliance with the new regulations. These included a new incident reporting procedure which would be introduced in April 2018, ahead of the GDPR implementation. Training and guidance on GDPR for senior managers and court staff, with a focus on Subject Access Requests and incident reporting had also been rolled out.

The Committee noted the preparations in place and thanked Iain for his informative presentation.

SCTS Audit & Risk Committee
April 2018