Welcome

1. The Chair welcomed everyone to the meeting.

Declarations of Interests
2. No items were recorded.

**Update on new Non-Executive Directors (NXD) appointments**

3. The Crown Agent advised that the Crown office and Procurator Fiscal Service (COPFS) had received 87 applications. There will be four new NXDs and an existing NXD staying with COPFS. The challenge will be for COPFS to best combine their experience and expertise. The Chair advised that these appointments will strengthen both the Executive Board and the Audit & Risk Committee (ARC).

**Feedback on pre meetings**

4. The Chair advised that the Non-Executive Director’s (NXD’s) meeting with Crown Office and Procurator Fiscal Service (COPFS) Finance covered the 2017 Spending Review. The meeting with the Audit teams included a discussion on the 2017-18 Procurement and Contract Management Internal Audit report. Internal Audit raised an issue around engagement with some teams. The Crown Agent agreed to look into this with Internal Audit.

**Minutes of Previous Meeting – 14 August 2017**

5. The minutes were agreed by the Committee.

**COPFS ARC Action Tracker**

6. All actions arising from the August meeting with a current action date have been completed. The two actions remaining open have an action date for the February (ARC) meeting:

- Director of Information Services to provide a report of the position regarding COPFS Information Technology (IT) projects, benchmarked against the National Report on Digital Future, to be supplied at the February ARC meeting including governance information.

- Response and Information Unit representative to provide an update in respect of New Data Protection changes.

**Action:** The committee would like to consider a ‘deep dive’ review of Corporate Risk 11; NICP is fully operational and dealing with all summary crime reports and all custody cases (solemn custody marking will remain with solemn units) at a future meeting.

**Audit Action Tracker**

7. The Chair requested the above tracker is resurrected at the February meeting and provided for each meeting.
Releasable under the Freedom of Information (Scotland) act after the next meeting.

**Action:** COPFS Finance Director to ensure Audit Action tracker is made available at future ARC meetings.

**Queen’s and Lord Treasurer’s Remembrancer (QLTR)**

8. The Solicitor to QLTR advised the committee of a review being undertaken of the National Ultimus Haeres Unit (NUHU). NUHU is based in Hamilton and consists of two members of staff line managed by COPFS but paid for by the QLTR office. NUHU deals with property belonging to individuals who died without leaving a will and had no traceable blood relatives, spouse or civil partner. At common law, their property falls under the control of the Crown.

9. As NUHU has been running for 10 years, the Solicitor advised it was now sensible and timely to review its operations. He was therefore doing so along with NUHU's staff and line manager, focusing on: identifying improvements to staffing levels; reducing the demand on local COPFS offices; and, checking and auditing ingathered assets.

10. The Chair asked the Solicitor to the QLTR to update the ARC on the results of the review in due course.

**Action:** Solicitor to QLTR to update the ARC as above.

11. A start date has been agreed in respect of an assistant Solicitor for QLTR.

**COPFS Digital Strategy Update**

12. The COPFS Director of Information Services (ISD) provided the ARC with an overview of the work carried out since the Digital Strategy was published in January 2017. The COPFS Digital Strategy: Delivery Plan will be published in the next few weeks.

13. The NXDs sought clarification in respect of the challenges faced with budget constraints and workforce development (using new technology). COPFS plans to hold workshops and roadshows and build staff training/engagement into the Digital Strategy. It is anticipated that there will be a reduction in costs once benefits from this strategy are realised.

**Action:** The Chair requested an update from the Director of Information Services at the May ARC meeting in respect of the progress being made with the Digital Delivery Plan.

**Finance update**

14. The DCE advised that the forecast against budget is showing an overspend, but significantly lower than in August primarily due to an extensive review of all staffing, office, admin and case related costs. The expectation is that the
15. Potential pressures include litigation costs. The NXDs suggested this risk might be included in Corporate Risks 2 and 3; ‘We remain within budget allocations in 2017-18’ and ‘We remain within budget allocations in the future’ or is included as a separate item on the Corporate Risk Register.

**Action:** To discuss possible inclusion of potential litigation costs on Corporate Risk Register at RMG meeting.

**Procurement Update**

16. The Procurement Director provided an update of the progress made since the August ARC meeting and of planned actions for the coming months.

17. The Internal Audit report in respect of Procurement and Contract Management has been produced and the actions agreed by management. The positive approach adopted by Internal Audit throughout this report was greatly appreciated.

18. The Procurement Director highlighted the difficulties in securing engagement from staff in the business who, it was appreciated, were under significant operational pressure. It was accepted that this is essential to facilitate savings on non-staff expenditure, effect a safe procurement service and reduce the risk of challenge. A further Procurement Awareness Workshop has been scheduled for 30th November where attendance is voluntary but it was agreed that attendance at the four events for Service User Leads will be Mandatory and that the Procurement Director should report back to the ARC on the level of attendance at each event.

19. It was noted that the majority of contracts on the procurement wave plan relate to Information Services (IS). The Director of Information Services is currently looking at a rationalisation of IS contracts.

**Finance Strategy/FSP update**

20. The DCE provided the Committee with an update on COPFS budget planning for 2018-19 and 2019-20 in light of current indications about the outcome of the Scottish Government (SG) spending review. COPFS has planned for a number of scenarios. Budget allocations will be announced on 14 December.

**SG Internal Audit Update**

21. Internal Audit provided a progress report in respect of the 2017-18 Audit together with a copy of their first quarterly Bulletin/Newsletter and a copy of their Strategic Review follow up. The Chair thanked Internal Audit for the additional information. He suggested that the newsletter might benefit from being more personalised, identifying teams and ownership.
22. Of the four planned audits one has been completed (Procurement), with a further two to be completed and presented to the ARC at their February meeting (Key Performance Indicators and Transitional Finance Governance). The final one (Information Management) will be reported to the ARC at their May Meeting.

**External Audit-Audit Scotland**

23. Work is due to start on the QLTR audit to gather information for planning. The annual audit plan will be provided to the ARC at the February meeting.

24. Audit Scotland is meeting with COPFS Finance on Monday to gather information to assist with their Annual Audit Plan. The plan will be provided to the ARC at the February meeting.

**Corporate Risk Register**

25. The DCE provided the Committee with an update of the changes to the Corporate Risk Register, including the finance risk being split into two. He highlighted the red risks; Risks 1, 12, 13 and 14 and the progress being made.

26. The Risk Management Group (RMG) reviewed the Local Court and Serious Casework Function Risk Registers at their October meeting. Following on from this the Resources Committee agreed funding for some short term additional staff support to the end of the financial year.

27. Crime demographic has changed over the last few years with a spike in Serious Casework which requires an ongoing review to balance available COPFS resources.

28. The RMG are carrying out a deep dive of Risks 1, 2 and 3 on the Corporate Risk Register at their November meeting. The NXDs recommended that the RMG look at what has to be done to achieve the aims of each of these risks.

29. The NXDs also recommended that an entry regarding the General Data Protection Regulation (GDPR) is included at Risk 6 of the Corporate Risk Register. SG Internal Audit requires information in respect of the GDPR impact on COPFS from the COPFS Director of Information Services for the Cross Cutting Review by December 2017.

**Action:** COPFS secretariat to include GDPR entry at Risk 6 of the Corporate Risk Register.

**Action:** COPFS Director of Information Services to provide SG Internal Audit information in respect of the GDPR impact on COPFS for the Cross Cutting Review by December 2017.

**Self-Assessment (SA) Checklist**

30. The updated SA Checklist was welcomed by both Audit teams. The checklist will be reviewed again by the new Chair next year.
31. External Audit - Audit Scotland requested copies of the Scottish Government (SG) NXD’s Declaration of Interests (section 2, question 8).

**Action:** COPFS secretariat to obtain this information from SG.

32. Annie Gunner Logan (NXD) highlighted section 2, questions 7 and 12. She would like to increase her knowledge of the COPFS organisation including its objectives, business needs and priorities.

**Action:** COPFS secretariat to take forward as part of induction of new NXDs.

33. The Committee adopted the updated SA Checklist this year.

**Any Other Business**

34. Audit Scotland advised due to internal changes Gordon Smail, Assistant Director, Audit Services, will be replaced on COPFS/QLTR audits by Gillian Woolman. Gillian will attend the Pre meeting with the Crown Agent and Deputy Chief Executive on 21 February and both the Pre and COPFS ARC meetings on 28 February.

35. The Chair thanked everyone for their input today.

**Date of Next Meeting**

36. The next meeting will take place on the 28th February 2018 in COPFS.