

COPFS AND AUDIT & RISK COMMITTEE
MINUTES OF THE MEETING HELD ON 24th FEBRUARY 2017
CROWN OFFICE, 25 CHAMBERS STREET, EDINBURGH

Present:

Members

Douglas Hutchens	Non-Executive Director – Chair
Stuart Smith	Non-Executive Director
Ronnie Hinds	Non-Executive Director
Annie Gunner Logan	Non-Executive Director Observer
Morag McNeill	Non-Executive Director Observer

In Attendance

Ian Walford	Deputy Chief Executive
Liam Murphy	Risk Champion/Procurator Fiscal(Specialist Casework)
Mark Howells	COPFS Procurement Director
Stuart Dickson	SG Internal Audit
David Ray	SG Internal Audit
Gordon Smail	Audit Scotland
Stephanie Harold	Audit Scotland
Stephen Woodhouse	COPFS Finance Director and QLTR Accountable Officer
Steve Scott	COPFS Senior Finance Lead
June Campbell	COPFS

Apologies

David Harvie	Crown Agent, Chief Executive & COPFS Accountable Officer
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Welcome

1. The Chair welcomed everyone to the meeting and introduced the new Non-Executive Directors.

Declarations of Interests

2. No items were recorded.

Feedback on pre meeting

3. The Chair advised that the Non-Executive Directors meeting with COPFS Finance was a general informative discussion and had been very useful.

Minutes of Previous Meeting – 21 November 2016

4. The minutes were agreed.

Matters Arising/Action Point Tracker/Internal External Audit Action tracker:

COPFS ARC Action Tracker

5. The one item on the Audit & Risk Committee (ARC) Action Point Tracker has been completed.

External Audit Action Tracker

6. It was noted that work is ongoing in respect of item 6. Internal Audit advised a bespoke training course is being developed which COPFS could be involved in.

Action: COPFS Information Systems Director to be made aware of bespoke training course being developed with possible COPFS involvement.

Action: Copy of Digital Strategy to be provided to Stuart Smith.

Internal Audit Action Tracker

7. Several Information Services action points are ongoing and there was a short discussion around the extent of these issues.

Action: An update in respect of the progress made with these action points is to be provided to the ARC at the May meeting with a corresponding Agenda Item.

Action: Director of Information Services to be invited to May ARC meeting.

Finance Update:

8. COPFS Finance Director advised that there is a small cash overspend projected, with capital spend in line with the budget. The Cash overspend is considered to be manageable by the year end.

9. 2017-18 Budget: Budget meetings are being held in February with each Function to consider options to deliver a balanced budget. It is anticipated that the Executive Board (EB) will consider and agree a 2017/18 budget at their meeting in March.

10. Finance confirmed a sum has been put aside in respect of civil Cases noted in the report.

11. Scottish Government will transfer a further sum in respect of Domestic Abuse funding as part of the Autumn Budget Revision. This funding is to assist COPFS, who are in the process of reducing weighting times in Domestic Abuse cases over a three year period.

12. The Non-Executive Directors would like more detail on HR, civil and Domestic Abuse Funding in respect of the Corporate Finance Overview at future ARC meetings.

Action: Finance will provide more detail in respect of the Corporate Finance overview at the next ARC meeting.

Procurement Update

13. The Procurement Director provided an update in respect of the progress made recently and the planned future action. Many contracts require renewal during the 2017-18 Finance year the majority of which relate to ISD. To deliver a schedule of contract lets/relets it is important that service users fully engage with Central Procurement. Surgeries/workshops have taken place with the Procurement Steering Board members and their Service Leaders to assist with this.

14. Next steps include meeting with the Scottish Government Procurement Team on 6 March and employing a procurement business partner embedded in the ISD team. With effective procurement and contract management being the key aims it is planned that this will identify savings on non-staff expenditure, reduce risk of challenge and ensure that service needs are met. SG Internal Audit will assist with monitoring progress in meeting these aims.

Finance Strategy update

15. The Senior Financial Lead provided the ARC with an update on progress (since the Workshop held in November 2016) in implementing and delivering the Financial Sustainability Plan (FSP) with further information on the risk assessment and project interdependencies.

16. Following on from the work undertaken in respect of the FSP and with the approval of the Executive Board the COPFS Financial Strategy was published on 31 January together with the Estates, Workforce Planning and Digital strategies.

17. The Senior Financial Lead is working with the Functions to assist with the financial planning required to enable delivery of balanced budgets within constrained funding.

18. The Non-Executive Directors sought assurance regarding the Digital Strategy. Further work has been undertaken by the Information Services Director and will be ongoing.

Action: The Non-Executive Directors would like a six monthly update in respect of the COPFS Digital Strategy to be provided.

Releasable under the Freedom of Information (Scotland) act 2002 after the next meeting

Action: The Chair asked for an update on the FSP to be provided at the May ARC meeting.

SG Internal Audit Update

19. Internal Audit Progress Report 2016-17; the paper already circulated provided the ARC with an update on Internal Audit's activities against the agreed 2016-17 programme of work since the last meeting. Highlights are that the ICT Assurance and Transitional Structure and Governance, moving from Federation to Functional (Phase 1) audits are now completed. The timetable for the further three audits was also provided.

20. Internal Audit Plan for 2017-18; the paper already circulated provided the ARC with information on the background process around the compilation and production of a proposed internal audit plan for COPFS in 2017-18. Following discussion the ARC were content for the plan to move forward.

External Audit-Audit Scotland Update

21. 2016/17 COPFS Annual Audit Plan; the plan detailed the work, timings and main risk areas which require testing. Risks 5, 6 and 7 interlinked with regards to financial planning and measuring progress. Non-Executive Directors requested the previous year audit fee is included in the plan to enable comparison with the current fee.

Action: Plan to be updated with previous year audit fee.

22. 2016/17 QLTR Annual Audit Plan; the plan contains an overview of the work and timings of the audit highlighting the main risk areas which require testing. The new Non-Executive Directors asked for clarification of the role of the QLTR.

Action: QLTR Accountable Officer will circulate appropriate information to new Non-Executive Directors.

Corporate Risk Register

23. The DCE gave a brief outline of the work done by the Risk Management Group (RMG). It was agreed that it has been a helpful link to have a Risk Champion from COPFS and a Non-Executive Director on both the ARC and RMG. Two further risks will be added to the register: Case Management in Court (iPad) and National Initial Case Processing (NICP) within Local Court Function.

Corporate Risk 4

24. "Benefits from the introduction of business improvement solutions as commissioned by the Business Improvement Committee (BIC) are realised and accounted for"; the DCE gave a brief outline of COPFS governance- Executive Board with three committees, BIC being one of these committees.

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25. Full before and after process measurements are to be carried out to monitor viability/success of new projects. Non-Executive Directors would like to see a timeline included in 'Controls in Place' section on page 2 of Risk Interrogation Questionnaire (RIQ) and the ARC included at paragraph 7. They would also like to see more specifics at paragraph 10 although it was accepted that there will be a greater clarity over the next 6 months.

26. The Chair and the ARC appreciated the work that has already taken place and is still ongoing.

Action point: Risk 4 RIQ to be updated in respect of timeline (Controls in Place section), ARC included at paragraph 7 and more specifics at paragraph 10.

Any Other Business

27. Stuart Smith thanked Douglas Hutchens for his contribution, hard work and conscientiousness as Chair of the ARC for the past 7 years and wished him well for the future.

28. Douglas Hutchens thanked everyone for their input today and over the years he has been Chair of the ARC and in particular, the secretariat.

Date of Next Meeting

29. The next meeting will take place on the 25th of May 2017 in COPFS.