

COPFS AND AUDIT & RISK COMMITTEE
MINUTES OF THE MEETING HELD ON 30 MAY 2018
CROWN OFFICE, 25 CHAMBERS STREET, EDINBURGH

Present:

Members

Robert Tinlin	Non-Executive Director – Chair
Annie Gunner Logan	Non-Executive Director
David Watt	Non-Executive Director

In Attendance

David Harvie	Crown Agent
Ian Walford	Deputy Chief Executive
William Wilkie	Audit Manager, SG Internal Audit
Stuart Dickson	Assistant Director Audit Services, SG Internal Audit
Gillian Woolman	Assistant Director Audit Services, Audit Scotland
Esther Scoburgh	Audit Manager, Audit Scotland
John Logue	Deputy Crown Agent (Operational Support)
Stephen Woodhouse	COPFS Director of Finance
Keith Dargie	COPFS Director of Information Services
June Campbell	Corporate Office

Apologies

None

Welcome

1. The Chair welcomed everyone to the meeting.

Feedback on pre meetings

2. The Chair advised that the Non-Executive Director's (NXD's) meetings with COPFS Finance had been useful to gain a fuller understanding of the COPFS Organisation and with the Auditors where the members covered the need for robust management follow up in respect of Internal Audit (IA) recommendations.

Minutes of Previous Meeting – 26th February 2018

3. The minutes were agreed by the Audit & Risk Committee (ARC).

Matters arising not on Agenda

4. The Chair received confirmation from the ARC that there were none.

COPFS ARC Action Tracker

5. It was noted that no material issues were outstanding except the COPFS draft Finance Strategy which is to be finalised and circulated to the ARC. Scottish Government will publish their Medium Term Financial Outcome on 31 May. Following publication COPFS Finance will further consider our Strategy with a view to submitting it to the Executive Board (EB) at their August meeting.

Audit Action Tracker

6. The (NXDs) would like to see details of specific action plans being undertaken by management in respect of IA recommendations with relevant target dates.

Action: Deputy Chief Executive and Finance Director will review format of audit action tracker in light of discussion.

Queen's & Lord Treasurer's Remembrancer (QLTR)

7. The Finance Director provided an update in respect of the National Ultimus Haeres Unit (NUHU) staffing review. Positive progress has been made by the Unit as a result which will continue to be monitored. Relevant support is provided to staff working under difficult circumstances. The ARC asked that their support and thanks be passed on to NUHU staff.

Accounting Policies

8. The Finance Director provided details of the proposed 2017-18 accounting policies. The NXDs raised several points including confirmation about accounting changes which do not affect COPFS and plans to implement IAS17. The ARC **approved** the proposed Accounting Policies.

Action: Finance Director to consider points raised by NXD.

COPFS Digital Delivery Plan

9. The Director of Information Services (ISD) provided the ARC with an overview of the COPFS Digital Strategy Delivery Plan which will drive COPFS business over the next five years. Increased staffing resources and a roadmap are in place. The COPFS Risk Management Group will review the ISD Risk Register with specific consideration to the outlined delivery programme in conjunction with the Corporate Risk Register at a future meeting.

General Data Protection Regulations/Data Protection Act Legislation

10. The Deputy Crown Agent (Operational Support) provided the ARC with an overview of the preparations underway to ensure that COPFS complied with the new General Data Protection Regulations (GDPR) requirements which came into force on 25 May 2018. A new Information Assurance Group chaired by the DCA will take forward the ongoing work of ensuring GDPR compliance. A specific risk register in respect of the new group will be prepared. Communications about key aspects of GDPR has been issued to staff to raise awareness.

Finance report

11. The draft COPFS Annual Report and Accounts were presented. The accounts detail a small in-year underspend. The presentation of the draft accounts at this meeting (prior to the July signing of accounts meeting) was considered to be very helpful.

12. The draft QLTR accounts were presented. It was noted that they are prepared on a cash basis in view of the nature of the work involved.

13. The Chair thanked the Finance Director and his team for the work undertaken.

SG Internal Audit Update

14. Internal Audit (IA) provided a progress report in respect of the 2017-18 COPFS Audit programme and noted that the final report on Procurement & Contract Management and draft reports on Validation of Key Performance Indicators (KPIs) and Transitional Finance, Governance & Workforce Planning have been issued. The Information Management report is deferred until 2018-19 and will be reported at the July ARC.

15. The ARC would like to review progress in respect of the Internal Audit KPI recommendations at the November ARC meeting.

16. It was agreed that Internal Audit would liaise with senior management to tailor the follow up work on KPI's to help support the implementation of the new Strategic Plan and associated performance management.

Action: Secretariat to include a progress report with Internal Audit KPI recommendations on November agenda.

External Audit-Audit Scotland

17. Audit Scotland (AS) presented their Management Report Letter in respect of their review of internal controls in key financial systems for 2017-18. Their review concluded effective controls are in place. AS thanked the Finance Team for the work undertaken to achieve the outcome of this review.

Corporate Risk Register

18. The Deputy Chief Executive (DCE) provided the Committee with an update on current risk management work within COPFS, in particular progress on developing the new risk register following the risk workshop on 3 May.

19. At its meeting in early June the COPFS Risk Management Group will undertake a full review of the corporate risk register to ensure it adequately covers current risks to delivery, cross checking the old and the proposed new register. With reference to the minutes of the previous RMG meeting, the Chair suggested setting aside some time at an ARC meeting later in the year to discuss the new Corporate Risk Register and relationship between ARC and RMG.

Action: secretariat to include new Corporate Risk Register and relationship between ARC & RMG on ARC August agenda.

Any Other Business

20. None.

Date of Next Meeting

21. The next meeting will take place on the 5 July 2018 in COPFS. Note alterations to the timing for this meeting.