

COPFS AND AUDIT & RISK COMMITTEE
MINUTES OF THE MEETING HELD ON 14 AUGUST 2017
CROWN OFFICE, 25 CHAMBERS STREET, EDINBURGH

Present:

Members

Douglas Hutchens	Non-Executive Director – Chair
Annie Gunner Logan	Non-Executive Director
Morag McNeill	Non-Executive Director

In Attendance

David Harvie	Crown Agent, Chief Executive & COPFS Accountable Officer
Liam Murphy	Risk Champion/Procurator Fiscal (Specialist Casework)
Stephen Woodhouse	COPFS Director of Finance and QLTR Accountable Officer
Stuart Dickson	Senior Audit Manager, SG Internal Audit
Duncan Scott	Scottish Government Internal Audit
Esther Scoburgh	Audit Manager, Audit Scotland
Robert Sandeman	Solicitor to QLTR
Morag Campsie	Audit Scotland
June Campbell	Corporate Office

Apologies

Ian Walford	Deputy Chief Executive
Janice Irvine	Director of Human Resources
Mark Howells	COPFS Director of Procurement
Evelyn Aitken	Head of Management and Planning

Welcome

1. The Chair welcomed everyone to the meeting.

Declarations of Interests

2. No items were recorded.

Feedback on pre meeting

3. The Chair advised that the Non-Executive Directors' (NXD's) meeting with Crown Office and Procurator Fiscal Service (COPFS) Finance covered procurement issues including pathology. The meeting with the Audit teams also included a discussion on procurement. These issues would be discussed further in the meeting.

Non-Executive Director

4. The Chair wished to formally thank Stuart Smith for his work over the past 6-7 years in respect of both the Audit and Risk Committee (ARC) and Risk Management Group (which informed the ARC).

Minutes of Previous Meetings – 25 May 2017 and 7 July 2017

5. Both sets of minutes were agreed by the Committee.

COPFS ARC Action Tracker

6. All actions arising from the May meeting with a current action date have been completed. The two actions remaining open have an action date for the November ARC meeting:
 - Director of Information Services to provide a note and presentation regarding progress made in respect of COPFS Digital Strategy.
 - Director of Procurement to provide progress on savings made through new procurement strategy/processes.
7. One action from the July meeting remains open: Audit Scotland to advise COPFS of the publication date of their Interim reports which are now reported in public on an ongoing basis. Audit Scotland will notify COPFS secretariat once known.

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

8. The Solicitor to QLTR outlined the role of QLTR. He explained that this was a separate role for the Crown Agent. The general principle underlying the role is that ownerless property falls to the Crown and this typically includes dissolved company's assets (the main type of property the office deals with), property belonging to persons who die intestate and Treasure Trove. All net receipts of the QLTR are paid into the Scottish Consolidated Fund.
9. Operational considerations: These are assessed on a case by case basis. The QLTR generally aims to realise for value, however, there may be cases when this is not appropriate and other responses, for example disclaim, may be considered.
10. Corporate and risk considerations: The QLTR team is small. The law in respect of the work carried out by the team is specialised and benefits from experience. Changes in staff can therefore pose a risk. In addition, the team have

experienced short losses of their IT (Information Technology) facility (in the last three months) covering three separate days and effectively resulting in several business days lost.

11. The Chair thanked the Solicitor to the QLTR and requested that this item is retained on all future agendas as a standing item, with a short update received at each meeting. At the next meeting the focus is to be on risks and any significant issues/concerns.

Finance update

12. Finance advised that the outturn forecast to budget was currently showing a cash over spend. It is believed that the over spend will reduce gradually throughout the year as the new approach to managing vacancies continues to be implemented. It is anticipated that the out turn will be close to the budget figure.

Procurement Update

13. The Finance Director provided an update of the progress made since the May ARC meeting, in accordance with the Procurement Action Plan. Although good progress has been made there is now an issue with resources; the loss of two members of the Procurement team and no anticipated replacements for two and a half months. Members suggested that some cash be withheld, due to this.
14. A fixed term dedicated IT procurement business partner joined the Procurement Team on the 24 May 2017 (a large number of COPFS' contracts are IT related).
15. The NXDs suggested it may be helpful to have an NXD on the Procurement Steering Board. This was seen as being beneficial.

Action: Consideration to be given to NXD on Steering Group on a 'non-voting' capacity.

Finance Strategy/FSP update

16. The Finance Director provided the Committee with an update on progress with the Spending Review and the potential implications for the medium term strategic financial planning and the 2018-19 budget process in COPFS.

Action: this item is to remain on future agendas.

SG Internal Audit Update

17. 2017-18 Internal Audit Progress Report; Internal Audit advised steady progress is being made with the 2017-18 plan. The outcome of two assignments (the Procurement and Contract Management and Key Performance Indicators and links to Justice Reform objectives) will be reported to the ARC at the November meeting. The assignment in respect of Transitional Finance Governance and Workforce Planning, in line with Justice Reform objectives (Phase 2) will be reported to the ARC at the February meeting. The final assignment in respect of

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Information Management will be reported to the ARC at the May 2018 meeting. The chair asked for, and received, confirmation that these timescales will be met.

External Audit-Audit Scotland

18. National Report on Digital Future; Audit Scotland explained that the report provided a set of common issues and themes at the heart of failing IT projects and programmes (lessons learned) together with core principles to guide a project. It was agreed that this was a well put together document and should be supplied to the COPFS IT Group.

Action: a report of the position regarding significant COPFS IT projects, benchmarked against this national report, to be supplied at the February ARC meeting including governance information.

Corporate Risk Register

19. The Finance Director provided the Committee with an update on COPFS Risk Management process and a copy of an up-to-date register.

20. At the July Executive Board meeting it was proposed that Risk 2 (We remain within budget allocations, now and in the future) be split into two: one covering the current financial year and one for future years.

21. COPFS is looking at the delivery of forensic pathology.

Self-Assessment (SA) Checklist

22. The Chair and NXDs will add their comments to the checklist. Once completed it is to be circulated to the committee for comment.

Action: COPFS Secretariat will issue SA Checklist for comment once completed by NXDs.

Impact of new Data Protection rules (25 May 2018)

23. The NXDs wanted reassurance that:

- COPFS would be able to meet the shorter timescale (72 hours) for reporting Data Protection breaches/losses.
- COPFS plans would incorporate the requirement for informed consent rather than implied (the need to opt in rather than opt out).

Action: include new Data Protection changes as an item on ARC February Agenda and invite COPFS Response and Information Unit representative to February ARC meeting.

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24. SG Internal Audit advised of a cross cutting review to see where organisations are with their plans. COPFS will be included. They will also provide a contact in respect of an organisation that has already made considerable progress.

Any Other Business

25. The NXDs requested an update in respect of the Justice Committee Enquiry. This will be provided via email correspondence.

26. The Chair thanked everyone for their input today.

Date of Next Meeting

27. The next meeting will take place on the 15 November 2017 in COPFS.