

Minutes of Audit & Risk Committee meeting held on 30th of November 2017

Present:

Colin Ledlie (Chair), Non-Executive Director
Mandy Gallacher, Non-Executive Director
Bill Matthews, Non-Executive Director
Michelle Lockhart, Independent External Member

Jonny Steen, External Auditor (Audit Scotland)

Dougie Shepherd, Internal Auditor
Gail Costello, Internal Auditor

Tim Ellis, NRS Chief Executive Officer
*Sam Bedford, Director of ICT
*Elaine Swan-Gordon, Interim Director of ICT
*Amy Wilson, NRS, Head of Census, Statistics & Registration
Steven Hanlon, NRS, Chief Financial Officer (acting Accountable Officer)
Simon Hazlewood, NRS Head of Business Portfolio
David Smith, NRS, Secretary

* For ICT risks item only

Apologies:

Asif Haseeb, External Auditor (Audit Scotland)
Anne Slater, Head of Public Services / Portfolio & Corporate Services
Myra Binnie, Internal Auditor

1. Declarations of interest

1.1 There were no declarations of interest.

Tim Ellis (TE) introduced Elaine Swan-Gordon (ESG) and the new Director of ICT, Sam Bedford, (SB) to the committee. TE advised that within ICT there has been a huge amount of progress made and paid tribute to ESG for the all positive contributions she had delivered during her time here in NRS.

2. ICT Risks

2.1 SB gave a presentation on the big risks that NRS ICT currently faces over three broad topics of people, process and technology. For each of the topics SB provided an overview of the current risks and scores within these areas and looking ahead, what the intent is to mitigate the risks. Following an extensive discussion, the committee indicated its support for the direction and intent and agreed it should revisit progress in May 2018 when the update should include progress on recruitment and cyber security.

Action – Secretary to arrange an update to the committee in May 2018.

3. Minutes and Actions

3.1 Minutes were approved and the committee noted that all outstanding actions would be covered in the papers for the day. Brief discussion followed around the action:

A44/17 Tim Ellis to discuss with Steven Hanlon the potential training requirements for the Committee.

3.2 The committee agreed that for September's 2018 meeting additional time should be factored in to allow for a training module to run. Members will correspond to discuss potential training requirements in advance of this meeting.

Action – Committee members to discuss and agree training requirements for 2018.

4. Matters Arising.

4.1 There were no matters arising.

5. NRS Update Report.

5.1 Tim Ellis (TE) provided the following summary of key activity since the last committee meeting in August which included:

- Continued good progress on the Census Programme with key procurements decisions about to be taken
- A recent visit by the CEO and Head of Census to international colleagues in Washington was a worthwhile event in understanding similar issues faced
- The rehearsal date for the Census has now been postponed by 6 months, to Sept 2019
- Positive impact from the continuing suite of statistical releases
- Good publicity on NRS outreach work with the success of the Rogue's Gallery and Web Continuity Service in particular.

5.2 TE then provided a summary of issues in hand with the Estates team regarding West Register House and confirmed that surveyors would shortly be starting work on the New Register House roof.

6. Finance Report

6.1 Steven Hanlon (SH) introduced the paper, providing a high level summary of financial performance. Key points to note were;

- NRS continues to revise down its forecast expenditure and revise up the level of forecast income.
- The autumn budget revision has been completed with preparations for the spring budget revision currently underway.
- Discussions are in progress with the Census programme team on the likely level of spend for the remainder of the financial year, with a focus on the Online Collection Instrument and Data Collections Online Management

contracts. Budget beyond the revised requirement would be returned to the Scottish Government for future years of the programme.

6.2 The committee noted the additional report prepared by SH on insurance in NRS, adding that it was a very good paper which covered the query raised at the August meeting.

7. Governance

Internal Controls Report

7.1 SDH provided a short summary covering key points around business planning, NRS people survey and health and safety. The committee agreed it would be helpful if at next ARC there is an update on the progress of health and safety following the upcoming review mentioned in the paper.

Action – SDH to provide an update on the progress of health and safety in NRS following the review.

Risk Management Report

7.2 SDH introduced the paper and invited questions from the committee in relation to the red status on the estates risk.

7.3 CL was happy to note positive action taking place at Thomas Thomson House and asked if there were any interim arrangements that could be applied until the sprinkler system is fully operational in April/May 2018.

7.4 TE advised that a holistic review of how the building operates is important before these decisions can be made, but none the less planning permission has now been received which is a step in the right direction.

Portfolio Report

7.5 SDH introduced the Portfolio Report which had been written to put more of a focus on the risks within programmes such as DPP and the Census. The committee advised this view was helpful and noted the report.

Audit Recommendations

7.6 SDH presented the paper to the committee and provided a brief overview of the current audit recommendations. CL requested that the timings and target dates of the recommendations could be added back into the report.

8. Internal Audit Update Paper

Interim Report (2017-18)

8.1 DS Provided a summary of key points to the committee from the paper:

- Internal Audit are fully on track to meet the annual plan
- Two of our three audit reports have now been completed
- A final report on budget management has been published recently, Internal Audit will bring to the committee in February 2018
- Planning has now started on the Internal Audit plan for 2018-19

8.2 The committee discussed and agreed that it would be helpful to get sight of the draft plan for 2018-19 before the February meeting. Internal Audit will correspond with the committee accordingly.

ICT Security Events & GDPR

8.3 DS introduced the paper and advised that Internal Audit were providing an overall reasonable assurance opinion. Discussion followed on the time remaining until GDPR comes into force and the challenges that still lie ahead for NRS. TE confirmed that significant work had already been completed in this area and largely NRS are in a good place.

9. Business Continuity Update

9.1 The committee noted the annual update provided.

10. Forward Look

10.1 The Committee discussed the ICT deep dive and the consensus was this was a helpful review. CL suggested that a similar review of the estates strategy with a focus on the operational aspect of how NRS is managing the infrastructure risks would be a good topic to consider for the February 2018 meeting. TE confirmed the timing of this would be about right following the business case that will be submitted for Ladywell House. CL also requested that a committee member only agenda item to be included in February's meeting. Another suggestion was a review of the Census programme and its biggest risks to be a part of the annual cycle.

Action – Secretary to arrange for a review of the estates risks for February 2018 and also provide a slot for the committee members to meet.

11. Any Other Business

11.1 There was no other business.

11.2 CL thanked everyone for their attendance and closed the meeting.

11.3 The next meeting is scheduled for 19th February 2018, Room 1/G/8, Ladywell House.