

**NRS AUDIT AND RISK COMMITTEE MEETING**

28 February 2019

Lord Clerk Register's Room  
General Register House, Edinburgh

**Present:**

Colin Ledlie	Non-Executive Director (Chair)
Mandy Gallacher	Non-Executive Director
Bill Matthews	Non-Executive Director
Asif Haseeb	Audit Scotland, External Auditor
Myra Binnie	Scottish Government, Internal Auditor
Lorraine Twyford	Scottish Government, Internal Auditor
Paul Lowe	NRS, Chief Executive
Linda Sinclair	NRS, Director of Strategy & Business Services (Accountable Officer)
Steven Hanlon	NRS, Chief Financial Officer
Amy Wilson	NRS, Director of Statistical & Registration Services
Shirley Cameron	NRS Governance Administration (secretariat)

**Apologies:**

Jonny Steen	Audit Scotland, External Auditor
Anna Krakowska	NRS Head of Strategy & Planning

**1. Welcome, Introductions and Declaration of Interests**

1.1 The Chair welcomed Paul Lowe, NRS Chief Executive to his first NRS Audit and Risk Committee meeting. Amy Wilson was also welcomed to provide an update on the Census Programme.

1.2 Apologies were noted from Jonny Steen and Anna Krakowska.

1.3 There were no new declarations of interest.

**2. Minutes and Actions**

2.1 The minutes of 13 December 2018 were accepted, subject to minor amendment to section 10. The minutes would be published on the NRS website Governance page.

2.2 All actions were closed as completed.

**3. Census Deep Dive follow-up report**

3.1 The Chair explained that this item would be taken early in the agenda to allow Amy Wilson to leave in order to attend a Scottish Parliament debate on the Census Bill.

3.2 Linda Sinclair explained that the NRS Governance Report, tabled, contained an update report on the RAG (red, amber, green) status of the current NRS

programmes and projects. The Census programme was being reported with a 'red' status.

3.3 Amy Wilson provided the Committee with an update on the programme status and the steps being taken to address this. The presentation included:

- Programme Overview – scope of the Census rehearsal in autumn 2019, funding, skills, governance and controls.
- A programme plan overview to rehearsal.
- Identified areas for improvement and action being taken.
- Assurance activities
- Census Programme risks management and the initiation of a Consolidated Risk Board.

3.4 The Committee discussed the report as follows:

- Commended articulation of risk at programme level but discussed approaches to articulating significant risks to ARC and the NRS Strategic Board and the need for this in providing assurance to those groups.
- Acknowledged the work in progress in relation to strengthening governance. The Committee requested visibility of the governance framework and risk management frameworks.
- Paul Lowe indicated that linkages between the programme and NRS corporate governance were being reshaped with workshops involving the NRS Senior Management Team having been held to look at some of these issues.

#### **4. NRS 2018-2019 Financial Report**

4.1 Steven Hanlon (SH) updated the committee with a summary of the key points from the 2018-19 budget position.

4.2 A forecast pressure which had emerged from the Census programme was being managed, resulting in a revised NRS projection for the end of year of an underspend in revenue budget and a corresponding over spend projection in capital expenditure. Steps were being taken to manage this in discussion with Scottish Government Finance.

4.3 It was noted that any required revenue to capital movement occurring after the Spring Budget Revision would be required to be disclosed in the NRS annual accounts, as would any overspend to the budget allocated to NRS.

4.4 The Committee discussed the emergent pressure in Census spend and the reported shift in revenue and capital spend. It was noted that additional controls had been put into place in relation to contract and financial management.

4.5 It was noted that the budget allocations for 2019-20 were still under construction and an update would be tabled at the next ARC meeting on 28 May 2019.

## **5. NRS Update Report**

5.1 Paul Lowe had started in NRS on 18 December 2018. He reflected on his first months in post, with the priority of his activity being on Census, Estates, and Health and Safety (H&S).

## **6. NRS Governance Report**

6.1 Linda Sinclair presented the report, inviting comments. Topics highlighted to ARC included :

- The Strategy and Planning team had been recently strengthened with staff recruited who were experienced in risk management and business continuity.
- Commercial and Finance resource had also been strengthened to support Census 2021 requirements.
- NRS were working to establish a corporate level H&S committee, engaging with Partnership Board and working with the H&S Network.
- Organisational resilience strategy would be considered at the NRS Executive Management Board in March.

## **7. NRS Estates Deep Dive follow-up report**

7.1 Linda Sinclair updated ARC with the changes since the last Estates Deep-Dive in February 2018. Topics covered included:

- Key Building Challenges
- NRS Long term Storage requirements and capacity
- Risks identified by ARC and contained in Corporate Risk Register
  
- Accommodation for NRS Staff
- Physical security and H&S
- NRS Estates – functions & capacity

7.2 The Committee welcomed the opportunity to review the risk. A further review would be timetabled for 1 year.

## **8. NRS Audit Recommendations Status Report**

8.1 A report had been presented to provide a progress update in relation to recommendations arising from previous independent reviews carried out by both SG Internal Audit Division and Audit Scotland.

8.2 Linda Sinclair highlighted an Audit Scotland recommendation from 2016-17 relating to recruitment of specialist resources. An update had been provided to evidence the action taken. The Committee were content to approve the closure of that recommendation.

## **9. Internal Audit Plan 2018-2019 Update Report**

9.1 Myra Binnie (MB) summarised the key messages from the report.

9.2 The report of the Work Force Planning Audit was being drafted and would be shared with the NRS CEO and NRS Accountable Officer shortly.

## **10. Draft Internal Annual Audit Plan 2019-2020**

10.1 MB presented a proposed Internal Audit Plan covering 2019-2020. The scope had been agreed with the Accountable Officer and would include:

- Governance; and
- Project and Change Management.

10.2 Some contingency had been built into the proposed 19-20 Internal Audit plan to allow for further assurance activities in relation to the Census. This would be kept under review.

10.3 The Committee noted that it would be helpful to receive further information about other assurance activities that were being undertaken in NRS, for example Gateway Review and Technical assurance. Linda Sinclair agreed to provide further information at the next Committee meeting.

**Action A08/18:** Present ARC with information on the assurance activities being undertaken in NRS. Owner: Linda Sinclair

## **11. External Annual Audit Plan 2018-2019**

11.1 Asif Haseeb presented the plans for external audit of the 2018-2019, NRS Annual Report and Accounts, which would be conducted by Audit Scotland.

11.2 The Committee noted that they were content with the approach.

## **13. Date of next meeting**

13.1 The next meeting was planned for 28 May 2019.

END