

NRS Audit and Risk Committee (ARC) Meeting 28 February 2023

TEAMS 10:00 – 12:00 (Private discussion 12:00-12:15)

ARC Members

Bill Matthews(Chair)	NRS Non-Executive Director
Christine Martin	NRS Non-Executive Director
Anne Moises	NRS Non-Executive Director
Maggie Waterston	NRS Non-Executive Director

ARC Attendees

Kate Moffat	Internal Auditor – Scottish Government
Amy Grant	Internal Audit Manager – Scottish Government
Angela Pieri	Engagement Director for NRS – Grant Thornton
Linda Sinclair	NRS, Director of Corporate Services & Accountable officer
Janet Egdell	NRS, Interim CEO
Claire Gillespie	NRS, Chief Financial Officer
Lesley Smillie	NRS, Census Director team (Item 3)
Stuart Hurry	NRS, Corporate Risk and Assurance Lead
Anna Krakowska	NRS, Head of Strategy and Planning
Shirley Cameron	NRS, Head of Business Management
Graham Thomson	NRS, Business Management (Secretariat)

Apology:

Anne Slater	NRS, Director of Operations and Customer Service
Hannah McKellar	Engagement Manager – Grant Thornton

1. Welcome, Introductions and Apologies. Declaration of Interests & Matters Arising

1.1 Bill Matthews welcomed everyone to the meeting. Angela Pieri and Janet Egdell were introduced to the meeting for the first time. Apologies were noted as listed above.

1.2 There were no declarations of interests or matters arising.

2. Meeting held on 29 November 2022

2.1 The minutes from the last meeting on 29 November 2022 were approved and would be published on the NRS website.

3. Scotland's Census 2022 Programme Report – Lessons Learned

3.1 Lesley Smillie introduced her paper to the meeting and covered the following key points:

- The Collect phase of the Programme was about to go through a formal gate process to officially document formal closure. The last remaining activities associated with decommissioning, archiving and contract closure had been completed and final documentation was being signed off. The remaining elements around Non-Compliance would continue to be managed closely through the Crown Office.
- The next Gateway Review on the Programme was being planned for March 2023. The Review Team would consider current progress against plan and activities associated with assuring the quality of census outputs delivery in late 2023.
- A working group had been established to consider options for the future of Census. Lessons learned and evaluation from Census 2022 could help to inform work in

conjunction with engagement across Scottish Government, Chief Statistician and UK Statistical Authority in relation to statistical methodological developments. The initial work would involve framing a narrative from Census 2022, a stakeholder engagement plan and a project approach/ plan for a discovery phase. Work was being governed through the Census Programme governance and with early engagement into the Scottish Government and DAO for budget and assurance planning purposes.

3.2 Bill Matthews asked about timescales of outputs delivery. Lesley Smillie confirmed that scrutiny around the plans continued to be managed and targets were predicted to be achieved. NRS continued to be supported by the International Steering Group, which would provide assurance relating to targets and timescales.

3.3 Maggie Waterston asked about the future of Census and mainstreaming and how NRS could capitalise on economies of scale/ become more cross organisational. Lesley Smillie confirmed this had been discussed with senior NRS management and the Delivery Directorate, led by Carla Mchendry, would play a crucial role in how NRS share resources and build on the successes of the 2022 Census. Linda Sinclair added that lessons learned would be fed into future projects and the future design of Census.

3.4 Anne Moises asked about risks to the current Census, the admin data that needs to be added, Safe Haven and security. Lesley Smillie confirmed this was being managed via the census risk register. Administrative data requirements had been achieved. NRS had access to the data and ground breaking data sharing techniques had been established. There were valuable lessons learned around data sharing that would be used for future Censuses

4. Deep dive - Risk Management in NRS

4.1 Stuart Hurry introduced his paper to the meeting and covered the following key topics:

- There were 3 core areas to enhance:
- **Improved Reporting**
 - A better way to understand highest risks
 - High level interrogation of current treatment activity
 - Highlights trends and common causes
- **Better Consistency Between Risk Registers**
 - Easier to compare items across business
 - Enables reporting process to be more robust
- **More Robust Escalation Process**
 - Transfer of items between registers where appropriate
 - Improves overall accountability and stakeholder buy-in

4.2 Christine Martin asked about the NRS risk management maturity, aspirations and training plans. Stuart Hurry confirmed there was scope to improve maturity wise

for NRS. Directorates across NRS had Risk Champions in place, additional training was planned.

4.3 Bill Matthews asked for a list of the corporate risks to be added to the agenda for future meetings.

Action: List of corporate risks to be added to future agendas for Audit and Risk Committee meetings, including a list of top 10 risks for NRS: Action Owner: BMU/Stuart Hurry

4.4 Maggie Waterston asked about training and the treatment of risk and the possibility of a development session for NRS Non-Executive Directors. Maggie Waterston would like 'People' added to the top five risks, noting retention of skills was a risk. Stuart Hurry confirmed there were people across NRS who have expertise and that a culture shift would help drive forward risk management.

5. NRS Finance Report

5.1 Claire Gillespie presented her paper and discussed the following key issues:

- Finance would continue to report financial performance against budget for 2022/2023 as a formal update with ad hoc updates as required.
- Finance would continue to engage with portfolio and FBP colleagues on 2022/2023 and 2023/2024 budgets.
- An update following conclusion of the 2023/2024 budget commissioning exercise would be shared with ARC by correspondence.
- ARC members were asked to note the planning stage of the statutory audit was underway with Grant Thornton. An update on the statutory audit progress and timeline would be reported to ARC at the June meeting.

ARC members were asked to note the draft timeline which had been agreed with EMB members:

- Finance issued staffing lists to directorates w/c 6 February 2023 with supporting instructions; returns were due by 24th February 2023.
- Non-staffing bids were also due by 24th February 2023
- Subject to receiving all returns by the agreed date, it was anticipated that Finance would be in a position to share a first draft of the NRS forecast to budget w/c 6 March 23 with EMB.
- Following discussion and agreed actions a second draft was planned to be shared w/c 20 March 2023.
- An agreed position of the split of budgets across all areas would be complete by 31 March 2023 in order that NRS commences the year with a forecast that balances to allocated budget.
- The outcome of the budget commissioning exercise and starting position for the 2023/2024 financial year would be shared with ARC by correspondence.

5.2 Maggie Waterston asked about the commissioning exercise and where risks would lie. Claire Gillespie confirmed that NRS would look at strategic priorities however there were resourcing issues and the focus just now was on 2023/24. Linda Sinclair added that planning was being undertaken across NRS to confirm what the portfolio would look like to enable requirements and to provide input into next year's budget planning exercise.

5.3 Anne Moises asked about looking forward and future budgets and if planning exercises had taken place. Claire Gillespie confirmed discussions were taking place across NRS and with the Scottish Government, which had allowed Finance to secure an extra £1,000,000.00 of funding.

6. Introduction to new External Auditor

6.1 Angela Pieri introduced herself to the Committee and confirmed that the Annual Plan should be with NRS by the end of March 2023.

6.2 Maggie Waterston asked about cross referencing with Internal Audit and how deep would IT audits go. Angela Pieri confirmed that Grant Thornton would not rely on input from Internal Audit and there would be no duplication. There would not be an in-depth IT specific audit.

7. Internal Audit Update - Draft Internal Audit Plan for 2023-2024 & Q4 Progress Reports including Capital Strategy Report

7.1 Kate Moffat confirmed that Sharon Fairweather would be stepping down from her role as Director of Internal Audit. Early discussions with External Audit had taken place.

7.2 Amy Grant introduced her two papers and asked the Committee to note both papers.

7.3 The Committee noted both reports.

8. Committee Reports - To Note and Questions

NRS Governance Report

8.1 Linda Sinclair introduced the paper.

8.2 The Committee noted the report.

NRS Portfolio report

8.3 The Committee noted the report.

NRS Assurance update

8.4 The Committee noted the report.

NRS Audit Recommendations Status Report

8.5 The Committee noted the report.

9. To Note: ARC Forward Look for year ahead

9.1 The Forward Look was noted by all Committee members.

10. AOB & Date of Next Meeting

10.1 Bill Matthews and Linda Sinclair placed on record their thanks to Anna Krakowska who was leaving NRS on promotion.

10.2 The date of the next meeting was noted as 27 June 2023.

End