

NRS Audit and Risk Committee (ARC) Meeting
Tuesday 28 November 2023
MICROSOFT TEAMS 10:00 – 12:00
(Private discussion 12:00-12:15)

ARC Members

Maggie Waterston (Chair) NRS Non-Executive Director
Anne Moises NRS Non-Executive Director

ARC Attendees

Janet Egdell
NRS, Interim CEO
NRS, Director of Corporate Services & Accountable officer
NRS, Director of Census Statistics
Internal Auditor – Scottish Government
Internal Audit Manager – Scottish Government
Engagement Manager – Grant Thornton
NRS, Senior Finance Manager
NRS, Head of Business Management
NRS, Corporate Governance Manager
NRS, Business Management Unit (Secretariat)

Apologies

Engagement Director for NRS – Grant Thornton
NRS, Director of Digital & Delivery
NRS, Chief Financial Officer

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

- 1.1 Maggie Waterston welcomed everyone to the meeting. Apologies were noted as listed above.
- 1.2 There were no declarations of interests or matters arising.

2. Meeting held on 28 September 2023

- 2.1 The minutes from the last meeting on 28 September 2023 were approved and would be published on the NRS website.
- 2.2 The Action Log was reviewed, with the following three open actions to be closed:

A05/23 – Committee to be updated on the outcome of the Mid-Year Review

A06/23 – BMU to finalise Annual Reports and circulate final versions

A09/23 – Remove reference to External Audit interim management letter from May/June forward look as Grant Thornton don't produce this letter as part of their audit process.

2.3 Maggie Waterson requested a further update on action A04/23 adding a timeline for the workstreams that were being taken forward to mitigate risks identified. The Director of Corporate Services & Accountable officer confirmed that the action was in progress. Time scales would be confirmed for remaining risks.

2.4 Maggie Waterston congratulated members for the Annual Reporting and Accounts being signed off in the Scottish Parliament within the expected timescales.

2.5 Maggie Waterston requested action **A07/23 - BMU to update the Committee on the outcome of the National Cyber Exercise** remain open until the National Cyber Exercise had taken place.

2.6 Maggie Waterson requested the fuller Corporate Risk Report to ARC in relation to action **A08/23 - BMU to arrange a meeting between ARC NXD's and the Strategic Board to discuss the top NRS corporate risks**. Janet Egdell advised that this would be incorporated into the Strategic Board Corporate Overview Report at the Strategic Board meeting on 14 December. The Director of Corporate Services & Accountable officer advised they would provide an overview of risks and members could discuss how these could be linked up strategically. Anne Moises asked for the action to be kept open until the deep dives had been completed. The Director of Corporate Services & Accountable officer confirmed future risk deep dives would be built into the forward look and ensure that relevant Directors were in attendance for discussions.

3. Corporate Risk Dashboard

3.1 The Director of Corporate Services & Accountable officer introduced their paper and covered the following key points:

- The majority of risks identified were being address through longer term projects, which would not deliver immediate results or change to the risk score
- The resource spending review had impacted the NRS budget for the current and future years, with impacts on resource and project investment capacity. This was reflected in the financial risks. Investment priorities were looking to prioritise statutory customer services to ensure service continuity. NRS were also considering fees and income to ensure NRS were being paid appropriately and covering overheads for services provided, including through Service Level Agreements (SLA)
- Executive Management Board (EMB) was reviewing the efficiency and prioritisation of services as part of the business and budget setting planning process
- Work was taking place to review and prioritise key projects for future year investment and where an investment case was required with Scottish Government
- NRS were working with Public Sector partners to develop a strategic outline business case for significant investment in additional physical archive storage space. NRS would also consider digital archiving storage options
- Options were being considered for the West Register House mobile racking storage systems as part of the Strategic Storage Programme. Short term actions were in place to mitigate access issues to archival information
- Initiation of discovery work for an outline business case to secure programme investment for Future of Population and Statistics

- For the estate and archive environment related risks, NRS have projects underway to identify and plan investment, with survey work ongoing to inform investment priorities
- Health and Safety projects remain prioritised within NRS

3.2 Maggie Waterston requested an update on the progress of the strategic outline business case. Janet Egdell advised progress was being made and collaborations with key NRS stakeholders was ongoing. Janet advised a draft survey would be shared with Public Records Scotland organisations to consider if there was opportunity for a digital archiving service that could be carried out once for the whole of Scotland. Janet advised the outline business case would be ready by the end of March 2024 and that NRS were currently on track to meet proposed timescales. Maggie requested the draft business case be reviewed at the next ARC meeting in February.

A10/23 – Draft strategic outline business case paper to be presented at 27 February meeting. Action Owner: Director of Information and Records Services

3.3 Anne Moises requested an update on cyber resilience plans. The Director of Corporate Services & Accountable officer advised NRS had tested business continuity with SG at a cyber exercise earlier in the year with a number of recommendations and action points to follow up on. The Director of Corporate Services & Accountable officer suggested that members had a deep dive on this at a future ARC meeting.

A11/23 – Deep Dive on Cyber Resilience to be added to ARC forward look. Action Owner: BMU

3.5 Anne Moises asked for further information on NRS IT capability and knowledge risk and the capacity to bring IT staff into to the organisation. The Director of Corporate Services & Accountable officer advised some vacancies had been filled however there were outstanding vacancies. Funding priorities were being considered prior to further recruitment. Janet Egdell advised that the recent restructuring exercise to combine IT and Delivery Director roles was working well.

3.6 Maggie Waterston asked for likelihood and impact scores to be built into the summary of each of the risks on the dashboard.

A12/23 - Likelihood and impact scores to be built into the summary of each of the risks on the dashboard. Action Owner: Director of Corporate Services & Accountable officer

4. Scotland's Census 2022 Programme Report

4.1 The Director of Census Statistics introduced their paper to the meeting and covered the following key points:

- NRS were ensuring disclosure control protection and quality assurance when publishing future statistical information
- There were themed releases in the next census publications. These were planned for early next year

- New table building software would be available as a self-service platform allowing users to build Census 2022 data
- NRS was working closely with ONS to ensure data control protection was robust
- Engagement activity was taking place with key partners over the coming months
- NRS was working in partnership with SG Analytical Leaders Group to understand data captured
- Risk review sessions had been carried out after the first outputs release

4.2 Maggie Waterson requested an update on engagement with SG. The Director of Census Statistics advised NRS had been engaging with the SG Chief Statistician, analytical experts and relevant SG policy officials to understand Census 2022 data.

4.3 Anne Moises requested if NRS were working with SG to ensure consistency of communications for any future Census 2022 outputs. The Director of Census Statistics advised NRS would be working with the relevant SG analysts and policy areas to ensure consistency in messaging and building on learning from the first release outputs which framed statistical release material with context and comparisons.

4.4 Maggie Waterson asked for an update on proposals for future census. The Director of Census Statistics advised NRS were initiating early discovery work. Janet Egdell advised NRS were planning to discuss this with SG in December. Maggie requested a copy of the proposals be shared once finalised.

A13/23 – To share paper setting out draft options for future of Future of Population Statistics. Action Owner: Janet Egdell

5.1 Financial Performance and Achievement of Financial Targets

5.2 The Director of Corporate Services & Accountable officer introduced the NRS Financial Report and covered the following key points:

- NRS were within budget for the financial year
- Staff were working with EMB to agree critical posts, identify any priority areas where pressures could be eased by accelerating any non-staff related one off spend and funding other key areas such as staff training
- NRS were reviewing any potential augmentation and amalgamation to services as there was significant pressure on 2024/25 budget which requires consolidation of activities
- A further round of activities were planned to review the budget for next year

5.3 Maggie Waterson thanked the Director of Corporate Services & Accountable officer and the NRS Finance Team for the report and noted that there would be a comprehensive programme of change to meet next year's budget.

5.4 Anne Moises asked for further information on income figures around the casework management. The Director of Corporate Services & Accountable officer advised this was increased due to a backlog of cases and would return to previous income levels once the backlog was cleared. Anne asked how flexible NRS workforce planning could be around putting resource into areas that would generate income if demand were to increase. The

Director of Corporate Services & Accountable officer advised NRS had created Customer Service posts that could be flexible in terms of case work requirements. The Director of Corporate Services & Accountable officer advised NRS would be reviewing charges and overhead costs.

5.5 The Senior Finance Manager introduced their paper to the meeting and covered the following key points:

- Finance had assisted teams in reducing spending on goods and services, prioritising critical services, and fulfilling contractual obligations
- Teams were making early contact to discuss any proposed spend and were taking a cautious approach
- There was reported improvements to forecasts for the NRH roof repair work
- NRS had managed scheduling changes to capital projects which will enable some capital funding to be returned to Scottish Government this year to support wider spending pressures
- NRS was currently on target to meet Census 2022 budget
- Planning for potential HR and Finance system upgrade in April, with a potential recruitment freeze was ongoing

5.6 Anne Moises asked what vacancy rate assumptions NRS were making for next year. The Senior Finance Manager advised that NRS were not currently making vacancy rate assumptions but were testing this for next year.

5.7 Maggie Waterston asked for confirmation of the start date for the capital accountant vacancy. The Senior Finance Manager advised that they had started recently and were working on a capital strategy. Maggie thanked the finance team for all their efforts.

6. Internal Audit – Interim Progress Report on Active/Follow-up Audits

6.1 Scottish Government Internal Auditors introduced their Audit and Risk Committee Progress Report for 2022-2023 and covered the following key points:

- Recent SG restructuring had impacted on internal audit resourcing
- An assurance review around Data Management and Reporting had been completed
- planning meeting had been arranged for an assurance review on budget monitoring with resourcing from Ernest and Young (EY)

6.2 Maggie Waterston asked why the advisory work on storage and records had been removed from audit follow up work. Internal Auditors advised that the recommended audits were prioritised based on the ratings of each risk. The Director of Corporate Services & Accountable officer advised that NRS were in a good place in terms of understanding options and a strategic outline case would be carried out next year.

6.3 Maggie Waterson requested an update on the Culture Review follow up audit. Internal Auditors advised this was planned for 2024.

- 6.4 Maggie asked for the audit progress report table to include the start and completion date for follow up audits. Internal Auditors confirmed that this would be provided going forward.
- 6.5 The progress report was noted by the Committee.
- 6.6 Internal Auditors provided an update on Data Management and Reporting and highlighted that the key recommendation was to ensure the NRS asset register was kept up to date.
- 6.7 Maggie Waterston asked why NRS did not have a Senior Information Risk Officer (SIRO). Internal Auditors advised Cabinet Office had confirmed this was not part of the legislation, but the duties contained within the SIRO role were held within the DPO. The Director of Corporate Services & Accountable officer advised that NRS had an Information Governance Committee that reports into EMB which covered the SIRO role.
- 6.8 The Committee noted the report.

7. Committee Reports - To Note and Questions

NRS Governance Report

- 7.1 The Committee noted the report.
- 7.1.1 Maggie Waterston requested an update on the NRS Strategy. Janet Egdell advised an update would be provided at the Strategic Board meeting in December.
- 7.1.2 Maggie Waterston requested an update regarding the management of stress and wellbeing. The Director of Corporate Services & Accountable officer advised NRS were reviewing various HR data including information from the recent Culture Review and People Survey and were developing a Wellbeing Strategy. A stress reduction plan was also being developed.
- 7.1.3 NXDs requested sight of the findings from the Culture Review Report prior to the Strategic Board meeting in December.

Action A14/23: Action to share the Culture Review Report prior to the Strategic Board meeting in December. Action Owner: Director of Corporate Services & Accountable officer

NRS Portfolio report

- 7.2 The Committee noted the report.

NRS Assurance update

- 7.3 The Committee noted the report.

NRS Audit Recommendations Status Report

7.4 The Committee noted the report.

7.5 Maggie Waterston requested that future Committee reports included further detail on progress and timelines.

Action A15/23: Action to update the timelines and description about progress on reports. Action Owner: Director of Corporate Services & Accountable officer

8. To Note: ARC Forward Look for year ahead

8.1 The Forward Look was noted by all Committee members.

8.2 Anne Moises asked for NXD's to have a meeting to discuss deep dives.

8.3 Janet Egdell suggested the NXD's could review NRS corporate risks as part of the next Strategic Board meeting.

8.4 Maggie Waterston noted the Committee would continue to review the forward look at each meeting.

Action A16/23: Action to extend future meetings by 30 minutes. Action Owner: BMU

8.5 The Director of Corporate Services & Accountable officer suggested a meeting be arranged following the Strategic Board to discuss the forward look deep dives in more detail.

Action A17/23: Action to arrange a meeting between the Director of Corporate Services & Accountable officer and NXDs to discuss the forward look deep dives in more detail. Action Owner: BMU

9. AOB & Date of Next Meeting

9.1 Maggie Waterston thanked everyone for the quality of the meeting papers.

9.2 The date of the next meeting was noted as 27 February 2024.

9.3 Members noted future ARC dates that were recently agreed via correspondence:

Future ARC dates

Tuesday 27 February 2024

Wednesday 26 June 2024

Wednesday 28 August 2024

Wednesday 4 Dec 2024

Wednesday 26 Feb 2025

End