

NRS AUDIT AND RISK COMMITTEE MEETING (ARC)

29 November 2022

MS Teams

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

Amy Grant	Internal Audit Manager – Scottish Government
Joanne Brown	External Auditor – Grant Thornton
Linda Sinclair	NRS, Director of Corporate Services & Accountable officer
Carla McHendry	NRS, Delivery Director (Item 3)
Claire Gillespie	NRS, Chief Financial Officer
Lesley Smillie	NRS, Census Director team (Item 4)
Anna Krakowska	NRS, Head of Strategy and Planning
Stuart Hurry	NRS, Corporate Risk and Assurance Lead (Observer)
Shirley Cameron	NRS, Head of Business Management
Graham Thomson	NRS, Business Management (Secretariat)

Apologies:

Paul Lowe	NRS, Chief Executive
Kate Moffat	Internal Auditor – Scottish Government

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

1.1 Bill Matthews welcomed everyone to his first meeting as Chair. Joanne Brown, Amy Grant and Stuart Hurry were introduced to the meeting for the first time. Apologies were noted as listed above.

1.2 Bill Matthews and Anne Moises sit on the Census Programme Board.

2. Meeting held on 15 September 2022

2.1 The minutes from the last meeting on 15 September 2022 were approved and would be published on the NRS website.

2.2 Action A05/22: To provide a link of the Scottish Parliament's Constitution, Europe, External Affairs and Culture Committee meeting minutes from 8 and 22 September 2022. Action noted as completed and closed.

3. Delivery Directorate Update

3.1 Carla Mchendry introduced her presentation covered the following key points on the background, functions and work carried out by the Delivery Directorate:

- 11 people had been recruited to the Delivery Directorate, including project management and business analysis resource. .
- Established and overseen the NRS strategic portfolio of projects (non-Census).
- Chair of the Digital and Strategy Board.
- Provided portfolio updates to the various NRS Boards.
- Partnered with stakeholders across NRS and Scottish Government.
- Engagement in Census transition, lessons learned and benefits tracking.
- Internal Audit programme and project management contribution.
- Developing integrated impact assessments.
- Change consultancy and project delivery.
- There are 3 Core Delivery Functions; Business Change, Portfolio & Governance and Delivery.

3.2 The Committee noted the report and invited Carla Mchendry to provide a further update at a future meeting. Linda Sinclair and Bill Matthews suggested that this is built in to the Forward Look in Spring or Summer 2023.

4. Scotland's Census 2022 Programme Report

4.1 Lesley Smillie provided an overview of the Scotland's Census 2022 Programme Report as follows:

- The close down of collect activities was focussing on ensuring all decommissioning and archiving elements were closed off from a delivery and contractual perspective.
- Disseminate and outputs planning was continuing for the delivery of outputs in 2023 and for go live of the implementation of the data processing system in order to begin processing activities.
- A Technology Assurance Framework (TAF) Delivery Gate had taken place in October 2022. The Delivery Confidence Assessment of amber/green reflected the view of the review team that successful delivery of the first, second, third and fourth outputs to schedule appeared probable.
- The review had focused on the conclusion of the collect phase of the programme and the preparations and progress of the outputs and dissemination phase.
- Focus has continued on archiving and decommissioning across the programme and on contract closures with key contract suppliers.
- Non Compliance activity was continuing with Crown Office and Procurator Fiscal Service (COPFS) with cases which achieve the required burden of proof being presented.
- Census Coverage Survey (CCS) close down including project completion and evaluation reports had taken place.
- The Data Processing System had now successfully been implemented following completion and documentation of a successful "go live" gate on 16th November 2022.

4.2 Christine Martin asked about risks and associated ratings. Lesley Smillie confirmed that risks would be reviewed for the next ARC meeting.

4.3 Anne Moises asked about the next Census and how lessons learned would feed into future Census planning. Linda Sinclair confirmed that initial planning had begun and a recent Executive Management Board workshop had recently considered the approaches required.

5. Finance

5.1 NRS Financial Performance

5.2 Claire Gillespie presented the 2022/23 Financial Mid-year Review (MYR) Exercise Outcome and Financial Performance to October 2022 paper. The following key points were discussed:

- A resource underspend reported at MYR would be managed.
- Permanent staffing costs in 2021/22 were £17m which accounts for around 75% of the NRS resource budget.
- The MYR capital forecast was estimated, based on the lifecycle of each project and likelihood of spend and work taking place in year.

5.3 ARC members were asked to note next steps:

- Note the MYR forecast position for Corporate and Census and the associated ongoing risks.
- Finance would continue to report financial performance against budget for 2022/23 as a formal update with ad hoc updates as required.
- Finance would continue to engage with SG Portfolio and Finance Business Partner colleagues on 2022/23 and 2023/24 budgets.
- Updates would be provided to ARC on negotiations with SG in relation to 2023/24 budgets and the progress with the internal 2023/24 budget commissioning exercise.
- Note that Finance adjusted the income budget at Spring Budget Revision to forecast.
- Note that Finance are negotiating a Spring Budget Revision transfer for the Census Programme Collect 4 week extension cost.

5.4 The NRS Annual Report and Account for 2021-2022 and the Section 22 Report by Audit Scotland were laid in Parliament on 29 November 2022. The link would be circulated to ARC Members when available.

5.5 Maggie Waterston asked about savings from the Ladywell House exit. Claire Gillespie confirmed it would be the 2024/25 financial year before these savings were realised.

5.6 Claire Gillespie and Linda Sinclair confirmed that NRS have to absorb the Scottish Government pay deal as NRS staff are bound by SG negotiations regarding pay.

5.7 Anne Moises asked about charging other Scottish Government departments for the use of NRS buildings and services. Linda Sinclair confirmed initial talks around this had begun and more detailed discussions were planned for the future to consider a fee charging mechanism. An Estates Deep Dive in Spring 2023 was planned and this topic can be tied in.

6. Internal Audit

6.1 Internal Progress Report on active/follow up audits

6.2 Amy Grant introduced herself and presented the Internal Progress Report on active/follow up audits paper. This paper was noted by the Committee.

6.3 Two reports from Internal Audit would be presented at the next ARC meeting in February 2023.

7. Committee Reports - To Note and Questions

NRS Governance Report

7.1 Linda Sinclair introduced the paper.

7.2 The Committee noted the report.

7.3 NRS achieved Cyber Essentials Re-Accreditation on 11 November 2022 and Certificate of Assurance for Cyber Essentials Plus was issued to NRS on 16 November 2022.

NRS Portfolio report

7.4 The Committee noted the report.

NRS Assurance update

7.5 The Committee noted the report.

NRS Audit Recommendations Status Report

7.6 The Committee noted the report.

8. To Note: ARC Forward Look for year ahead

8.1 The Forward Look was noted by all Committee members.

8.2 Bill Matthews suggested the Committee members might want to consider how risk reporting to the Committee might be strengthened and the optimum point to cover risk discussions for future meeting planning. It was agreed that Risks should be added to the main agenda at the end of future meetings.

8.3 Linda Sinclair suggested that the Risk Report switches with the Estates Deep Dive on the Forward Look.

9. AOB & Date of Next Meeting

9.1 There was no further business discussed.

9.2 The date of the next meeting was noted as 28 February 2023.

End