

## **NRS AUDIT AND RISK COMMITTEE MEETING**

8 June 2021

MS Teams

### **ARC Members**

Colin Ledlie (Chair)	NRS Non-Executive Director
Bill Matthews	NRS Non-Executive Director
Christine Martin	NRS Non-Executive Director

### **ARC Attendees**

Graeme Samson	External Auditor – Audit Scotland
Kate Moffat	Internal Auditor – Scottish Government
Lorraine Twyford	Internal Auditor - Scottish Government
Paul Lowe	NRS, Chief Executive
Linda Sinclair	NRS, Director of Corporate Services & Accountable officer
Claire Tinney	NRS, Chief Financial Officer
Lesley Smillie	NRS Census Director team (Item 3)
Gary Stewart	NRS Head of IT Security (Item 3)
Jamie Donald	NRS, Business Continuity Lead (Item 4)
Shirley Cameron	NRS, Head of NRS Business Management, Secretariat

### **Observer**

Gemma Barker	NRS Business Support Manager
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### **Apologies:**

Asif Haseeb	External Auditor – Audit Scotland
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## **1. Welcome, Introductions and Declaration of Interests**

1.1 The Chair welcomed everyone to the meeting. Claire Tinney was welcomed to her first meeting as the NRS Chief Financial Officer.

1.2 An apology was noted from Asif Haseeb. There were no new declarations of interest.

## **2. Minutes and Actions**

2.1 The minutes of 31 March 2021 were accepted. The minutes would be published on the NRS Website Governance page.

2.2 Updates to actions were noted.

## **3. Scotland's Census 2022: Update, Finance and Cyber Security**

3.1 Paul Lowe provided an update on recent programme recruitment activity to strengthen the programme team, to fill existing vacancies and provided an overview of the recruitment routes available to NRS. For permanent or fixed term resource NRS was reliant on SG HR to facilitate recruitment and this route had been impacted by issues arising relating to the Covid-19 pandemic, competing recruitment priorities and an earlier recruitment freeze by SG HR. NRS had continued to work with SG to

explore opportunities to accelerate activity as well as looking at other options to obtain suitable resource.

3.2 Lesley Smillie provided Committee members with an update on the programme. The main activity since the last report to ARC was noted as follows:

- Changes to programme management and governance rolled out.
- Additional senior resources had been recruited to the programme team.
- Supplier management had continued with collective working approaches in addition to individual engagement.
- Operational readiness approaches were described with the live operating model planning continuing.
- An update on digital first assurance activity was noted.
- An update on progress against the plan was discussed.

3.3 Claire Tinney provided an update on the programme financial planning assumptions and risks. A reported pressure in the programme finance was noted and this was reflected in the RAG status for finance risk (Amber/ Red). Mitigating action had been identified and was underway to continuously review the financial position. Close engagement with SG Finance had been maintained. A revised position was expected to be available by the next SG budget review point, Autumn Budget Review.

3.4 Gary Stewart summarised the report on cyber security. Key points highlighted included:

- A number of IT health checks were being planned.
- Engagement was continuing with ONS to learn lessons from the 2021 Census in the rest of the UK.
- A review of risks was being undertaken in relation to cybercrime and other third party risks.

#### **4. Business Continuity Risk Deep Dive - Linda Sinclair/Jamie Donald**

4.1 Linda Sinclair provided an overview of progress in the implementation of the NRS business continuity plan. The global COVID-19 pandemic had seen the implementation of the plan, with improvements applied as lessons were identified. An improved business continuity governance structure had now been established and additional resources to support in relation to policy development, estates and customer services was also in place.

4.2 The Committee noted the update and the assurance the report had provided. A future IT disaster recovery deep dive would build on the business continuity approaches.

#### **5. NRS Finance – Claire Tinney**

5.1 Claire Tinney presented the report which asked members to note the provisional outturn for 2020/21 and to note the 2021/22 budget position.

5.2 A current pressure relating to the Census 2022 programme was discussed. It was noted that action was underway to review and scrutinise this, including underpinning assumptions and ensure effective financial control with the objective of concluding the year with a balanced budget

5.3 An early draft NRS Annual Report and Accounts for 2020/21 was provided and members were invited to provide comments. The next steps in the audit plan were noted, and subject to Audit Scotland findings, the final copy was planned to be presented to the Committee at the meeting on 16 September 2021 for approval.

## **6. Scottish Government Internal Audit Reports - Kate Moffat/Lorraine Twyford**

### Internal Audit Progress Report for Audit and Risk Committee

6.1 Lorraine Twyford introduced the paper which provided ARC members with an update of SG Internal Audit activities since the last meeting on 31 March 2021.

6.2 It was noted that the plan had been completed and delivered for 2020-2021. The plan for 2021-2022 was now being progressed.

6.3 The Committee noted the report.

### Final Audit Opinion – 2021-2022

6.4 The annual assurance report was presented to the Committee. The final SG Internal Audit opinion was reported as ‘substantial’. Paul Lowe welcomed the opinion and noted thanks to the teams in NRS who had contributed to improvements. Internal Audit colleagues were also thanked for their approach, which provided an effective balance between challenge and a supportive working relationship. The Committee praised NRS for the achievement and noted the improvements in the overall audit opinion for the year.

## **7. External Audit Update on 2020-2021 Audit – Graeme Samson**

7.1 Graeme Samson provided an update to the Committee on the activity of the external audit.

7.2 No interim management report had been issued. Evaluation of controls in place following an interim review had established that effective internal controls were in place for the key financial systems reviewed. The final audit of accounts was planned for late June/ early July with a summary of findings to be reported in annual audit report.

## **8. Committee Documents – Linda Sinclair**

### NRS Governance Report

8.1 Linda Sinclair introduced the paper, which provided a summary of activity across the NRS internal systems of control. Following a short discussion, the Committee noted the contents of the report.

8.2 The Committee welcomed the revised report format. Key points discussed were as follows:

- A risk relating to Digital Economy Act accreditation application was noted. Achieving the accreditation would support NRS aspirations relating to data sharing.
- A risk relating to the impacts of Covid-19 on archival services was noted. Throughout the pandemic emergency procedures had been adopted. Services were restarting in buildings and plans to extend provision was being considered. Engagement with stakeholders was continuing.

#### NRS Portfolio report

8.3 The Committee noted the report, which provided an update on the status of current NRS projects and programmes.

#### NRS COVID-19 Report

8.4 The Committee noted the report which provided an update on the activity and planning underway in relation to the pandemic. A suggestion for a report to also be made to the NRS Strategic Board was noted.

#### NRS Assurance activities update

8.5 The Committee noted the report, which provided an update on the status of activities since the last report presented to Audit and Risk Committee in March 2021.

#### Scotland's Census Programme Assurance Activities

8.6 The Committee noted the report which provided a specific update on the programme assurance activity.

#### NRS Audit Recommendations Status Report

8.7 The Committee noted the report.

### **9. Draft ARC Annual Report to the NRS Chief Executive, Accountable Officer and Strategic Board – Colin Ledlie**

9.1 The Chair presented the draft report to the Committee and invited comments. The draft report would be reviewed in line with the assurance reports received from internal and external audit and would be submitted for consideration at the next meeting.

**10. Forward Look - Audit and Risk Committee and Executive Management Board**

10.1 The report was included for information and outlined proposed ARC business for the next twelve months.

**11. Any other Business**

11.1 No other business was noted

**12. Date of next meeting**

12.1 The next meeting was planned for 16 September 2021.

**END**