

DISCLOSURE SCOTLAND STRATEGIC BOARD – 15 MARCH 2011

MINUTES OF MEETING

Present: Board Members
D Patel (Disclosure Scotland) – Chair
B Gorman (Disclosure Scotland)
G Hart (Disclosure Scotland)
B McQueen (Non-Executive Director)
R Gwyon (Non-Executive Director)
L Mackenzie (Disclosure Scotland)

Secretary: L Maguire (Disclosure Scotland)

Apologies: T McIntyre (Disclosure Scotland)
M Gibb (British Telecom)

Welcome and Declaration

1. Members declared no interests at the start of the meeting.

Minutes of Previous Meeting and Action Points

2. The minutes of the previous meeting (Paper 9/1) were agreed with one amendment to the status of L Mackenzie who was not a Board member on the date of the meeting.

- **Action 2011/1/1: Performance Metrics Reports to be reformatted to include a legend of symbols used and contain a strategic overview.** – Members were content that the newly formatted report largely met their requirements although there may be further refinement in coming months to better reflect a strategic overview - **CLOSED.**
- **Action 2011/1/2: B Gorman to consider mechanism to maintain Risk Register between meetings of the Risk Review Group** – programme of review meetings has now been rescheduled to ensure the closely precede the Strategic Board timetable – **CLOSED**
- **Action 2011/1/3: D Patel to seek Internal Audit’s view on non-compliance within the current financial year on 3 outstanding corporate governance actions** – two outstanding finance action points have been subsumed into the current internal audit of financial procedures. The Audit Committee is content that financial guidance is in place but it will be consolidated over the next 6 months. The Board reflected that the Agency’s experience following the Corporate Governance audit demonstrated the need to ensure clarity on what internal audit is actually seeking to achieve in terms of each recommendation and what would be seen to effectively discharge the obligation - **CLOSED**

- **Action 2011/1/4: Executive Members to undertake further analysis and seek Internal Audit's view on what would be acceptable in terms of KPIs for the Agency** – Executive Members advised that they are working to obtain robust management information which could inform KPIs which were meaningful to the Agency's stakeholders. - **ONGOING**
4. There were no outstanding actions on the Live Action Register.

Monitoring Performance: Metrics (Paper 9/2)

5. The Board noted that reduced turnaround times delivered enhanced customer service but the Agency had to balance this against reduced efficiencies in terms of resourcing levels. Executive members will consider if there is a case for revisiting the resourcing model to establish if the resourcing levels over the year have been appropriate.

6. The Board also noted that whilst there was significant work on projections in respect of the new PVG scheme in the early months. In particular there is an impact on the year-end financial position and the implications for budgeting for the coming year. Executive members gave assurances that there was continuing discussion with finance colleagues in Scottish Government and at Directorate level.

- **Action 2011//2/1: LMac to provide brief financial updates to the Board between scheduled meetings.**

7. The Board also discussed the recent early severance exercises and the impact on the Agency if this should lead to loss of key personnel. The Board was content that appropriate contingencies were in place.

Draft Business Plan (2011 to 12) (Paper 9/4)

8. The Chair advised members that SG Directorates were seeking continuity in terms of the format of their Business Plans. A similar format has been developed for Agencies and they in turn have been encouraged to adopt that format to ensure there is a clear line of sight to the Scottish Government's outcomes; this draft adopts that format.

9. The Board noted that the document was focussed but expressed a residual concern that some of the activities could be more meaningfully articulated. The Board noted the section which dealt with customer standards but suggested that some consideration should be given into how the Agency assures itself that it meets those standards and how it publicises the outcomes of that assurance process. The Board also considered timescales for the submission to Ministers and for publication of the business plan.

- **Action 2011//2/2: D Patel to revise descriptions of key activities and further develop the section on customer standards.**
- **Action 2011/2/3: L Mackenzie to consider in-house formatting of the Business Plan with the Communications Manager**

Risk Register (Paper 9/3) and Internal Business Change Update

10. As this was the first Board meeting since PVG Go-Live, the Board considered key corporate risks arising from the Internal Business Change. In particular; financial, regulatory, operational and service-user risks.

11. The Board was advised that the contract between the Agency and its business partner determined how the revenue generated was apportioned. At this point, the PVG scheme places an obligation on new employees only but as the funding model was developed before the current recession, this could present a financial risk. To mitigate this, the Agency will continue discussion with its business partner regarding the structure of the contract.

12. The Board considered the potential for Regulatory Risk arising from the Protection of Freedoms Bill which is currently going through the Westminster legislative process. The Agency is in close contact with Home Office colleagues and has facilitated dialogue between Scottish Government Ministers and their counterparts in the Home Office. The Agency will consider how to support and build on this dialogue.

13. The Board also considered the Operational Risk in the transfer to the new system and was assured that robust assurance levels were in place.

14. The Agency continues to monitor all aspects of the new PVG system to ensure that defects are identified and addressed and that the service user risk is mitigated.

15. The Board was assured that the Agency would take a precautionary approach to the next phase of the PVG programme and will retain the legacy system for as long as it deems necessary.

- **Action 2011/2/4: L Mackenzie to collate PVG contractual and operational issues from all business areas and provide a summary in list form to Non-Executive Directors**
- **Action 2011/2/5: B McQueen to review list and consider how governance arrangements can be strengthened prior to the second phase of implementation. Following this reflection, if appropriate, write to the chair of the Directorate General Audit Committee proposing a ‘lessons learned’ review.**

16. The Board noted that this would be useful preparatory work for the year-end control and assurance formalities.

Any other business

17. None.

Disclosure Scotland
March 2011

Action List

MINUTE REFERENCE	ACTION	RESPONSE(S) BY
2011/2/1	LMac to provide brief financial updates to the Board between scheduled meetings.	L Mackenzie
2011/2/2	D Patel to revise descriptions of key activities and further develop the section on customer standards.	D Patel
2011/2/3	L Mackenzie to consider in-house formatting of the Business Plan with the Communications Manager	L Mackenzie
2011/2/4	L Mackenzie to collate PVG contractual and operational issues from all business areas and provide a summary in list form to Non- Executive Directors	L Mackenzie
2011/2/5	B McQueen to review list and consider how governance arrangements can be strengthened prior to the second phase of implementation. Following this reflection, if appropriate, write to the chair of the Directorate General Audit Committee proposing a ‘lessons learned’ review.	B McQueen

Live Action Register

MINUTE REFERENCE	ACTION	RESPONSE(S) BY
2011/1/4	Executive Members to undertake further analysis and seek Internal Audit's view on what would be acceptable in terms of KPIs for the Agency – 15/03/2011 – work in quantifying KPIs is ongoing	Executive Members

Closed Actions

MINUTE REFERENCE	ACTION AND RESOLUTION	DATE CLOSED
2011/1/1	Performance Metrics Reports to be reformatted to include a legend of symbols used and contain a strategic overview.	15/03/2011
2011/1/2	B Gorman to consider mechanism to maintain Risk Register between meetings of the Risk Review Group	15/03/2011
2011/1/3	D Patel to seek Internal Audit's view on non-compliance within the current financial year on 3 outstanding corporate governance actions	15/03/2011