

Attendees

Dame Susan Rice – Chair
Professor Alasdair Smith – Commissioner
Professor Francis Breedon – Commissioner
Professor David Ulph - Commissioner

John Ireland - Chief Executive
Susie Warden – Head of Strategy, Governance and Corporate Services
James H White – Governance Manager

1. Welcome and Introduction

Dame Susan Rice welcomed all to the meeting, noting that there were no apologies. There were neither declarations of interest in relation to agenda items nor notification of any other business. The minutes of the meeting on 20 September were agreed as an accurate record and the action log was noted.

2. Chair's Update

Dame Susan Rice indicated that she had engaged in correspondence with the Cabinet Secretary for Finance, Economy and Fair Work about the date of the Scottish Budget. She had been invited to speak at an event on 5 December organised by Scotland Policy Conferences about *next steps in implementing social security reform and tackling poverty in Scotland*. The next OECD network will be held in Dublin during April 2020 (dates to be confirmed).

3. Chief Executive's Update

John Ireland highlighted the key points from the update paper, in particular the uncertainty about the timing of the Scottish Budget and the arrangements which are in place to manage the forthcoming parental leave by two analysts.

Aberdeen Chamber of Commerce had been approached and have indicated that they are keen to interact with the Commission staff, potentially through involvement with their six monthly policy forum which involves local business. The next forum is scheduled for April 2020. It was agreed that this would be a helpful way to engage with the Chamber of Commerce and local business.

4. Audit and Risk Committee

David Ulph reported the Committee's discussions on finance and risk. The Committee had noted that the pressures arising from the possible budget timetable and staff parental leave may put considerable demands on staff with the potential need for overtime/weekend working. There was sufficient within the projected underspend and contingency to cover all or most of these additional costs. It was clarified that in the event of a potential overspend there would be discussions with the Commission's liaison team in the Scottish Government.

In relation to the Audit and Risk Committee's revised terms of reference the major change was that the Audit and Risk Committee assurance to the Governance Board and accountable officer would be given formally in the minutes, with at least once a year an assurance being given for the whole year as part of the annual report and accounts review process.

The Committee reviewed the risk scores and took the view that, although the recommended scores looked broadly correct given that they were mainly been driven by external factors, the recommended move of the reputational risk to red should be revised to amber.

5. Finance

The finance paper was noted. John Ireland indicated that it had been his intention to commission the procurement of project management for the refurbishment of Governor's House if the Commission's bid was confirmed in December. This would have allowed a project manager to be appointed at the start of the new financial year. Given the uncertainty over the budget timetable, this may be delayed. Instead, it was agreed that Commission staff should make a slower start on this work to accommodate the timing of the Scottish budget.

Action point 1 – Governance Board agreed that Commission staff should make a slower start on the procurement of project management for the refurbishment of Governor's House, but with the aim of being ready for the start of the new financial year.

6. Corporate Policies and Statutory Reporting

Corporate Plan 2020-23 and Business Plan 2020-21

A draft work plan for development would be shared with Commissioners for their review and comment. The implications of the OECD review, which would inform the shape of the next Corporate Plan, were discussed as part of the discussion on the review report (Item 8).

It was noted that development of the Business Plan would be a focussed piece of work when the Corporate Plan was more fully advanced.

Action Point 2 - the draft work plan for development of the Corporate Plan would be shared with Commissioners.

Standing Orders and ARC Terms of Reference

Governance Board confirmed that it was content with the proposed changes to standing orders and, subject to minor additions to make clear the recording of positive assurance as part of the Annual Report and Accounts process, the terms of reference for the Audit and Risk Committee.

Internal Scheme of Delegation

Governance Board confirmed that it was content with the proposed changes to the internal scheme of delegation.

FoI, EIR and Data Protection, Publication Scheme, and Privacy Notice

Governance Board agreed with the general principle that information shared by Scottish Government in confidence with the Commission ought not to be released, using the appropriate exemption. It confirmed that it was content with the consolidated policy covering FoI policy and Procedure/ Publication Scheme and Privacy Notice.

Records Management Plan

The Governance Manager reported that it had been agreed with the National Records for Scotland that work on developing a records management plan would be taken forward in 2020 with the aim of finalising it by May 2020.

Climate Change Act

It was confirmed that although the Commission was required to comply with the terms of the Act, it was not required to produce an annual report. The travel policy and use of shared service agreement for procurement are some of the ways in which the Commission meets its obligations under the Act.

7. OECD Review Report

Dame Susan Rice reflected that the OECD had conducted a thorough review process, interviewing a range of Commissioners, Commission staff and external stakeholders and the report reflected hugely well on the performance of the Commission, placing the Commission among the top three Independent Fiscal Institutions globally (IFIs) for its independence. It was noted that the Commission had a smaller mandate than many others, but that it operated within a far more complex framework.

At the OECD's annual network meetings, IFIs which had been reviewed were typically invited to present on the review and its outcome; the Commission would likely be invited to do so at the April network meeting, taking place in Dublin.

There was a discussion of the main recommendations and it was agreed that they should inform the development of the Corporate Plan 2020-23.

8. Any other business and Date of Next Meeting

There was no other business and the next meeting was scheduled for 5 February 2020.

Scottish Fiscal Commission
7 November 2019