

Governance Board Meeting Minutes
14 May 2018 09:00 – 11:30
New Register House, Edinburgh

Attendees

Dame Susan Rice – Chair
David Wilson - Commissioner
Professor Alasdair Smith - Commissioner

John Ireland - Chief Executive
Mairi Spowage - Deputy Chief Executive
Laura Bailie – Head of Corporate Services
Patricia Drennan - Business and Engagement Manager

1. Welcome and Introduction

Dame Susan Rice welcomed everyone to the meeting.

Apologies were received from James White, Head of Operations.

The minutes of the previous meeting of Governance Board were agreed and the matters arising were to be discussed at the meeting.

There were no declarations of interest.

2. Chair's Update

The interviews for the fourth Commissioner have been completed. The panel is providing its recommendations for an appointment to the Minister.

3. Chief Executive's Update

John Ireland introduced his paper, providing a summary of the main activities since the last Governance Board. The key points to note were: the data breach report for the UK Information Commissioner's Office will be sent to the Scottish Government HR team for fact checking this week, and that Claire Nichols has started to work on the Fairness at Work and Sexual Harassment Policy for the Scottish Fiscal Commission.

The Commissioners also agreed to a proposal that members of the Senior Management Team who don't usually attend the Governance Board and Audit and Risk Committee meetings would attend future meetings on rotation to provide them an insight into the corporate discussions and processes.

Action point 1: Claire Nichols and David Stone are to be invited to future Governance Board and Audit and Risk Committee (ARC) meetings on rotation.

4. Audit and Risk Committee Report

David Wilson discussed the draft ARC Minutes from 18 April 2018.

The discussion by the ARC of the external audit fee was welcomed by the Commissioners and the fact that it reflected our new status was noted. The Commission will keep the costs under consideration in future years as they should reflect the fact that we are a small organisation with no income generation and whose budget consists mainly of staff costs.

Action Point 2: The Minutes from the ARC 18 April 2018 need to be labelled as Draft.

5. Risk Management

Mairi Spowage talked the Governance Board through the papers that had been issued for this meeting. She explained that following the discussion at the ARC the Risk Management Strategy had been revised to reflect how the risks will be managed by the Commission and staff. The Senior Management Team had developed an operational risk register and would follow the process in the strategy to escalate risks to the corporate risk register which is managed by the Governance Board and ARC. There was a discussion about ensuring the operational risk register and corporate risk register could be clearly and explicitly linked. It was agreed that an additional column would be added to the operational register highlighting which corporate risks were linked with each operational risk. A further review of the risk management process would happen in 6 months' time to make sure it was working.

The Corporate Risk Register was approved by the Governance Board.

Dame Susan Rice updated the Board on an invitation she had received to work with the Scottish Government on developing an Enterprise Wide Risk Management approach.

Action point 3: The operational risk register will be amended to provide explicit links between the operational and corporate risks.

Action point 4: The risk management process will be reviewed before the October Governance Board meeting to ensure it is working appropriately.

Action point 5: The Board has an outstanding action from the previous meeting to consider further the publication of a risk summary.

6. Business Plan 2018-2019

Mairi Spowage introduced the Business Plan. This was a light touch document designed to provide a link between the Corporate Plan which provides the strategic direction for the Commission over a 3 year period and the detailed timetable used by the Commissioners and staff to ensure delivery of our functions.

The Business Plan for 2018-19 was agreed and will be published prior to the forecast to support the Medium Term Financial Strategy.

There was some discussion of the September publications and events timetable accompanying the Business Plan. It was acknowledged that there was a significant amount of work involved in meeting these proposals and the Commissioners requested that staff set out a plan which identified the staff involved and when the work needs to take place to ensure the proposals were achievable.

Action Point 6: The Business Plan for 2018-19 is to be published.

Action point 7: A work plan for the September publications and events should be drawn up to ensure it is deliverable.

7. Update on Scottish Fiscal Commission's Budget

John Ireland talked through the budget paper. He provided an update on the Scottish Fiscal Commission's budget for 2017-18. As had been previously discussed, the Commission was on course for a £291,164.22 underspend compared to original budget. This was £53,164.22 greater than what had been declared to the Scottish Government in November 2017. While this is not ideal, it reflects the delays in recruiting staff and that, as it was our first year of operation, we had no benchmark in place from which to budget.

John explained his approach to developing the budget for 2018-19. This had been based on last year's figures as well as the inclusion of a 5% vacancy assumption for staff. The Commissioners commented that the training budget seemed small but it was agreed that this reflected our ability to provide on-the-job training and secure access to shared training with other organisations which reduced the cost. Susan asked that we ensure the organisation retains an outward focus by exploring opportunities to have external speakers at events like our away days. The Commissioners also asked about the scope for including a contingency budget in this year's budget, given that planned non-staff costs were significantly lower.

The 3-year budget plan was discussed and John said that he would develop a revised paper on the multi-year budget for the Commissioners that could be shared with the SG sponsor team.

Action Point 8: Scope for a contingency line in the non-staffing budget for 2018-19 to be considered.

Action Point 9: A revised paper on the multi-year budget to be produced.

8. Accommodation Update

John Ireland provided an update on progress in relation to the Commission's accommodation. A final decision on accommodation has yet to be made, however it is an outstanding part of the transition programme which needs to be concluded. There have been further discussions with the Scottish Government about possible changes to Governor's House if the Commission remains there and work is being done to provide plans and costs for the options. This process would involve consultation with staff and Commissioners on their requirements. It was clear that the Scottish Government did not consider the work to Governor's House a priority and therefore any changes (beyond bringing the building up to a basic "fit for purpose" standard)

would have to be paid for by the Commission. This would need to be flagged in the budget discussions with the Government as this is not currently part of the funding projections. The Commissioners require information on non-central Edinburgh costs to be included in the updated options paper.

Action Point 10: The options for accommodation to be brought to the July meeting of the Governance Board.

9. AOB

The appointment of the external member of the ARC was discussed. The Commissioners expressed their satisfaction with the role Gillian Carty had performed and indicated that they would like to explore the possibility of reappointing her for a further 2 year term when her this one ends in September 2018.

Action Point 11: The secretariat will investigate options for reappointment of co-opted members.

The date of the next meeting is on 12 July 2018. The meeting ended at 11:00.