

Attendees

Dame Susan Rice – Chair
Professor Alasdair Smith – Commissioner
Professor David Ulph – Commissioner

John Ireland – Chief Executive
Susie Warden – Head of Strategy, Change and Corporate Services
Laura Bailie – Head of Governance
David Stone – Head of Economy, Income Tax and VAT
Gordon Jack – minute-taker (Income Tax analyst)

1. Welcome and Introduction

Dame Susan Rice welcomed everyone to the meeting.

Apologies were received from Professor Francis Breedon – Commissioner.

The minutes of the previous meeting of the 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

Dame Susan Rice welcomed the new Commissioners. She reported on her recent meetings with Ed Humpherson of the Office for Statistics Regulation, Will Dowson of the Bank of England and Chris Deerin of Reform Scotland.

3. Chief Executive's Update

John Ireland welcomed three new analysts to the Commission, and another has been confirmed as a permanent member of staff. Three staff had left and one secondment would end. The temporary finance appointment had worked well to establish improved systems and that appointment had now ended.

Plans for the recruitment were discussed when it was noted that the vacant posts would be advertised in December, and interviews/assessment centres are to be held early in 2019.

4. Audit and Risk Committee Report

The main business of the earlier Audit and Risk Committee meeting had been two deep dives on staffing and shared services. The risk cards were felt to have been a useful template and potential changes to the format of risk cards were discussed, but that these were simply a tool to support robust discussion and management of risk. The Board was content that risk was properly considered in the day to day running of the Commission.

5. Audit and Risk Committee membership

As envisaged, following the appointment of the two new Commissioners, it was agreed that Professor Smith should step down as Chair of the Audit and Risk Committee and that Dame Susan Rice should resign from the Committee and return to being an observer.

Dame Susan Rice thanked Professor Alasdair Smith for his work as Chair of the ARC, especially taking it on over the Commissions first annual report.

Professor David Ulph was invited to Chair the Committee and agreed.

It was confirmed that, following successful completion of an end year appraisal, Ms Carty has been reappointed as the external member of the Audit and Risk Committee.

Action Point 1: Professor David Ulph appointed as Chair of the Audit and Risk Committee.

Action Point 2: John Ireland to send material to Ms Carty regularly to allow her to keep up to speed with recent developments.

6. Risk Management

There was a discussion about combining the operational and strategic risk register, as it was felt that there was an undue priority being given to the operational risk register. It was agreed that it would be helpful to make clear any links between the two risk registers. A Governance Board session to identify risks, similar to the previous year's exercise, would be helpful in the new year.

Action Point 3: Governance Board to refresh Corporate Risk Register at January 2019 meeting.

7. Finance update

John Ireland discussed the situation with current spending patterns, noting that with a £10,000 reduction in projected non-staff costs and a fall of £20,000 in staff costs as a result of departures we now on course to spend our allocated budget (compared with a projected overspend in August of £30,000).

The Board discussed the importance of avoiding an underspend, particularly as expenditure projections tended to reduce over the year, and planning for staff departures. Bringing forward recruitment plans and using fixed term appointments could be used to manage this.

The Commission's three year indicative budget was discussed, and its importance in maintaining independence. Hungary's IFI had had its funding withdrawn and it was

reassuring that the Scottish Government had committed to three year budgets in the framework document.

Action Point 4: Chief Executive to consider measures to avoid an underspend .

8. Statutory Review

The Board had previously agreed that the Organisation for Economic Co-operation and Development (OECD) should be invited undertake the Commission's statutory review. Although other options had been considered, they were felt to be limited in scope and potentially offer less value for money.

The scope of the review was discussed. The review should focus on issues which will allow the Commission to improve its operation, including:

- how the Commission produces forecasts;
- how the Commission fits into the wider UK context, and
- the Commission's governance procedures.

The review should report against the Commissions functions and the OECD principles. Whilst the Commission's unique context should be covered, the scope of the report should be decided by the Commission and mission creep should be avoided. There would not be enough outturn data to assess the accuracy of our forecasts.

A special Governance Board meeting would be held on Monday 5 November when the scope of the statutory review would be discussed in more detail, when all four Commissioners would be present.

9. Accommodation

The Board briefly discussed future accommodation options, noting that options other than remaining in Governor's house should be considered. A formal paper for decision would be presented at the special Governance Board meeting on 5 November when all four Commissioners would be presented.

10. Standing Order and Register of Interests

Section 4.2 of the Standing Orders had been revised to reflect current practice of sending papers 2 days before Governance Board meetings. Item 5.3 had also been revised, with the section on decision trackers removed.

It was agreed that item 4.10 should be reworded. The reference to 'Commission' should be changed to 'Governance Board', to encourage collective responsibility. Page numbers should be added.

Governance Board Meeting Minutes
23 October 2018 13:00 – 15:30 hours
Board Room, Governor's House



Declarations of interest were discussed. The board agreed that the register of Commissioner's interests should be updated.

Action Point 5: Item 4.10 of the Standing Orders should be amended.

Action Point 6: The Register of Interests should be updated.

11. Any Other Business

The Head of Governance was thanked for her tremendous service and the value she had added during her time in the Commission.

A special Governance Board meeting was scheduled for 5 November 2019. The items for discussion would be the Statutory Review and Accommodation.