

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
Claire Murdoch – Head of Devolved Taxes and Social Security
David Stone – Head of Economy, Income Tax and VAT – for the session on risk
James H White – Head of Operations (minutes)

1. Welcome and Introduction

Dame Susan Rice welcomed everyone to the meeting. The minutes of the meetings on 23 October and 6 November were agreed as an accurate record. There were no declarations of interest nor were there any intimation about other items of business.

2. Chair's Update

Dame Susan Rice reported her recent attendance at the OECD networking event in Lisbon between 3 and 5 February, reflecting it was helpful to have discussions with other Independent Financial Institutions about how they maintain integrity.

Susan had met with the Scottish Government's recently appointed Director of Taxation, Lucy O'Carroll who came from a private sector background. It was reported that the meeting had been positive and Ms O'Carroll made a number of positive comments about Scottish Fiscal Commission's work, recognising the need to maintain the Commission's independent status.

3. Chief Executive's Update

John introduced the paper highlighting in particular recent staff changes and the decision to replace C1 analysts who had, or would be leaving the Commission, with B3 analysts. John also noted the recent helpful wash-up meeting with Scottish Government at which the need to share information with the Commission about the budget timetable earlier was recognised and for greater clarity about data releases in the run up to forecast periods, and whether or not they would be used in a forthcoming.

4. Staff Survey

In reviewing the summary of the survey, Commissioners noted that overall the outcome of the survey had been positive (more than 90% were proud to work for the Scottish Fiscal commission) but also recognised the need to avoid complacency. In particular discussion focused on concerns raised in the survey about staff management and development. John commented that the results of the survey may reflect the general age and level of experience of the Commission, which benefits

from a relatively young analytical workforce, for whom this may be their first work experience.

It was outlined that Sharifa Clark would be organising a junior analyst session to discuss the concerns identified in the survey and a similar session would be held for senior analysts. The outcome from these sessions would inform Senior Management Team discussions to identifying a focussed number of priority actions to be worked on through the year. It was confirmed that the next survey would be held in October or November 2019 to bring in in line with Scottish Government.

Action Point 1: Senior Management Team to engage with staff to identify a focussed number of priority actions to be worked on through the year.

5. Audit

The terms of Audit Scotland's Audit Plan were noted, in particular, the level of Audit Scotland's fee. It was agreed that discussions about that had been taken as far as possible, however, in future discussion about Audit Scotland's audit planning should continue to include the level of the proposed audit fee.

Commissioners noted the proposed timetable for preparing the Annual Report and Accounts for the year ending 31 March 2019.

Action Point 2: John Ireland to continue to discuss fee levels with Audit Scotland in future audit planning discussions.

6. Finance Update

John highlighted the key points from the Finance paper, noting an anticipated underspend of £8,500, which he felt demonstrated prudent financial management. Although the budget for 2019-20 had been reduced £24,000 (due to rounding) and the budget signed by Cabinet Secretary reflecting the lower amount, Scottish Government indicated that they would be as flexible about this as they could be.

Commissioners noted the proposals to obtain additional financial expertise to support development of the financial skills in the corporate services team.

Action Point 3: Corporate services to take forward obtaining additional financial expertise to support development of the financial skills in the team.

7. Review of Corporate Policies

Susie commented that when the Commission was established, a number of the corporate policies were put in place at the same time. The paper proposed a review schedule which would avoid all policies being reviewed at the same time, allowing for a more detailed review to ensure that they remain fit for purpose and meet the needs of the Commission. Commissioners agreed that this was a sensible way to ensure that these policies were reviewed regularly.

8. Risk

John introduced this noting that since the risk registers were first compiled the environment in which the Commission operated had changed, Commission staff had now been through a number of forecasting rounds, and initial concerns about attracting the right staff and skills mix and the efficacy of the models used in forecasting had changed. He invited the Commissioners to reflect on what they thought what were the risks that the updated register should recognise.

A number of risks were identified in the course of discussion. Senior Management team would compile risk cards based on that discussion which would be shared with Commissioners for discussion at the Audit and Risk Committee scheduled for 13 March 2019.

Action Point 4: Senior Management team would compile risk cards based on that discussion which would be shared with Commissioners for discussion at the Audit and Risk Committee meeting scheduled for 13 March 2019.

9. Any other business

There was no other business.

11. Date of next meeting

The date of the next meeting of the Governance Board was to be confirmed. The meeting closed at 17:15 hours.

Scottish Fiscal Commission
7 March 2019