

## **Attendees**

Professor Graeme Roy - Chair  
Professor Francis Breedon - Commissioner  
Professor David Ulph - Commissioner  
Dr Domenico Lombardi - Commissioner  
John Ireland - Chief Executive  
Michael Davidson – Acting Head of Social Security and Public Funding  
David Stone - Head of Economy and Tax  
Susie Warden - Head of Strategy, Governance and Corporate Services  
James H White - Governance Manager, secretariat

## **1. Welcome and Introduction**

Graeme Roy opened the meeting, noting that this was the first Governance Board for him as chair and Domenico Lombardi as new Commissioner. There were no declarations of interests or notification of any other business, and there were no apologies. The minutes of the meeting held on 16 May 2022 were agreed as an accurate record, and the action log was noted.

## **2. Chair's Update**

Graeme Roy expressed his thanks to all fellow Commissioners and staff of the Commission for their support, from the quality of briefing to their openness and willingness to engage. He had met with Deputy First Minister and key senior SG colleagues.

The awayday had gone very well and was a good opportunity to meet staff, who also appreciated the quality of the awayday. Graeme Roy reported on the forthcoming IPFIN event, commenting that it was important that we make a broader contribution to the work of fiscal institutions and demonstrate the value they can provide. He was glad to see Fiscal Sustainability work had started well and the recent workshop recently held for it was integral to that. Now that it has been confirmed, he was looking forward to SG Budget Day and the publication of the next set of Scotland's Economic and Fiscal Forecasts.

## **3. Chief Executive's Update**

John Ireland highlighted the content of the update paper, on which there were no questions. The paper had omitted to include that Michael Davidson had been appointed as maternity cover for Claire Murdoch and that arrangements were being made to cover the forthcoming maternity leave for one of the senior analysts. In addition, it was likely that there would be turnover of staff within the B3 cohort.

John shared concerns of others about ensuring the Commission's independence but agreed with the point made by David Ulph about recent events cementing the Commission's status position and reported the positive interest being taken by SG's Permanent Secretary in the work of the Commission.

In relation to staffing, John Ireland was concerned about the throughput of staff in the Corporate Services team, and that he was working to manage this. There could be pressure on the funding for 2023-24, and accordingly the Commission need to be prepared for tighter budget. He was reasonably confident that staffing levels could be managed to reflect future budget provision.

Graeme Roy noted that the context politically and structurally was more complex for Independent Fiscal Institutions across the world, reflecting broader political landscape and as a Commission we need to focus on the value that the Commission can add, including its positive contribution on the budgeting process.

#### **4. Audit and Risk Committee**

David Ulph reported that the main items had been the Annual Audit Report and the Annual Report and Accounts for the year ended 31 March 2022, and a light touch review of the risk cards.

In relation to risk, the only red risk was staffing (albeit reduced) related to concerns about future funding and staffing. As noted above John Ireland was reasonably confident that staffing levels could be managed within the future allocated budget.

#### **5. Annual Report and Accounts**

David Ulph confirmed that the Audit and Risk Committee was satisfied with the Annual Audit Report and the draft Annual Report with agreement that it was an excellent, very thorough report. The Committee had agreed to recommend that the Governance Board should note the Annual Audit Report and approve the Annual Report and Accounts.

The Governance Board confirmed that it:

- had considered Audit Scotland's Audit Report and covering letter and was content with the Commission's response to the recommendations in it; and
- was content to approve the Annual Report and Accounts for the year ended 31 March 2022.

John Ireland thanked Susie Warden for her initial work on the draft report and the Governance Manager for completing the work and bringing it to a conclusion. Graeme Roy agreed and echoed those thanks to all involved in the preparation of the Annual Report and Accounts.

#### **6. Finance**

John Ireland commented that a couple of issues had been identified with the Finance Update paper which would be revised and recirculated to Governance Board members. It was reported that work was ongoing with budget projections for the next 4 years. Finance is a standing agenda item which will allow a further discussion on 23 November 2022 about this year's forecast spend and future year's projections.

**Action 1 - Finance update paper to be amended and circulated to Governance Board members.**

## **7. Corporate Policies and Statutory Reporting**

Register of Interests - the updated Register of Interests, reflecting the updated Code of Conduct, and new Chair and Commissioner, was noted.

Code of Conduct – Governance Board agreed that the code should be reviewed as and when the model Code of Conduct (published by Scottish Government) was updated rather than every two years.

Succession Planning and Meeting our Diversity and Equality Requirements - Governance Board noted that work on these related issues was ongoing and that it would be discussed at the meeting on 23 November 2022.

Graeme Roy noted that the two issues are related. There was a need to think about how new Commissioner appointments are managed to spread out appointment and reappointment terms, though it was noted that the terms for reappointed Commissioners had been made with making some progress on that objective in mind. It was also highlighted that the Commission would not meet the requirements of the Gender Representation on Public Boards (Scotland) Act 2018. Work has been started on how this can be addressed, including how we make the role of Commissioner more attractive to a wider and more diverse pool of candidates. It was noted that COVID-19 had demonstrated that Commissioners could work effectively without travelling to Governor's House. A much-reduced travelling requirement would continue post pandemic, allowing the net to be cast more widely for potential applicants.

John Ireland would reflect on recent experience of Commissioner recruitment to help identification of barriers. Susie Warden commented that looking beyond academia to encourage applicants from a business background might help to increase the diversity of Commissioners.

## **8. Staff Survey**

John Ireland commented that work on the action plan following the Staff Survey 2021 was still work in progress. and that a fuller report would be given at the meeting on 23 November 2022. It was also reported that preparations were in hand for the Staff Survey 2022 to be undertaken by the end of the year.

## **9. Any other business**

There was no other business.

## **10. Date of Next Meeting**

The next meeting is scheduled for Wednesday, 23 November 2022.

Scottish Fiscal Commission  
12 October 2022