

## Meeting of the Revenue Scotland Board

### DRAFT MINUTE

09:00, 14 December 2016 in Room 3E95 Victoria Quay, Edinburgh

#### Present:

Dr Keith Nicholson [Chair]  
Lynn Bradley  
Jane Ryder OBE  
John Whiting CBE  
Ian Tait

#### Attended:

Elaine Lorimer, Chief Executive, Revenue Scotland  
Chris Myerscough, Head of Tax, Revenue Scotland  
Andrew Fleming, Head of Strategy and Change, Revenue Scotland  
Erlend Barclay, Corporate Affairs Manager, Revenue Scotland (item 7)  
Andrew Macartney, Head of Statistics, Revenue Scotland (item 8)  
Stuart Gardner, IT Manager, Revenue Scotland (item 9)  
Neil Ferguson, Strategy and Change Team Leader, Revenue Scotland (LBTT Inquiry)  
Donna Thomson, Corporate and Business Services Officer, Revenue Scotland [Secretariat]

### 1. Meeting opening

- 1.1 The Chair welcomed the Board members and officials to the meeting.
- 1.2 No apologies were received.
- 1.3 There were no interests declared.
- 1.4 The Board accepted the Minute of 19 October 2016 as a true record.
- 1.5 The Board reviewed the Action Log noting that actions 161 of 2015 is now closed. Actions 050 through to 061, and 064, 065 and 066 are all closed. The deadline for action 062 was changed to 22 February 2017.

### 2. Chair update [Oral]

2.1 The Chair and the Chief Executive met with the Finance Convener to brief him on Revenue Scotland working practices. It was noted that this was an excellent opportunity in building good working relationships.

2.3 The Board discussed the upcoming SEPA meeting taking place on 14 December.

### 3a. Update from Audit and Risk Committee

3.1 The Chair of the Audit and Risk Committee provided a detailed update to Board members on the work of the committee as reported in the minutes of the meeting of 16<sup>th</sup> November.

3.2 The Chair highlighted the progress being made by the committee and, specifically, on risk management (discussed below), the work of Internal Audit and the outcome of 2 internal audit reports, and the engagement with Audit Scotland. The Chair noted that the Committee would be receiving Audit Scotland's annual audit plan for Revenue Scotland in March 2017. Finally, the Chair of the Audit and Risk Committee gave a brief update to the Board on the meeting that the Committee had with Sharon Fairweather, Director of Internal Audit and Stuart Smith, Non-Executive Director at the Scottish Government about the role of Internal Audit.

3.3 The Board welcomed the update and noted the good progress being made

**Action (067/16): Board members to have sight of the Audit Scotland Annual Audit Plan.**

### 3b. Risk (Paper RS(07/16)01)

3.4 The Head of Strategy and Change introduced a paper which set out the work undertaken to date to review the Corporate Risk register in line with the Risk Management framework and the discussion at the recent Audit and Risk Committee meeting.

3.5 The Board welcomed the update and discussed the outcome of the review of corporate risk register and reviewed specific risks. The Board endorsed the outcome of the risk review and the assessment contained in the Corporate Risk Register, subject to a few changes.

3.6 The Board also discussed the overall risk maturity of the organisation at this time and endorsed the assessment made. The Board asked that in future a more detailed assessment is provide against the parameters set out in the Risk Management Framework and that targets are included as appropriate.

3.7 The Board welcomed the good progress being made in implementing the Risk Management Framework. The Board agreed that their next consideration of the Corporate Risk register should be later next year in alignment with the process of producing the next Annual Reports and Accounts.

**Action (068/16): Secretariat to amend wording in overall risk title of risk no 1 as per Board discussion.**

**Action (069/16): Secretariat to amend wording in risk description of risk no 6 as per Board discussion.**

**Action (070/16): Future risk maturity assessments to include a more detailed information against the parameters in the Risk Management Framework and include targets as appropriate**

**Action (071/16): Secretariat to note on Board planner that the Corporate Risk register should be reviewed by the Board twice a year, occurrence next in line with process of producing the Annual Reports and Accounts.**

#### **4. Update from Staffing and Equalities Committee**

4.1 The Chair of the Staffing and Equalities Committee gave a detailed update to Board members as per the minutes of its previous meeting. The Chair made specific reference to the conclusions of the People Survey. She noted that while some conclusions were not unexpected given the stage of organisation was at, the results on discrimination, bullying and harassment were a matter of concern. There was a discussion around the action being proposed on this issue, including arrangements in place for a staff session in January 2017 for staff to engage with each other.

4.2 The Board welcomed the update and were satisfied with the actions being taken regarding the conclusions of the People Survey, noting that that the Staffing and Equalities Committee were expecting an update in the New Year.

#### **5. CEO Report**

5.1 The CEO introduced her Report and invited feedback from Board members on its content. She also provided an oral update on a number of key issues including the budget for Revenue Scotland for 17/18 and recent recruitment.

5.2 The Board welcomed the update and noted the content

**6. Tax Update and Decisions (Paper RS(07/16)03A)  
Unauthorised Landfill Disposals (Paper RS(07/16)03B)**

6.1 In her tax update paper, the Head of Tax provided an update on key tax issues and decisions.

6.2 The compliance process for illegal disposals at unauthorised sites and a decision in respect of a tribunal case was discussed and agreed.

6.3 The Board considered the way that a particular contentious case is being dealt with and acknowledged the process as a credit to the organisation and endorsed the open and collaborative way in which the case is being managed.

**7. Communication Update (Paper RS(07/16)04)**

7.1 In his paper on communication, the Corporate Affairs Manager updated on the delivery of the Revenue Scotland Communications Strategy, particularly on stakeholder engagement activity since the last meeting. Key areas flagged were the Budget Review Group, the meeting with the Convener of the Scottish Parliament's Finance and Constitution Committee; the LBTT forum, and the Board on the positive engagement from CIOT (Chartered Institute of Taxation) annual conference.

7.3 The Board's use of the Sharepoint site was discussed and it was agreed that this wasn't being utilised to its full potential. There was a discussion around the use of the Revenue Scotland email accounts and Board members committed to the proposals set out at para 5.7.

7.4 The Board welcomed the Communications update and endorsed the proposal for on Sharepoint as set out in the paper.

**Action (072/16): Corporate Affairs Manager to provide CIOT slides to Board members.**

**8. Data Strategy (and changes to monthly data reporting) (Paper RS(07/16)05)**

8.1 Revenue Scotland's Head of Statistics introduced a paper setting up proposals for development of a data strategy. An early and specific change was proposed in the paper with regard to the content of the monthly LBTT data Revenue Scotland publish. In proposing the change, the head of statistics highlighted the challenges faced in undertaking the necessary work to produce publishable data on tax received every month, noting that a) there was no demand for this data from key data users, and b) this work was stopping the organisation from publishing the type of disaggregated data which users were calling for.

8.2 The Board sought clarification on a number of issues including the timing of the proposal to develop a strategy, the timing of changes proposed to published monthly statistics on LBTT, how assessments on tax received would be reported on, and views of the change by key data users. Questions were also asked about how the changes proposed aligned with the recommendations of the Scottish Parliament Inquiry into the first year of LBTT.

8.3 The Board welcomed the proposal for a data strategy and endorsed the proposal to make changes to the next LBTT monthly publication (on 23 December 2016).

**Action (073/16): The Head of Statistics to provide a first draft data strategy to the Board meeting in April 2017.**

**Action (074/16): The Chief Accountant to include a report on amount of tax received in his quarterly report.**

## **9. Scottish Electronic Tax System (SETS) - contingency (Paper RS(07/16)06)**

9.1 The Head of ICT provided an update on proposal made in October to develop a “lifeboat solution” to deal with a catastrophic and unrecoverable loss of the Scottish Electronic Tax System (SETS).

9.2 In his paper, he highlighted that European Dynamics had made an offer to implement a voluntary escrow arrangement and provided an assessment of the viability of the proposal.

9.3 The Board sought further information on a number of practical issues associated with the escrow arrangement, including the verification process and how Revenue Scotland staff would be involved in the process.

9.3 The Board endorsed the proposal to implement the escrow arrangement between Revenue Scotland, ED, and a third party escrow service provider, within the scale of budget set out in the paper.

**Action (075/16): The Head of ICT to implement an escrow arrangement to mitigate the risk of a catastrophic and unrecoverable loss of SETS.**

## **10. Standing Orders (Paper RS(07/16)07)**

10.1 The Head of Strategy and Change introduced this paper.

10.2 The Board was content to approve the complete version of the Standing Orders including all annexes.

**Action (076/16): Secretariat to publish the updated Standard Orders on the RS website.**

## **11. AOB**

11.1 There was only one piece of AOB which related to Paper RS(07/16)08.

### **LBTT Inquiry (Paper RS(07/16)08)**

11.2 The Chief Executive updated the Board on the outcome of the Finance and Constitution Committee Inquiry into LBTT: the first year of operation. In what was a positive report on Revenue Scotland's performance, she noted that the Committee made a number of recommendations, three of which were relevant to Revenue Scotland. Annex A of Paper RS(07/16)08 contained a summary of these recommendations and made proposals on a response.

11.3 The Board discussed the report and the proposals for a response to the Committee and asked that the Chief Executive issue a formal response to the committee as proposed in the paper.

## **12. Date of next Meeting**

12.1 The date of the next Board meeting is on 22 February 2017 in room 3E91 in Victoria Quay.

*End*