

## Meeting of the Revenue Scotland Board

### MINUTE

09:00, 17 February 2016, Conference Rooms 7 & 8, VQ

#### Present:

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

#### Attended:

Eleanor Emberson, Chief Executive, Revenue Scotland  
Susan MacInnes, Head of Corporate Services and Finance, Revenue Scotland  
Alastair Wilson, Deputy Director – Development, Revenue Scotland  
Alistair Brown, Acting Director of Financial Strategy, Scottish Government [SG]  
Gareth Hill, Chief Accountant, Revenue Scotland  
Andrew Fleming, Change Director, Revenue Scotland, NTAP Update  
Stuart Gardner, IT Manager, Revenue Scotland  
Julia Mabruk, External Relations Manager, Revenue Scotland  
Neil Broadfoot, Communications Manager, Revenue Scotland  
Janet Dunsmuir, Corporate and Business Services Manager, Revenue Scotland  
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 9 December 2015 as a true record.
- 1.5 The Board reviewed the Action Log.

The Chief Executive reported that she has explored out of hours IT cover with senior members of the SG Digital Directorate.

The detail of this discussion is considered exempt under section 29 (Formulation of Scottish Administration Policy etc) of the Freedom of Information Act (Scotland) Act 2002.

### **2. Chair update [Oral]**

2.1 The Chair advised the Board that arrangements will be put in place to meet with the Chair of Prestwick Airport and will strive to find suitable dates in due course.

2.2 An announcement was made that the new Chair of SEPA is Bob Downes who was formerly their deputy Chair. The Chair mentioned that Mr Downes is keen to meet the Board and will introduce him at a later date during one of the informal strategy sessions.

2.3 The Chair congratulated Revenue Scotland on winning the Innovation Award UK Government Finance Award and the Board were delighted that Revenue Scotland had been recognised for their hard work.

2.4 HMRC held a reception in London on 16 February for nominees for the Dame Lesley Strathie Memorial Award and some operational staff attended this event as representatives of Revenue Scotland.

2.5 The Deputy First Minister and Finance Secretary John Swinney recently recognised the good work and efforts of Revenue Scotland on reaching the milestone of their receipt of the 100,000<sup>th</sup> tax return.

2.6 The Board expressed their appreciation to the Secretariat to the Board and to Revenue Scotland. They had all found Denise McCann's contributions extremely helpful and were sorry to see Denise leave. Congratulations and best wishes were expressed by all.

2.7 Today is Eleanor Emberson's last Board meeting as Chief Executive Officer (CEO) of Revenue Scotland. The Chair and the Board recognised her significant achievements both in the setting-up phase of Revenue Scotland and in the first year of operations.

### **3. Smith Commission/Scotland Act Update [Oral]**

3.1 The Board received an update from Alistair Brown, Acting Director of Financial Strategy, Scottish Government on the progress of the implementation of the Scotland Act, and the legislation to introduce the new LBTT additional dwelling supplement.

### **4. Chief Executive Report**

4.1 The CEO introduced her Report by explaining that staff are under additional pressure due to work to implement the new LBTT supplement and some staff leaving for other areas

on promotion. The team is rising to the challenge very well but the Senior Management Team are monitoring workloads and considering priorities carefully to maintain wellbeing.

4.2 The process of issuing Penalty and Interest notices is progressing well. There will be a substantive paper on Penalties and Interest in April to allow the Board to review progress and plans for further automation of the process.

4.3 The IT Governance Group meet on a regular basis to review and prioritise IT change requests. This Group is chaired by Andrew Fleming (Change Director), and attendees include representatives from RoS and SEPA. The Board recognised that this is good practice in managing IT change in an organisation.

4.4 The CEO noted that work on the new Data Sharing Agreement with HMRC was progressing.

The detail of this discussion is considered exempt under section 29 (Formulation of Scottish Administration Policy etc) of the Freedom of Information Act (Scotland) Act 2002.

4.5 There was a discussion around the annual Ipsos MORI Survey of MSPs' awareness of public bodies and the Board agreed that Revenue Scotland should apply to participate this year. The Board were content that participation should be restricted to the basic interview questions. Interviews will be conducted in the autumn and a report issued by the end of the year. It was also noted that there is an intention to run an event at Parliament to raise awareness of Revenue Scotland amongst the new intake of MSPs so timing of the event relative to the Ipsos MORI Survey would need to be considered.

4.6 Board Members considered the list of possible accreditations and it was agreed that any comments or further suggestions should be sent to the CEO. The Board agreed that while it would be worthwhile pursuing accreditations it would be for the new CEO to make recommendations to the Board.

**Action (002/16): Head of Corporate Services to instruct the Ipsos MORI poll and arrange the Parliament event.**

**Action (003/16): CEO to present a report/pack on Penalties and Interest at the April Board.**

**Action (004/16): Board members to email any additions to the list of corporate accreditations to CEO.**

## 5. Finance Update

5.1 The Board welcomed the paper from the Chief Accountant. Taking account of an additional £200k provided by SG to cover additional pressures on RS, and the long-planned £275k baseline transfer from HMRC, the latest forecast has RS spending coming in just within budget for 2015-16.

5.2 The Board commended the Chief Accountant on a very clear and concise report.

### 6. SRIT Update [Oral]

6.1 The Board received an update from John Whiting on HMRC's preparations for the introduction of the Scottish Rate of Income Tax (SRIT). It was noted that there had been very few calls to Revenue Scotland about SRIT and no significant impact on Revenue Scotland operations. The Board noted the well-delivered HMRC communication campaign and the work done between RS and HMRC to inform taxpayers and agents about the relative responsibilities of the two bodies.

### 7. Annual Report Planning

7.1 The Board welcomed the Communications Manager to the meeting to discuss the Annual Report Planning paper.

7.2 The Board agreed that the draft layout for the annual accounts should be considered by the Audit and Risk Committee at their meeting on 14 March. The Board will consider the draft layout for the Annual Report and Accounts at the Board Strategy Session on the afternoon of 14 March. A revised draft of the Annual Report and Accounts will be considered at the Board meeting on 20 April with final sign off by the Board at the meeting on 17 August.

### 8. Change Programme Update

8.1 The Board considered the report presented to them from the Change Director which explained that new staff have been recruited to increase project management capability. Currently the Team are focussing their efforts on the changes required to accommodate the additional operational work for the introduction of the new LBTT supplement which has an anticipated go-live date of 1 April 2016.

8.2 The Change Director also referred to the work on the expected replacements for Air Passenger Duty and Aggregates Levy. Although there is some uncertainty in the timing of implementation of these new taxes, the New Tax Administration Programme (NTAP) will continue to focus on a planning assumption of 1 April 2018 as the date when a new Air Passenger Tax would come into effect.

8.3 The Change Team are also continuing to capture lessons learned from change projects taking place in Revenue Scotland, including smaller-scale projects.

8.4 The Board welcomed the succinct and clear update on activities and commented particularly on the scale of the tasks being managed effectively on a short timescale.

### 9. Digital Services and IT Strategy

9.1 The Board welcomed the IT Manager to the meeting to present his paper on the proposed approach to development of a Revenue Scotland IT Strategy.

9.2 Board members were very impressed with the clarity and accessibility of the paper. They endorsed the proposed approach and provided further suggestions for additional papers on a wider Information Strategy (to include non-IT data), and the connected topics of Digital Strategy, Disaster Recovery and Business Continuity.

### 10. Health and Safety Policy

10.1 The Board received a progress update from the Head of Corporate Services. The Board were receptive to the need for the Health & Safety Policy to be revised to fit the circumstances of Revenue Scotland, as a small body with facilities provided by SG through shared services agreements. The existing arrangements provide access to training for staff and risk assessments on health and safety issues for an office environment. There was some discussion of the health and safety issues for Revenue Scotland staff who visit external landfill sites. It was emphasised that no member of Revenue Scotland staff visit landfill sites unless they are accompanied by members of staff from SEPA. SEPA undertake risk assessments and RS should draw on their expertise, and also ensure that there has been appropriate training for RS staff through SEPA or independently. This was an issue of concern to staff as well as the Board. The Board asked for a further update after planned meetings with SEPA.

**Action (005/16): Head of Corporate Services and Finance to provide an update on Health and Safety Policy to the Staffing and Equalities Committee on 18 May.**

### 11. Green Agenda – inc Carbon Management Plan

11.1 The draft Green Agenda was presented by the External Relations Manager. It was accepted that there are limited opportunities to monitor reduction in energy usage given the location of Revenue Scotland operations within Victoria Quay and the terms of the Shared Service Agreement with SG Estates. Discussions therefore centred around the sustainable use of paper resources and reducing costs. The Board recommended

monitoring the cost of paper purchased with a view to minimising the amount of paper used.

11.2 The Board agreed with using Webinars as an alternative to running road shows would also contribute to a reduction in travel costs, but stressed this had to be balanced with the importance of meeting face-to-face with taxpayers and agents.

11.3 The Board commended the clarity of the paper and the focus. The Board was happy to endorse it.

### **12. Sustainable Travel Strategy**

12.1 This paper was brought to the Board by the Corporate and Business Services Manager. The Board agreed that, whilst this method of travel and accommodation booking was impractical for their circumstances, it was appropriate for staff to continue to use the system.

12.2 The spirit of the strategy is about minimising travel and subsistence costs and the Board endorse this aim. Board members agreed to the spirit of the strategy and would apply it to their own travel.

### **13. Audit and Risk Committee meeting update [Oral]**

The Chair of the Audit and Risk Committee updated the Board on the meeting which took place on 14 December 2015.

The detail of this discussion is considered exempt under section 29 (Formulation of Scottish Administration Policy etc) of the Freedom of Information Act (Scotland) Act 2002.

### **14. Internal Audit Shared Service Agreement**

14.1 The Head of Corporate Services introduced the paper. The Board noted that costs were not included in the Shared Service Agreement. The indicative cost for 2015-16 is £25,000 although the fees will vary year on year. The Board considered that these should perhaps be included in the Audit Plan rather than in the Shared Service Agreement.

14.2 The Agreement is due for review in March and the Board all agreed that an agreement along similar lines should be signed between RS and SG Internal Audit for 2016-17. For certain specialist areas such as IT it may be desirable to secure specialist audit services and the Audit and Risk Committee would consider this.

14.3 A change is required to the Agreement to indicate that annual fees will be determined on agreement of the audit plan for the next Shared Service Agreement

**Action (006/16): Audit and Risk Committee to review the Internal Audit Shared Service Agreement and consider whether to seek internal audit services from an external provider at their September meeting.**

## 15. Risk Register and frequency of review

15.1 The Board reviewed all aspects of the Risk Register. The Board commended the Head of Corporate Services and her team on an excellent and comprehensive set of documents which have given the Board the reassurance it was seeking on the management of risk.

15.2 It was identified that not all Risk Owners had included a target date and the Board expressed their desire for this information to be included in the future. The Board also stated that they would like to review a full set of the summary cards twice a year and that the cards could be printed in black and white to lower printing costs.

**Action (007/16): Details to be added to Risk Summary cards and to ensure that target dates are included.**

**Action (008/16): Publish updated Risk Management Framework on Revenue Scotland website.**

## 16. Revenue Scotland Policies

- **Counter-Fraud Policy and Fraud Response Plan**

16.1 Both policies were presented to the Board by the Deputy Director of Development for Revenue Scotland. He explained that the Counter-fraud policy and Plan is part of a suite of connected policies including the Whistleblowing and Conflict of Interest Policies (see following item).

16.2 The Board advised that as there is a responsibility on Audit Scotland to detect material fraud, it was suggested that the policy should include this as a source of detection and what the procedure would be in the event that material fraud was detected.

16.2 The Board particularly welcomed these detailed papers.

**Action (009/16): Deputy Director of Development to update policy to include Audit Scotland responsibility.**

- **Whistleblowing and Conflict of Interest Policies**

16.3 The paper was presented to the Board by the Head of Corporate Services. In relation to the Whistleblowing Policy, it was noted that every effort will be made to respect confidentiality and only if matters progressed to a certain stage would anyone be required to give evidence. The Board agreed that they should also be subject to the terms of the Conflict of Interest policy which requires all members of Revenue Scotland staff to disclose any potential conflicts of interest which might arise in the course of their work.

**Action (010/16): All Policies to be put into the Revenue Scotland style.**

**Action (011/16): Policies to be published on the Revenue Scotland wiki and external website. The Fraud Response Plan is to be retained as an internal document.**

### 17. Board Member Appraisal

17.1 The Board discussed the paper and agreed the preferred option for individual Board appraisal purposes. Members will complete the pro forma template provided by the Public Appointments team prior to meeting with the Chair for further discussion.

17.2 The Chair will seek 360 degree feedback from Board Members and Executive Staff who regularly attend Board meetings.

17.3 For the Board Performance Appraisal, the Board agreed to use a pro forma customised to meet Revenue Scotland requirements. The report will be discussed within the Board rather than by discussion facilitated externally.

**Action (012/16): Board Members to complete the pro forma from the Public Appointments Team.**

**Action (013/16): Board performance appraisal pro forma to be tailored to Revenue Scotland needs.**

**Action (014/16): Board performance and Board Member appraisals to be carried out by June.**

### 18. Board Planner

18.1 The Board welcomed this paper from the Corporate Services Manager. The Board noted that there is a mandatory online course on Driver Safety provided by the British Safety Council and all Board members agreed to participate.

18.2 The CIPFA Essential Skills for Board Members course was discussed and it was agreed that this would be considered at the Board meeting on 17 August following completion of Board Member appraisals.



**19. AOB**

19.1 No other business was discussed.

End