

Meeting of the Revenue Scotland Board

MINUTE

09:00, 30 September 2015, Conference Rooms 4&5, VQ, Edinburgh

Present:

Dr Keith Nicholson [Chair]

Lynn Bradley

Jane Ryder OBE

Ian Tait

John Whiting OBE

Attended – all items except where indicated:

Eleanor Emberson, Chief Executive, Revenue Scotland

Susan MacInnes, Head of Corporate Services and Finance, Revenue Scotland

Donald Carvel, Head of Tax Policy, Revenue Scotland (items 5 and 7)

Gareth Hill, Chief Accountant, Revenue Scotland

Stephen Crilly, Solicitor, Revenue Scotland (item 5)

Alan Martin, NTAP Design Manager, Revenue Scotland (Item 10)

Denise McCann, Corporate and Business Services Officer, Revenue Scotland [Secretariat]

Alistair Brown, Acting Director of Financial Strategy, Scottish Government (SG) (item 3)

Murdoch Macleod, Deputy Director Finance and Tax Administration Programme Director, SG (item 10)

Catherine Dampier, Policy Lead - Devolved Taxes, HMRC (item 5)

Charlotte Barbour, Director of Taxation, Institute of Chartered Accountants of Scotland (ICAS) (item 6)

John Cairns, Convener of the Tax Committee, ICAS (item 6)

Neil Gilbert, Convener of the Scottish Taxes Sub-Committee, ICAS (item 6)

1. Meeting opening

1.1 The Chair welcomed the Board members and officials to the meeting.

1.2 No apologies were received.

1.3 Subject to some minor amendments the Board accepted the Minute of 26 August 2015 as a true record.

Action (123): Secretariat to publish the Minute on the Revenue Scotland website.

1.4 Lynn Bradley declared an interest in item 6. as a member of the ICAS Audit and Assurance Committee. No other interests in agenda items were declared.

1.5 The Board reviewed the Action Log.

Action (124): John Whiting to identify if HMRC have a Communications Strategy that can be shared with Revenue Scotland.

Action (125): Board to continue recording days/time and review in December and March – to project whether any additional days will be required.

2. Chair Update

The Chair updated the Board:

2.1 The Chief Executive Officer vacancy was advertised in the press and on the recruitment agency's microsite on 11 September 2015 and there has been a good initial response. The closing date for applications is 11 October 2015.

2.2 The Chair attended a recent SEPA Board meeting and conveyed Revenue Scotland's thanks for the great collaborative work that has been undertaken.

2.3 The SG Director General Finance has invited the Chair to take part in a Scottish Government Risk Workshop on 5 November 2015.

3. Smith Commission/Scotland Act Update

3.1 The Board welcomed Alistair Brown, Acting Director of Financial Strategy, who updated them on work carried out by the Fiscal Responsibility team on the Smith Commission and Scotland 2012 Act.

Action (126): Secretariat to add quarterly updates from Alistair Brown to the Board Planner.

4. CEO Report

The CEO updated the Board:

4.1 Revenue Scotland was not shortlisted in the UK Civil Service Awards. Nominations have been submitted or are in preparation for both the UK Government Finance Awards and the Scottish Public Service Awards.

4.2 The CEO has been asked to provide a written update report to the Finance Committee by the end of October and will appear before the Committee with Keith Nicholson on 18

November. The report will be shared with Board members before the submission date allowing a short window for comments to be incorporated.

4.3 Audit Scotland had been provided with documentation and had undertaken interviews with key staff as part of their follow up report on the Implementation of the 2012 Act. A clearance draft of the report will be received by the end of October, for formal comment, and the CEO will ensure that the Board sees this draft. The final report will be published in December.

4.4 The CEO presented the revised Scheme of Internal Delegation to the Board, which removed the lower limit for novel and contentious cases. The Board discussed the document and were content to approve the revised Scheme of Internal Delegation. However, in light of comments during the discussion, the Board will review the document again when the new CEO is in post.

Action (127): Secretariat to add review of Scheme of Internal Delegation to the Board planner (when the new CEO is in post and within the next year).

4.5 The CEO also presented the Operational Update and Delegated Decision-Taking as an annex to her report. The Board were content to approve the format subject to i) the addition of the liability rulings tax at stake and ii) changing the debt management table to include only complete calendar months.

Action (128): CEO to incorporate changes to the Operational Update and Delegated Decision-Taking report.

4.6 The CEO shared, for information, the Compliance Spectrum paper which gives an overview of all the compliance activities Revenue Scotland is undertaking.

5. Data Sharing with HMRC

5.1 The Board met with a representative of HMRC and considered a paper on the scope for data sharing with HMRC in relation to compliance activities. The substantive discussion is considered exempt under section 29 (Formulation of Scottish Administration Policy etc) of the Freedom of Information Act (Scotland) Act 2002.

6. ICAS - Scottish Taxes Sub-Committee meeting

6.1 The Board welcomed Institute of Chartered Accountants of Scotland (ICAS) members Charlotte Barbour, Director of Taxation; John Cairns, Convener of the Tax Committee; and Neil Gilbert, Convener of the Scottish Taxes Sub-Committee, to the meeting.

6.2 The Board noted that ICAS members have been involved since very early in the process, contributing to the Scottish Government's consultation on the proposed Tax Management Bill in 2012; taking part in quarterly bilateral meetings; assisting with website and SETS User Acceptance Testing; and attendance at the Devolved Tax Collaborative meetings. It was noted that Revenue Scotland and ICAS now meet biannually and have an excellent working relationship.

6.3 The group discussed feedback from ICAS members on the devolved taxes and any improvements which could be made to ensure certainty for the taxpayer such as including worked examples on the website and more guidance around transitional leases.

6.4 The group also discussed the Scottish Rate of Income Tax (SRIT) and the awareness raising required around it and the changes from the Scotland Act/Smith Commission. Although Revenue Scotland is not directly involved in SRIT it is predicted that there will be some confusion amongst the public and that the Support Desk may receive calls. ICAS described the awareness raising sessions they have held for their members around these changes.

6.4 The Board thanked ICAS for their collaboration in the set-up of Revenue Scotland and for their ongoing support.

7. Penalties and Interest

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

8. Update from Audit and Risk Committee

8.1 The Chair of the Audit and Risk Committee, updated the Board on the meeting of the committee which took place on 7 September 2015. The Committee met with the interim head of Internal Audit and discussed how Revenue Scotland fits within the remit to conduct a strategic review of the internal audit function. The Committee discussed the revised Risk Register and carried out a 'deep dive' into one of the risk cards.

8.2 The Audit and Risk Committee saw the Internal Audit plan again and asked for more detail to be added. The plan will be brought to the November Board meeting to ensure the Board are content with what is proposed. Internal Audit will begin with an audit of Corporate Governance and the ARC Chair will meet with SG Internal Audit to discuss scope. The Committee reviewed the Scottish Government Audit Committee guidance and noted the need for a Committee self-audit.

Action (133): Secretariat to share the Audit and Risk Committee Minute with Board members (those not on the Committee).

Action (134): Internal Audit Plan to be brought to the November Board meeting.

Action (135): Secretariat to update the Risk Register.

Action (136): CEO to devise Induction Programme for the new CEO.

Action (137): CEO to bring a Communications Plan around the new CEO recruitment to the Staffing and Equalities Committee.

9. Risk Register

9.1 The Risk Register was reviewed and the Board noted that the Register has been updated with Board comments from the last meeting. The difference between mitigating risk actions and controls has been clarified, a risk movement column has been added, and included as appendixes are the links between risks and the corporate plan, sources of assurance and the risk management matrix.

9.2 The Board were updated on the risk workshop in early September attended by 17 members of Revenue Scotland staff. This will be followed up with further training in around 6 months' time. Anne Turner from SEPA will facilitate the Board's risk workshop on 11 November.

9.3 Revenue Scotland intend to hold quarterly risk workshops to look at risk cards in-depth.

9.4 The Board welcomed sight of the updated and improved Risk Register and the helpful appendices included.

10. New Tax Administration Programme Update

10.1 The Board received an update on the New Tax Administration Programme (NTAP) which has been established to deal with the new taxes that are likely to be devolved to RS.

10.2 NTAP is drawing on lessons from the Tax Administration Programme and have commenced the recruitment of business critical posts. They are working very closely with Scottish Government colleagues and are being included in their stakeholder meetings and discussions with HMRC. There will be a Consultation on Air Passenger Tax in November and the NTAP team will follow the results of this closely. Although NTAP presented the Board with an outline timeline this is dependent on the passage of the Scotland Bill.

10.3 The Board thanked the NTAP team for the update and annexes to the paper. They requested more understanding of the framework and what the key milestones are – in the form

of a Gantt chart, decision tree or info-graphic – to help contextualise the issues. The CEO noted that the full scope of the project is not yet known.

Action (138): NTAP to provide the Board with an info-graphic to help the Board's understanding of the framework and key milestones.

11. Data Visualisation Presentation

11.1 The Board received a presentation on data visualisation. The new site data.revenue.scot was demonstrated and it was noted that this new data solution is more open and automated. There is still some technical work to be done and thorough testing but the site should be launched sometime in the Autumn.

11.2 The Board noted that the information design and operational use is very clear and stated that they looked forward to seeing future developments.

12. AOB

12.1 No other business was discussed.

13. Date of Next Meeting

The Board will meet again on 4 November 2015.