

Meeting of the Revenue Scotland Board – 24 September 2024 – Minute

Meeting held via MS Teams
14:00 – 16:00, 24 September 2024

Present:

Aidan O’Carroll, Chair Revenue Scotland
Martin McEwen
Simon Cunningham
Robert MacIntosh
Ken Macintosh
Idong Usoro

In attendance:

Elaine Lorimer, Chief Executive
Shamyla Afzal, Governance and Compliance Manager
Neil Ferguson, Head of Corporate Functions
Mairi Gibson, Head of Legal
Allan MacDonald, Strategy, Planning and Performance Manager
Callum MacInnes, Head of Governance
Stuart McMahon, Finance Manager
Mike Paterson, Head of Tax
Naomi Pal, Head of Strategy and Communications

1. Meeting Opening

1.1 The Chair welcomed attendees to the meeting. He extended a warm welcome to Stuart McMahon, congratulating him on his promotion and thanking him for his contribution to the compilation of the Annual Report and Accounts over the years.

1.2 The Chair noted that the purpose of the meeting was to consider the annual report of the Audit and Risk Committee for 2023-24 and approve the Annual report and Accounts for 2023-24, in order to give the CEO the full support of the Board to sign the letters of representation as Accountable Officer.

Apologies

1.3 Board member Jean Lindsay and Elaine McAtamney, Head of Finance, tendered their apologies.

New Declarations of Interest

1.4 There were no new declarations of interest.

2. Chair Update (Oral)

2.1 The Chair noted that engagement with members of the Scottish Parliament was

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continuing and the meetings that had taken place with MSPs had gone positively. The Board were advised that an update will be provided at the Board call following the meeting with Mr McKee next week.

- 2.2 The Chair thanked all those involved in the production of the annual report on behalf of the Board, highlighting that the report read very well given the constraints we had to work within and was a document that the organisation could be proud off.

3. Chief Executive's Update (Oral)

- 3.1 The Chief Executive provided the Board with an update on the following:

- a) The annual People Survey is currently underway. Staff were being encouraged to complete the survey in order to ensure a good return rate.
- b) Oracle and the 35 hour working week are both due to go live on 1 October and the focus is on achieving a smooth transition. Revenue Scotland's adoption of Oracle will be a few days behind the Scottish Government itself and the organisation is working hard at ensuring staff have enough time to complete the training ahead of the go-live date. In terms of the 35 hour working week, SLT will be looking for further assurances later in the week that the teams are ready.
- c) Stage 3 of the Aggregates Bill will be heard in Parliament next week.
- d) That Board members may be interested to note, as a point of governance, that a UK Minister had been made Chair of the Board of HMRC.

- 3.2 The Chair thanked the Chief Executive for the update.

4. Report from the Chair of the Audit and Risk Committee

- 4.1 The Chair of the ARC provided the Board with a short summary of the Annual Report of the ARC for 2023-24. He noted a small change to the report following the 27 June ARC meeting to the highlight section of the report referencing that RS had secured Substantial Assurance from Internal Audit.

- 4.2 Within the report a summary of the Committee's workplan for 2023-24 and a draft work plan for 2024-25 had been included, which was consistent with the approach that had been taken previously.

- 4.3 The ARC Chair confirmed that, throughout the year, four internal audits had taken place, these were: a review of knowledge management, review of lease returns, advisory review of assurance mapping and the organisations approach to hybrid working. All receiving a "substantial" audit assurance opinion except for the review of leases which received a "reasonable" rating.

- 4.4 The overall assessment of Revenue Scotland from Internal Audit was a 'substantial'

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award for the fourth consecutive year. The Committee considered this a fair reflection of Revenue Scotland and commended the hard work put into this by the Chief Executive and the Team. The Chair commented on the very strong positive working relationship with Internal Audit in respect of the working relationship between both which they would like to see continue.

- 4.5 The ARC Chair confirmed that both sets of accounts had received an unqualified and unmodified audit opinion from Audit Scotland. No misstatements had been reported by the auditors since the draft accounts were submitted to them. The Audit report confirmed that effective financial management arrangements were in place and reported no concerns. A number of recommendations were made within the report including one for the medium term financial plan which could be developed further through scenario planning, which the Committee agreed would be a valuable exercise given the current challenging position. No concerns were raised with the work of Audit Scotland.
- 4.6 The ARC Chair highlighted that the Committee had been involved throughout the audit process which included working to a condensed timetable which both Revenue Scotland and Audit Scotland met. He further noted that the Committee had reviewed the letters of representation, certificates of assurance and were content that the process that had been followed with no concerns raised preventing the Board from approving both sets of accounts.
- 4.7 One issue that had been raised was around disclosure of third party transactions, a mutually acceptable decision had been agreed with Audit Scotland, which was the removal of the paragraph in relation to this with a view to an agreement on how to address this issue being reached ahead of next year's accounts.
- 4.8 On risk management, the Committee's view was that Revenue Scotland has a robust process in place for managing risk evidence through via the substantial assurance against Revenue Scotland's approach to assurance mapping.
- 4.9 The Committee carried out its annual review of its effectiveness and it is felt that Committee is operating effectively and would welcome any feedback from the Board and SLT.
- 4.10 The Chair of the Committee thanked the team for all their hard work, noting the quality of papers was extremely high. The Chair also acknowledged the papers and contributions from Audit Scotland and Internal Audit noting it was a huge effort in supporting the work of the Committee.
- 4.11 The Chair thanked the Chair of ARC for the summary, fulsome report and extended his thanks to the Committee members for all their work highlighting that through good governance, the Board can take assurances from the work of ARC and SLT.

Decision - The Board was satisfied with progress to date for 2023-24 by the Audit and Risk

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Committee, noting that they have full-filled their remit as set out in their Terms of Reference and that there are no outstanding issues for consideration.

Decision - The Board approved the 2023-24 Annual Report of the Audit and Risk Committee.

5. Annual Report and Accounts 2023-24

- 5.1 The Finance Manager introduced both the Resource Accounts and Devolved Accounts which had been presented to Audit Scotland and reviewed by the Audit and Risk Committee.
- 5.2 The Chair of the Board noted that both sets of accounts had been discussed with the Committee with the Auditors present. Within the Resource Accounts there had been no substantive changes made. One minor change had been made to the Resource Accounts to correct a page number. There was a discussion regarding third party transactions, resulting in Audit Scotland changing their position and agreeing that the issue they had raised could be considered for next year's sets of accounts.
- 5.3 Suggestions were also made by members as to how the next sets of accounts could be improved with consideration being given to an executive summary bringing all the highlights together, to be used by Board members for engagement purposes.

Decision - The Board confirmed that the accounts provide them with appropriate and sufficient information on the performance of Revenue Scotland in terms of the resources expended and in the collection and management of the taxes. The Board approved the 2023-24 Annual Reports and Accounts of Revenue Scotland Resources and Devolved Taxes.

Decision - The Board recommended the signing of the Annual Report and Accounts, both Resource Accounts and Devolved Taxes Accounts for 2023-24 by the Accountable Officer.

6. AoB

- 6.1 The Board were advised that a lessons learned exercise had been planned for mid-October, with a view to capturing feedback to improve the annual report and accounts process in future years.
- 6.2 Board members commented on strong opening statements and infographic within accounts. They also discussed again having an executive summary and asked whether other SG Bodies have anything similar.
- 6.3 The Chief Executive highlighted that any such document should be more of a summary of performance than a summary of the annual report and accounts. Highlighting the need for the document to feel current in order to engage readers. Board members suggested the document could include a condensed version of both the Chair and Chief Executive's statements, infographics and pull quotes, offering to

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discuss this further with the team.

- 6.4 Board members also discussed attending a recent tribunal and commending the Legal team for all their work in representing Revenue Scotland.
- 6.5 The Chief Executive thanked the Board for their support throughout the Annual Report and Account process and confirmed that there will be no parliamentary event this year due to the budgetary constraints, however, there will be an event in relation to the organisation's 10 year celebrations which would present a similar opportunity to celebrate the organisation's performance with stakeholders.
- 6.6 The Head of Corporate Functions suggested compiling a short document for both the executive summary and 10 year anniversary to showcase how the organisation has performed over the years, referencing KPIs, the amount of tax raised and telling the story of how the organisation has evolved.
- 6.7 The Chair closed the meeting by thanking everyone for a great year.

Action – Head of Strategy and Communications to see whether any other SG Delivery Bodies have an executive summary used for engagement purposes and report back to the Board.

End of Meeting

Date of next meeting:
27 November 2024