

**Meeting of the Revenue Scotland Board – 25 October 2023 –Minute**

Hybrid Meeting: 3E-91, Victoria Quay/MS Teams  
13:00 – 15:00, 25 October 2023

**Present:**

Aidan O’Carroll, Chair Revenue Scotland  
Martin McEwen  
Simon Cunningham  
Robert MacIntosh  
Ken Macintosh  
Idong Usoro via MS Teams  
Jean Lindsay (Joined meeting at 13.23) via MS Teams

**In attendance:**

Elaine Lorimer, Chief Executive  
Mairi Gibson, Head of Legal  
Gareth Hill, Chief Accountant  
Callum MacInnes, Head of Governance  
Nick Manton, Service Owner  
Mike Paterson, Head of Tax  
Nicola Walkinshaw, Governance Business Manager  
Naomi Watkins, Head of Strategy and Communications

**1. Meeting Opening**

1.1 The Chair welcomed everyone to the meeting, extending a warm welcome to Gareth Hill as this was his last Annual Report and Accounts meeting.

**Apologies**

1.2 Neil Ferguson, Head of Corporate Functions, tendered his apologies.

**New Declarations of Interest**

1.3 There were no new declarations of interest.

**2. Chair Update (Oral)**

2.1 The Chair updated the Board on his meeting with Mr Arthur MSP, noting that the Minister appreciated the good progress that has been made by Revenue Scotland with the new corporate plan and in engaging with COSLA.

2.2 A meeting had also been held between DG Communities and both the Chief Executive and Chair in which Revenue Scotland’s contribution to the work in respect of Public Service Reform was discussed.

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### 3. Chief Executive Report

- 3.1 The Chief Executive informed the Board that she had met with COSLA following an earlier meeting with their CEO. As a result, the Revenue Scotland's Service Owner will engage with the Local Government Digital Office to discuss digitalisation of tax.
- 3.2 Positive discussion to raise the profile of the Chartered Institute of Taxation (CIOT) within Scotland had taken place between the Director of Public Policy of CIOT and the Chief Executive. They had also accepted an invitation to Revenue Scotland's Annual Report and Accounts launch event in the Scottish Parliament.
- 3.3 The Chief Executive also advised the Board that she had been invited to speak to the Women in Tax Network about Revenue Scotland's approach to hybrid working.
- 3.4 The Chair welcomed these meetings as a demonstration of the good progress being made in respect of the organisation's engagement strategy.

### 4. Annual Report from the Audit and Risk Committee

- 4.1 The Chair of the ARC provided a progress update in relation to the Annual Report and Accounts of Revenue Scotland 2022-23 and a short summary of the Annual Report of the ARC.
- 4.2 The Chair of the ARC began by highlighting to the Board that the Terms of Reference for ARC were reviewed in September 2022 then subsequently approved by the Board on 17 May 2023.
- 4.3 During the previous financial year ARC had a change in personnel with Lynn Bradley leaving in June 2022 and Robert MacIntosh joining. He confirmed that the ARC continued to provide support to the Board and the Accountable Officer on governance, risk management and internal controls. The ARC met seven times during the year with a special meeting to review the Annual Report and Accounts and a strategy session on risk.
- 4.4 The ARC Chair confirmed that three internal audits had taken place during the year and had been scrutinised by ARC. These were: a review of equality, diversity and inclusion which had received a 'upper-end – reasonable' audit assurance opinion; a review of litigation decisions which had received a 'upper-end – reasonable' audit assurance opinion and a review of the hybrid working pilot that had received a 'substantial' audit assurance opinion.
- 4.5 The overall assessment of Revenue Scotland by SGIAAD was a 'substantial' award for the third consecutive year. ARC were satisfied that the findings from Internal Audit were a true reflection and welcomed the good working relationship and collaborative approach that had been established between Revenue Scotland and SGIADD. The Chair commented that this was a great level of assurance and that ARC would continue to work with the Executive and Internal Audit to ensure Revenue Scotland continues to meet this high standard in future years.

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- 4.6 The ARC Chair confirmed that both sets of accounts had received an unqualified opinion from Audit Scotland and no misstatements had been reported by the auditors since the draft accounts were submitted to them.
- 4.7 ARC had requested that the timetable for next years' Annual Report and Accounts be shortened, with the signing being in September opposed to October.
- 4.8 A particular focus had been given to cyber security by Audit Scotland this year and the Chair was pleased to report that they had confirmed that Revenue Scotland's measures in this area were appropriate.
- 4.9 Three minor recommendations had been made and ARC were content with these and the management responses provided. ARC would monitor progress in responding to these over the next year.
- 4.10 On risk management, the corporate risk register had been reviewed at ARC meetings and ARC were content with the approach being taken in regards to risk management.
- 4.11 The Accountable Officer had confirmed to ARC that she was not aware of any further changes required to the Annual Report and Accounts. ARC members had also confirmed that they were not aware of any issues that had needed to be declared to Audit Scotland and had endorsed the certificates of assurance process undertaken by the Accountable Officer.
- 4.12 Following their review of both the Devolved Tax and Resource Accounts and subject to one minor change to the Resource accounts, ARC members were pleased to recommend the Annual Report and Accounts for 2022/23 to the Accountable Officer and Board for signing. The change related to the removal of text on page 44 of the Resource Accounts relating to the commencement date of Scottish Aggregates Tax, as the date had not been formally announced and could be subject to change.
- 4.13 The Chair acknowledged the great achievement in receiving a substantial assurance rating from internal audit for the third consecutive year and in getting an unqualified and unamended audit opinion from Audit Scotland. He also welcomed the plans to reduce next year's timetable for the production of the accounts.

**Decision** – The ARC recommended the 2022-23 Annual Reports and Accounts for Revenue Scotland's Resource and Devolved Taxes to the Board for signing, subject to the one change agreed.

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

- 5.1 The Chief Accountant introduced both the Resource Accounts and Devolved Tax Accounts which had been presented to Audit Scotland and ARC. The minor drafting changes that they had identified had been addressed within the current draft.
- 5.2 There have been no adjustments made to the financial statements since the original draft had been provided to Audit Scotland.

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- 5.3 The Chief Accountant thanked the Head of Strategy and Communications and the Strategy, Planning and Performance Manager for their contributions to producing the Annual Report and Accounts. He also thanked his Finance team for their work in relation to the finance figures.
- 5.4 The Board considered the annual reports and accounts. Members discussed the benefits of breaking down some of the figures within the document but it was noted that this could lead to the disclosure of taxpayer information in some cases. It was agreed that the Head of Strategy and Communications and Finance colleagues would consider how, in future years, more context might be provided for these figures.
- 5.5 The Chair thanked all involved for their efforts. Members agreed that the Chair and Accountable Officer could sign the Annual Report and Accounts subject to the one change proposed by the members of the ARC.

**Action** – Head of Strategy and Communications and Head of Finance - Consideration to be given to how to provide more context around compliance, disputes, settlements and other similar figures within the Annual Report and Accounts whilst avoiding breaking them down to a point where they become disclosive.

**Decision** - The Board approved the 2022-23 Annual Reports and Accounts of Revenue Scotland Resources and Devolved Taxes, subject to the one minor amendment recommended by the Audit and Risk Committee.

**Decision** - The Board recommended the signing of the Annual Report and Accounts for 2022-23 by the Chair and the Accountable Officer.

## **6. AOB**

- 6.1 The Board discussed opportunities to use the Annual Report and Accounts, or a related summary document to promote Revenue Scotland's profile. It was noted that Audit Scotland were content for reporting on Revenue Scotland's performance to take place in advance of the Annual Report and Accounts being published. The Head of Strategy and Communications was asked to consider the options and bring proposals back to the Board.

**Action** - Head of Strategy and Communications to consider how best to promote Revenue Scotland's achievements and bring proposals back to the Board.

### **End of Meeting**

25 October 2023

#### **Next meetings:**

22 November 2023

7 February 2024 (Board Strategy Day)