

Meeting of the Revenue Scotland Board MINUTE

13:30-16:55, 12 September 2018, Conference Room 3E-91, Victoria Quay, Edinburgh

Present:

Dr Keith Nicholson
Lynn Bradley
Jane Ryder
John Whiting CBE
Ian Tait

In attendance:

Elaine Lorimer, Chief Executive, Revenue Scotland
Andrew Fleming, Head of Strategy and Corporate Functions, Revenue Scotland
Stephen Crilly, Solicitor, Revenue Scotland
Chris Myerscough, Head of Tax, Revenue Scotland
Jennie Marshall, Equalities and Relationship Manager, Revenue Scotland
Donna Thomson, Policy Officer – Board Secretariat, Revenue Scotland
Gareth Hill, Chief Accountant, Revenue Scotland (for item 4 only)
Martin Davidson, LBTT Tax Specialist, Revenue Scotland (for item 5 only)
Alan Martin, Strategy and Change Lead, Revenue Scotland (for item 6 only)
Anthony Slack, LEAP Project Delivery Lead, Revenue Scotland (for item 6 only)

1. Meeting opening

- 1.1 The Chair welcomed Board members and officials to the meeting and opened proceedings.
- 1.2 The Board approved the minutes of 25 July pending some minor amendments.
- 1.3 In relation to the Action Log, the Board were content to close the proposed closed actions 059 and 062.
- 1.4 Actions 024, 035, 050, 053, 054, 055, 056, 058, 059, 061, 063, 064, 065, 066 and 067 are to remain open.
- 1.5 There were no new declarations of interest.

2. Chair update (Oral)

2.1 The Chair provided an overview to the Board members on recent events.

2.2 He highlighted his recent very positive meeting with Kate Forbes, the Minister for Public Finance and Digital Economy. He was able to give a comprehensive overview on the work of Revenue Scotland, focusing particularly on the complexity and value of compliance work and the benefits of the relationship with SEPA.

2.3 The Chair mentioned the tax expertise that Revenue Scotland staff have and are developing and that it is something that Scottish Government could draw upon to inform understand of the wider implications of tax policy. Revenue Scotland have also developed expertise in the establishment of a new public body.

2.4 The Chair highlighted the use of Agile as a methodology suitable for software development, not project management, in the LEAP programme and the need for clear messaging around this.

2.5 The Chair updated members on the upcoming Parliamentary Event to launch the Annual Report and Accounts.

2.6 He mentioned the joint Board session that we had previously had with the Fiscal Commission and stressed the importance of good engagement with the Commission.

Action A068/18: To explore opportunities for Board engagement between Revenue Scotland and the Fiscal Commission.

3. CEO Report (Paper RS(06/18)03)

3.1 The Chief Executive introduced her paper providing Board members with an overview on Revenue Scotland business.

3.2 She added to the Chair's update on the meeting with Kate Forbes that the Minister was keen to visit Revenue Scotland. This meeting will take place on 27 September 2018. She also reported that Revenue Scotland is to provide briefing for the Minister on the issues that have been identified with the legislation.

3.3 The CEO updated Board members on the recent Ombudsman case concerning Revenue Scotland. She highlighted that this was something of a test case for Revenue Scotland's handling of a tax dispute and could set a precedent, and stressed that there is a well-established appeal route for taxpayers who are unhappy with a tax decision.

3.4 The Board welcomed the inclusion of the Staffing figures and the FOI and Complaints table in the report.

4. Annual Report and Accounts Review (Paper RS(06/18)05/06/07)

4.1 The ARC Chair gave her thanks and congratulated all staff who had worked on the Annual Report and Accounts and reported that we now have a clean audit certificate. The CEO as Accountable Officer, Internal Audit and External Audit have given assurances to the Committee that controls are appropriate.

4.2 She reported that Internal Audit and Audit Scotland engagement with the committee has been very positive and that they had complimented the Accountable Officer and accounts team. The ARC Chair reported to the Board that the committee were satisfied with the assurances and are very happy to commend the accounts to the Accountable Office and Board for signing.

4.3 The Board reinforced the ARC's view on how well the staff have worked and how happy they are with the accounts.

4.4 The Board discussed the issues highlighted within the Audit Scotland report on Internal Audit and the need for better communication of any future issues. Sharon Fairweather, the Director for Internal Audit has offered to meet with the ARC Chair and the CEO to discuss how IA are planning their resources and who would be carrying out Internal Audit for Revenue Scotland moving forward.

4.5 The Chair noted that the Board need assurance that they have the standard of Internal Audit that Revenue Scotland requires and would welcome a further update following the meeting.

Action A069/18: Secretariat to forward copies of the Annual Report of the Audit and Risk Committee.

Action A070/18: CEO and ARC Chair to meet with the Director for Internal Audit to discuss resourcing and future provision of Internal Audit Services and report back to the Board.

Decision D049/18: The Board were satisfied with the assurances and are happy to commend the accounts to the Accountable Officer for signing.

5. LBTT (Paper RS(06/18)09)

5.1 The LBTT Tax Specialist introduced this paper containing two tax opinion cases.

5.2 The Board scrutinised and discussed the cases and were content to follow the recommendations presented.

Decision D050/18: The Board approved the two operational policy decisions in respect of Revenue Scotland opinions A and B.

6. LEAP (Paper RS(06/18)08

6.1 The Head of Strategy and Corporate Functions introduced the LEAP update paper to the Board and introduced Anthony Slack, the Project Delivery Manager, who was present at the meeting, to the Board members.

6.2 He updated Board members on the procurement processes and mentioned that the decision has now been made by the CEO following a due diligence report. A few minor details within the contract are still being finalised following the contract signing within the new few days.

6.3 He assured Board members that we are still operating within the agreed contingency and we hope that we can make up time as the contractor has already designed systems which have elements that can be used in this project.

6.4 The CEO noted the hard work of the team up to this point and the Board recognises the effort and preparation of the team in getting the contract to this point.

6.5 The Board recognised that the timeframe has been challenging and, due to that, they would like to see a Road Map for delivery of the minimum acceptable product and details of what this would be.

6.6 The Board provided detailed scrutiny and discussion on the forward plan of the LEAP programme and were content with progress to date but will look for additional information at the next Board meeting.

Action A071/18: Head of Strategy and Corporate Functions to provide a roadmap for delivery of the programme and articulation of the specifications and functionality of the minimum acceptable product to the October Board meeting.

Action A072/18): Head of Strategy and Corporate Functions to provide an update on the Data Mapping and Migration Strategy to the October Board meeting.

Action A073/18): Head of Strategy and Corporate Functions to share the latest Integrated Assurance Plan with the October Board meeting.

12. AOB

Action A074/18: Secretariat to homologate the note of the decision made during the Board teleconference call on 14 August 2018 into the formal record at the next board meeting

End of Meeting

**Revenue Scotland
20 September 2018**