

Committee Members

Professor David Ulph – Chair
Professor Alasdair Smith
Professor Francis Breedon

Attendees

Dame Susan Rice - Chair, Scottish Fiscal Commission
John Ireland - Chief Executive
Stephanie Harold - Audit Scotland
Sharon Fairweather - Director, SG Directorate for Internal Audit and Assurance
Kate Moffat - SG Directorate for Internal Audit and Assurance
Lorraine Twyford - SG Directorate for Internal Audit and Assurance
Claire Murdoch - Head of Social Security and Public Funding
David Stone – Head of Economy and Tax
Mark Hagart – iTECS Head of Data Centre and Network Services
John Mackay – iTECS Head of Cyber Security and Information Risk
James H White - Governance Manager - secretariat

Apologies

Gillian Carty - External Member
Mark Taylor – Audit Scotland
Martin Nolan - Audit Scotland
Susie Warden - Head of Strategy, Governance and Corporate Services

1. Welcome and Introduction

Professor David Ulph opened the meeting, noting apologies given. There were no declarations of interests or notification of any other business. The minutes of the meeting held on 11 October 2021 were agreed as an accurate record. The action log was noted.

2. iTECS

David Ulph welcomed the attendees from iTECS, commenting on the key role played by SCOTS in supporting the work of the Commission.

Mark Hagart gave a brief presentation on the arrangements in place to manage the SCOTS network and remote online access. He highlighted improvements being made to increase capacity, resilience and reliability; some improvements are already in place, with all improvements expected to be fully operational by the end of the year. He clarified that as more services become cloud based, there will be a corresponding increase in users accessing services directly from their remote access device.

John Ireland reflected that Commission experience has been positive and the response to COVID-19 from iTECS has been impressive. However, the impact of smaller scale remote access outages is being felt by Commission staff. iTECS is monitoring this with the network provider. The underlying problem has been

identified which should be resolved fully by the end of the year. In the meantime, mitigating actions have been put in place, including how users access SCOTS remotely.

David Ulph thanked Mark Hagart and John Mackay for attending the meeting and helping to improve the Commission's understanding of both the SCOTS network and the recent ongoing work to improve overall resilience and reliability.

3. Risk

Staffing – this remains a considerable risk given the increase in turnover, following less than expected staff movement in 2020, and the forthcoming forecasts with fewer, less experienced staff (who will require training). Mitigations are in place, including actions being taken by SGDIAA, however, the risk is exacerbated by HR processes delaying new recruits starting with the Commission. John Ireland confirmed that discussions have taken place with People Directorate and the Scottish Government liaison team. It was reported that there would be a two month suspension of recruitment to allow for migration to a new system. Subsequent to the meeting People Directorate confirmed that although workload would need to be managed carefully during the transition there would not be a two month closure and that details would be shared with stakeholders in early November.

Alasdair Smith commented that it would seem that staffing will remain a higher level risk for some time.

It was confirmed that concerns about HR have been escalated with Scottish Government colleagues, but it was recognised that action is being taken to address the shortcomings and improve service delivery. It was proposed by David Ulph and agreed by the Committee to increase the risk score to a likelihood of 5 and impact of 5. This risk would be brought to the attention of the Governance Board.

Independence – it was agreed that this score had reduced from red to amber as the new Parliament was in session and the risk had reduced.

Corporate Systems – the move from green to amber reflects the earlier discussions about HR albeit off-set by improvements by iTECS to the SCOTS network. The Committee agreed to change the score, as noted below.

Reputation – a move from green to amber was noted and agreed

Partners – a move from amber to green was noted and agreed.

The agreed risk score were:

	Likelihood	Impact
Staffing	5	5
Independence	3	4
Corporate Systems	4	4
Reputation	3	4
Partners	1	4

4. Audit Scotland

It was reported that the laying letter for the recent Annual Report and Accounts should be sent shortly to the Commission and that planning would be starting for the 2021-22 audit work.

5. SG Directorate for Internal Audit and Assurance

Kate Moffat highlighted the key message from the reports, noting in particular work on a new risk management system and the assurance processes in place to manage and monitor internal audit. She offered to liaise with SG Governance and Risk Team about making a presentation on the new risk management system at a future meeting. Lorraine Twyford noted the useful work undertaken on Counter Fraud which had concluded with an updated plan which had been approved and published.

6. Accommodation

John Ireland noted that since Governor's House had opened up for use by staff on wellbeing grounds on 16 September, take up had been limited with no more than around 5 staff working in Governor's House and usually there was no more than 1-2 members of staff per day. The forthcoming Pulse survey will attempt to better understand the needs of staff whose wellbeing would benefit from some contact with colleagues.

It was confirmed that the capacity of the building, currently restricted to 1 person per room, will be kept under review and any change would include staff views and current SG guidance.

7. Finance

John Ireland highlighted that an underspend was being anticipated, which was partly caused by delays in recruitment and the need for a contingency. Options for taking forward further limited redecoration of Governor's House were being explored.

It was confirmed that fixed term appointees make a valuable contribution, and may provide an opportunity to improve the diversity of the Commission. However, it was more difficult to find suitable staff for senior positions. The Committee noted the paper and the projected underspend.

8. Date of Next Meeting

The next meeting, which had been scheduled for Monday, 16 November 2021, is to be rearranged for a date to be confirmed in January 2022.

Scottish Fiscal Commission: Strategy, Governance and Corporate Services
25 October 2021