

Attendees

Professor Graeme Roy - Chair
Dr Eleanor Ryan - Commissioner
Justine Riccomini - Commissioner
John Ireland - Chief Executive
Claire Murdoch - Head of Fiscal Sustainability and Public Funding
David Stone - Head of Economy and Income Tax
Michael Davidson - Head of Devolved Taxes and Social Security
Susie Warden - Head of Strategy, Governance and Corporate Services
James H White - Governance Manager, secretariat

1. Welcome and Introduction

Graeme Roy opened the meeting, noting that Professor Domenico Lomabrdi has resigned as a Commissioner.

There were no apologies or declarations of interests from those attending.

The minutes of the meeting held on 26 November 2025 were agreed as an accurate record, and the action log was noted. John Ireland commented for Action Point 3, that the multi year spending ask submitted to the Scottish Government incorporated additional staff costs over the three years for employing full-time members of the Senior Management Team.

Eleanor Ryan suggested using the quieter period during the pre-election period and the summer to make progress with the actions noted as in hand.

2. Chair's Update

Graeme Roy said that we had now completed the budget forecast and thanked the team for their work in producing good quality analysis and presenting it well which had attracted positive feed back from Cabinet Secretary and the Finance and Public Administration Committee. He asked for his personal thanks to be passed onto the team for the additional work over Christmas/New Year and weekends. The next major publication is the Fiscal Sustainability Perspectives which is due to be published on 25 February.

It was recorded that Domenico Lombardi had planned to leave in February, however, his work circumstances had changed and he changed his resignation date to 31 December 2025. Recruitment for a replacement will start in due course, after the Scottish Parliament Election.

Finally, as this was his final Governance Board Meeting, Graeme Roy gave his thanks to the Governance Manager who is retiring at the end of March 2026 for his work with the Commission since 2018. These thanks were strongly seconded by the other Commissioners.

3. Chief Executive's Update

John Ireland noted that a number of staff had left or were about to leave including a number of FTAs and a secondment. A new FTA B2 had started at the end of 2025. Recruitment to fill vacancies would start now based on the 2026-27 multi-year ask.

Senior Management Team was considering the management of operational risk including QA of the analytical models.

It is intended to formalise cross cutting tasks within staff objectives, and allocating responsibility for each of task to senior analyst. It will also include continuing to build in resilience by reducing single points of failure.

Commissioner work planning for 2026-27 was ongoing, and in addition there was an intention to consolidate existing policies about Commissioner availability and absence into a single piece of guidance for Commissioners.

The Governance session at the Finance and Public Administration Committee had gone well, with the Committee focussing on engagement and encouraging blue sky thinking about what else the Commission could do.

4. Audit and Risk Committee

Justine Riccomini highlighted that the discussions at last week's meeting of the Audit and Risk Committee went well with a good level of attendance.

Eleanor Ryan had updated the Committee about the Scottish Forestry discussions on the 20 challenge points for public bodies in the report on Recognising and Responding to Early Warning-Signs in Public Sector Bodies. Sarah Pumfrett would be sharing information on identified useful checklists which could be usefully used to review Audit Committee performance.

Stuart Kenny, Director Deloitte LLP had confirmed that the level of materiality is consistent with previous year, reducing the level of testing required. Justine Riccomini is due to meet with Stuart Kenny, about the risks identified in the Audit Plan for 2025-26, and discuss what testing would look like. It was confirmed that Scottish Fiscal Commission had been assessed as a less complex body, and that no complexities were anticipated.

The Committee had discussed accounting standard IFRS 16 about the treatment of the MoTO lease payments for Governor's House.

SGDIAA fieldwork, which had not identified any concerns, has been completed and a draft of their Assurance Report was due this week. Planning for 2026-27 would be starting shortly.

Reviewed the risk cards Sarah Pomfret had suggested a review should be taken forward on the effectiveness of the Audit and Risk Committee, including a deep dive into the management of operational risk, recognising that it needs to be appropriate and affective. For example, undertaking occasional assurance mapping occasionally

in relation to analytical risks, such as the Commission's response to the OECD review recommendations.

The Board agreed that one meeting of the Committee should be held in person in Governor's House annually, to which it was hoped the Deloitte LLP partner and Head of SGDIAA would be able to attend in person.

Graeme Roy thanked Justine Riccomini for the work she is doing as Chair of the Committee.

5. Finance

Susie Warden reported that there had been no changes since the finance paper was discussed at the Audit and Risk Committee. Work is ongoing to reduce the anticipated underspend.

In relation to IFRS 16, Susie Warden highlighted the factors which need to be considered when considering the expected length of the cover for IFRS 16 purposes. It was felt to be more likely that there could be a move from Governor's House, given cost pressures from Public Services Reform, including exploring options for sharing Governor's House with another public body.

Susie Warden outlined that the plan for 2025-26 is to manage the MoTO with one year management judgement and consider future years based on the outcome of the accommodation review, which could involve additional capital cover. Governance Board confirmed that it was content for Susie Warden to proceed as proposed.

6. Engagement

The engagement log was noted. Work to streamline the website has been started with further work anticipated in due course.

The intention is to spread engagement work across both Commissioners and staff.

Graeme Roy reflected his view is that success is to be judged not by media hits but by effective engagement that supports greater awareness of significant fiscal issues amongst key decisionmakers and the general public. He highlighted a range of issues, from the income tax performance gap and the proportion of higher rate taxpayers through to the social security net position and long-term fiscal sustainability risks, where the Commission has shaped the policy debate in Scotland. These effects can be quite subtle. How this could be measured and assessed to demonstrate the impact of the Commission needs to be considered. Repeating the stakeholder survey again may be one way of achieving this, but keeping track of how the issues highlighted by the Commission are picked up elsewhere may also provide useful evidence to demonstrate the Commission's impact.

Future engagement work will include working with Parliament to support induction training for MSPs.

Governance Board agreed that a plan for broader engagement and influence following May's election should be developed including the metrics required to

support assessment of the pan's effectiveness.

Action Point 1 - Governance Board agreed that a plan for broader engagement and influence for the new Parliament should be developed including the metrics required to support assessment of the pan's effectiveness.

7. Succession Planning and Commissioner Appointments and Meeting our Diversity and Equality Requirements

The briefing material prepared for the recent Governance session at the Finance and Public Administration Committee would be shared with Commissioners.

Governance Board agreed to set aside time at a Commissioner call to discuss succession planning further, including the skills required by a new Commissioner.

Governance Board noted publication of Meeting our Diversity and Equality Requirements, which had been approved by correspondence.

Action 2 – Time would be set aside at a future Commissioner call meeting to discuss succession planning, including the skills required by a new Commissioner.

8. Corporate Policies and Statutory Reporting

Register of Interests – the updated register, as published was noted.

Standing Orders – had been given a light touch review. Subject to comment from Eleanor Ryan, Governance Board was content to approved Standing Orders.

Scheme of Internal Delegation – the updated policy was approved by the Governance Board, subject to amendment in the light of comments from Eleanor Ryan. John Ireland highlighted that changes to the scheme could be made between annual reviews.

Terms of Reference – Governance Board approved the Terms of Reference which had been accepted by the Audit and Risk Committee.

Whistleblowing – Governance Board approved the policy.

Biodiversity Report 2023-26 – Governance Board approved the draft report for publication in early March 2026.

9. Any other business

There was no other items of business.

10. Date of Next Meeting

The next Governance Board meeting is scheduled for Wednesday, 20 May 2026.

Scottish Fiscal Commission
11 February 2026