

STRATEGIC BOARD

**MEETING OF THE SCOTTISH GOVERNMENT STRATEGIC BOARD
THURSDAY 03 SEPTEMBER 2015**

AGENDA

- 13:00 Minutes of SB(15)2nd Meeting and Action Tracker
- 13:10 Horizon Scanning - Global Economic Issues
- 13:35 Scottish Government's Strategic Risk Register
- 13:55 Scottish Government Finance Report
- ◆ SG Consolidated Accounts
 - ◆ Report from Chair of Scottish Government's Audit & Risk Committee
- 14:15 Business Strategy and Corporate Board Reports
- ◆ Business Strategy Progress Report (including updates from the People, Resources and Improvement Boards): Quarterly Report
 - ◆ Corporate Board Reports
Report on Deliverables of the Constitutional, Economy and Finance and Corporate Diversity Boards
- 14:35 Reports
Report of the Chief Economist
DG Reports
- 14:55 AOB
- 15:00 Close

MINUTES

Present: Leslie Evans (chair), Alyson Stafford, Ken Thomson, Sarah Davidson, Paul Gray, Paul Johnston, Catherine Dyer, Alex Smith, Christina Allon, Linda McKay, Janet Hamblin, Gary Gillespie

Apologies: Graeme Dickson, Carol Tannahill

In Attendance: Barbara Allison, Karen Watt, Ian Donaldson, James Hynd, Katie Wood

Please note that parts of the record of discussion are considered exempt from publication and have been redacted

Introduction and Welcome

1. The Permanent Secretary opened this meeting of the Strategic Board (SB) and welcomed the Observers.
2. The Permanent Secretary took the opportunity of this being Alex Smith's last SB meeting to thank him for his input in various settings to the Scottish Government (SG) over the years he has been a Non Executive Director. His understanding and depth of knowledge of the organisation is vast and his contributions have been invaluable. Paul Gray also paid tribute to Alex and all wished him the best for the future.

Minutes of SB(15)2nd Meeting and Action Tracker

3. The minutes of the SB meeting on 5 June were approved.

Horizon Scanning – Global Economic Issues SB(15)15

4. A background paper focussing on China and Greece considered both the immediate and medium to long term economic positions of these countries and the possible implications for Scotland. It was recognised that the situation is hugely dynamic.

SG's Risk Register SB(15)17 and Finance Report SB(15)18

5. The risk profile as described in the paper gives assurance the right issues are included in this Risk Register. Particular discussion on Risks 5, 15, 16 and 17.
6. Thought will be given on adding risks.
7. DG Finance spoke to the Finance Report, providing particular updates.

Scottish Government Consolidated Accounts (Consolidated Accounts) SB(15)19

8. Alyson Stafford outlined both the process for handling the Consolidated Accounts and their near final content. Alyson asked for particular comments to be raised directly with her.
9. SB members indicated, for their respective interests as Accountable Officers, that they were content, in principle, for the Consolidated Accounts, including the Governance Statement to go forward to the SG Audit & Risk Committee (SGARC) for subsequent signature by the Permanent Secretary as Principal Accountable Officer (PAO) following the conclusion of the assurance process at the SGARC on 24 September 2015.

SG Audit & Risk Committee (SGARC) Chair's Report SB(15)20

10. Alex Smith provided this report which considered the financial year 2014/15 and the current year 2015/16 in terms of assurance on risk, control and governance provided to the Permanent Secretary in her role as PAO.
11. SB expects the portfolio Audit and Risk Committees and DGs to carry out the appropriate level of in depth examination of all key risks. The SB seeks evidence and assurance of this approach from SGARC while also carrying out a quarterly high level review

of the SG Risk Register. There has been good development in this area on which we should continue to build.

Business Strategy Progress Report SB(15)21

12. This Report is still in transitional format, using information that is compiled and used for the various boards that sit below SB. Both the content and way of reporting is likely to continue to evolve as SG2020 programme develops, with thought on what is the right information for SB to consider and including whether a summary highlight report showing where SB should focus its consideration would be helpful.

13. SGARC is considering the work of each Corporate Board and its respective assurance role. SB agreed it would be helpful to align this work with the work on governance under SG 2020 programme. **ACTION: DG Finance, DG SEA Finance, Corporate Secretariat and Perm Sec's Office**

14. Further discussion included:

- Noting the role and remit of the Improvement Board, which was established for a particular purpose which has, particularly in relation to the establishment of an improvement framework and team, been achieved, is to be discussed at its next Board meeting on 7 September.
- Recognition of the importance for the organisation to have a recognised area which considers and scrutinise the performance of the SG.
- SB agreement to review operation of the SB - including the matters it needs to consider that flow from the structure and governance that sits below.

ACTION: DG Finance, DG SEA, SG2020 Programme Office, Corporate Secretariat and Perm Sec's Office

Report of Chief Economist, DG Reports, Report of CSA

Next meeting

15. The next meeting of SB is currently scheduled for 3rd December.

PS/Permanent Secretary
September 2015

