

**STRATEGIC BOARD**

**MEETING OF THE SCOTTISH GOVERNMENT STRATEGIC BOARD**

**TUESDAY 06 SEPTEMBER 2016**

**AGENDA**

- 14:30 Welcome, Introductions and apologies
- 14:45 Minutes and actions of SB(16) 2<sup>nd</sup> meeting
- 14:50 Finance and Risk
- Scottish Government Consolidated Annual Accounts 2015/16 cover note
  - Scottish Government Consolidated Annual Accounts 2015/16
  - Scottish Government Finance Report as at 31<sup>st</sup> July 2016
  - Strategic Risk Register, Strategic Risk Landscape and Finance and Risk
- 15:00 Performance and Outcomes
- 15:10 Organisational Efficiency - SG2020 Progress to Date
- 15:20 Post EU Referendum
- 15:30 Review of Corporate Governance – sign off
- 15:45 Dissolution of SB and Reflections
- 15:15 AOB
- 16:00 Close

Present: Leslie Evans (Chair), Paul Gray, Alyson Stafford, Ken Thomson, Liz Ditchburn, Sarah Davidson, Paul Johnston, Nicky Richards, Carol Tannahill, David Patel (substitute for Gary Gillespie), Prof. Sheila Rowan, Christina Allon, NXD and Linda McKay, NXD

Apologies: Janet Hamblin, NXD, Gary Gillespie, David Harvie and Barbara Allison

In attendance: James Hynd and Helen Buckley

## **WELCOME AND INTRODUCTIONS**

1. The Chair opened this meeting of the Strategic Board (SB) and took the opportunity of this being Christina Allon's last Board meeting to thank her for her contribution and wise counsel to the SB. As a Non-Executive Director for the last six years Ms Allon contributed to numerous Boards including: Performance Board; Improvement Board; Finance, Communities and Strategy ARC (Chair) to name a few.
2. The Chair welcomed Prof. Sheila Rowan to her first SB meeting.

## **MINUTES AND ACTIONS**

3. Minutes of SB(16)2<sup>nd</sup> meeting were approved. All actions from that meeting had been completed.
4. There were no declarations of interest.

## **FINANCE AND RISKS**

### Scottish Government Consolidate Annual Accounts 2015-16

5. Alyson Stafford outlined the process for handling the Scottish Government's 2015-16 consolidated accounts due to be considered by the Scottish Government Audit and Risk Committee (SGARC) on the 22<sup>nd</sup> September 2016.
6. The accounts are the primary means of accountability and reporting to the Scottish Parliament (SP) in relation to the use of financial resources and form part of a suite of reporting to the SP on the stewardship of funds authorised by the SP. The accounts for 2015-16 were the first year for which spending plans were partly funded by the financial powers devolved by the Scotland Act 2012. The devolved taxes are collected by Revenue Scotland and flow into the Scottish Consolidated Fund.
7. Alyson Stafford confirmed that the narrative, Performance Report, at the beginning of the accounts has been expanded and explains the Scottish Budget and read across to the Devolved Taxes. It also sign posts to the National Performance Framework and provides more analysis of the financial performance presented in the accounts.
8. The SB were content for the accounts, including the governance statement, to go forward to SGARC on the 22<sup>nd</sup> September 2016, after SGARC the accounts will be signed by the Principal Accountable Officer, audit certification by the Auditor General for Scotland, and laying and publication, scheduled for end September 2016.

## Scottish Government Finance Report as at 31<sup>st</sup> July 2016

9. Alyson Stafford provided an overview of the end of year forecast outturn position informed by the first four months of 2016-17.

10. Both Christina Allon and Linda McKay welcomed the outcomes of the governance review (see paragraph 18 below) and that the Executive Board will be convening monthly to review financial data.

### Risks

11. Alyson Stafford presented the Strategic Risk Register (SRR) informing the SB of the Executive Team's substantive discussion on the SRR on the 23<sup>rd</sup> August.

12. The SB discussed the SRR and risk movement and was content with the level of risk assessment undertaken at a local level and with the risk assessment processes in place. Sarah Davidson agreed to consider reframing the narrative for risk 4.02-13 Public Service Reform.

### **ACTION 1 Sarah Davidson to consider reframing the narrative for risk 4.02-13 Public Service Reform**

13. Alyson Stafford highlighted three EU funding streams not currently covered by HMT assurances: Rural Development; Fisheries; and Structural Funds.

## **PERFORMANCE AND OUTCOMES**

14. The SB noted the Performance and Outcomes update.

## **ORGANISATIONAL EFFICIENCY– SG2020 PROGRESS TO DATE**

15. Ken Thomson provided a progress update. Staff awareness of SG2020 is now over 90%. Current engagement includes monthly face to face Ask Director General events and staff events with the Permanent Secretary and Mr MacKay, Cabinet Secretary for Finance. In addition, the Corporate Governance Review embeds the SG2020 strands into the Corporate Boards and Executive Team.

## **POST EU REFERENDUM**

16. Ken Thomson noted this was the first SB meeting since the outcome of the EU Referendum in June and provided a brief update on the on-going work including: the appointment of Mr Russell, Minister for UK Negotiations on Scotland's Place in Europe; establishment of the European Project Board; and the First Minister's Statement on Europe on 7<sup>th</sup> September 2016.

17. The SB discussed scenario planning, European funding and potential vulnerabilities.

## **REVIEW OF CORPORATE GOVERNANCE**

18. James Hynd introduced the Corporate Governance Paper. The SB had a substantive discussion including:

- Accountable Officers having the necessary levels of assurance and risk management within their DG areas;
- Satisfactory engagement with Audit Scotland on the changes;
- All corporate boards having agreed remits and memberships;
- The required number of NXDs agreeing to serve on the new boards;
- A forward programme of board meetings in place with identified agendas;
- Legacy reports, including Risk Registers, available to successor boards;
- The governance manual being in place and relevant staff and NXDs being fully briefed;
- An all SG Comms plan in place;
- Proactive release of agendas and minutes;
- Review to be undertaken after six months

19. The SB agreed the new Governance Framework would take effect from the 1<sup>st</sup> October 2016.

20. The SB were unanimous in recognising the quality and comprehensiveness of the Governance Review and formally thanked James and Rebecca for their significant contributions.

## **DISSOLUTION OF SB**

21. The Chair formally dissolved the SB and recognised the contribution over the years from all of the SG NXDs.

## **AOB**

22. No items for discussion.

Strategic Board Secretariat

7 September 2016