

## Note

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<b>Meeting Date</b>	Friday 22 September 2023, 10:30 – 12:00, by remote video conference
<b>Board</b>	Andy Shaw, Chair Claire Robertson
<b>Attendees</b>	External Auditor – Audit Scotland: Tommy Yule, Senior Audit Manager External Auditor – Audit Scotland: Neil Maclean, Senior Auditor External Auditor – Audit Scotland: Hector Stalker, Auditor Internal Auditor – Wylie and Bisset: Al Malik Internal Auditor – Wylie and Bisset: Susan Brooks Ombudsman - Rosemary Agnew Director - Niki Maclean Head of Improvement, Standards and Engagement – Andrew Sheridan Corporate Services Manager - Fiona Paterson (note taker)
<b>Apologies</b>	David Watt Internal Auditor – Wylie and Bisset: Graham Gillespie Internal Auditor – Wylie and Bisset: Stephen Pringle
<b>Observer</b>	Head of Investigations (INWO, SWF) – Elaine Cameron



Item	Subject	Main points of discussion	Actions agreed	Due	Lead
1.	Welcome	<ol style="list-style-type: none"> <li>1. The Chair welcomed everyone to the meeting and noted the apologies.</li> <li>2. The minor update to the AAB Terms of Reference was noted and accepted.</li> </ol>			
2.	Declarations of Interest	<ol style="list-style-type: none"> <li>1. Declarations of Interest for the AAB have been updated and published for 2023.</li> <li>2. There were no additional matters for declaration, other than already noted on the published Declarations of Interest.</li> </ol>			
3.	Previous notes, outstanding action points	<ol style="list-style-type: none"> <li>1. The previous notes and outstanding actions were reviewed. There were no additional matters arising from the review.</li> </ol>			
4.	Financial report	<ol style="list-style-type: none"> <li>1. The Director reflected that the 2022—23 year-end had been previously discussed in detail by the AAB, and was covered more fully in the Financial Statements, noting to the meeting that the cash position was in line with the SPCB guidelines.</li> <li>2. The Director drew attention to the 2023—24 position at this point in the year, with the predicted overspend mostly due to the cost of living settlement.</li> <li>3. The Director noted the budget submission for 2024—25 is a steady state budget, with the 6.5% increase as a result of the cost of living settlement and an inflationary increase in property and running costs.</li> </ol>			



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		<p>4. The Director noted to the meeting that the budget submission included approval for two additional staff to develop a mediation service for one year to trial this approach, in addition to the resolution options currently open to the SPSO.</p> <p>5. The Ombudsman acknowledged the difficulties of medium term planning with the current budget cycle arrangements.</p>			
5.	External Audit report	<p><b>SPSO Annual Report and Accounts</b></p> <p>1. The Chair noted the report read well, and there were no further general comments to add, noting the report reflected the comments made on the draft document in June. The Chair did note one minor referencing error for correction before preparing for signatures.</p> <p>2. The Ombudsman thanked the AAB for the feedback provided on the draft document, which was of great assistance in the final preparation.</p> <p><b>External Auditor's Report</b></p> <p>3. The External Auditor noted it was a clean audit, reflecting positively on the work done, and the Annual Report and Accounts were given an unmodified audit opinion.</p> <p>4. The Auditor noted non-material adjustments were made as a result of the audit process, with one non-material adjustment not corrected.</p> <p>5. The Auditor walked the AAB through the details of the report and the four points of the action plan which had been accepted by the SPSO, two of which had been actioned for this audit.</p>	Correct typo and prepare for signatures.	22/09/23	FP



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		<ol style="list-style-type: none"> <li>6. The External Auditor expressed his appreciation to the SPSO for the work done and efficiency of response to requests during audit process.</li> <li>7. The Chair expressed his thanks to the Auditors for their work and the report.</li> <li>8. The Auditor confirmed the document would be prepared for signing and issuing to the Auditor General.</li> </ol>			
6.	Internal Audit report	<ol style="list-style-type: none"> <li>1. The Internal Auditor presented the Annual Report for 2022—23, the Annual Plan for 2023—24, and the first activity report to the AAB.</li> <li>2. The Auditor noted the positive assurance from the 2022—23 Annual Report, that the SPSO had adequate and effective risk management, control and governance processes to achieve their objectives.</li> <li>3. The Auditor shared that for this year’s plan there is a focus on the case management processes and procedures across three activities covering decision-making and quality assurance; customer service standards; and performance measurement.</li> <li>4. The AAB asked for the management decision behind the different approach to internal audit for this year, focussing on a single area, as it is unusual not to be covering any corporate governance activities within an internal audit plan.</li> <li>5. The Director shared that she was mindful of the Section 22 report that had been issued against another office-holder, which focussed on the casework governance; so was looking for an outside assessment of the statutory</li> </ol>			



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		<p>functions of the SPSO. She also reflected on the strong outcomes that had been achieved across all areas of governance in the previous 5-year period. Additionally, assurance for the cyber incident risk is provided through other means, including attaining cyber essentials accreditation, and for HR services through the IIP programme alongside the staff survey.</p> <p>6. Case Management and Quality Assurance Mechanism (Part 1 – Decision-making process): The Auditor shared the report for the first internal audit activity for 2023—24, which had resulted in a Strong outcome the SPSO’s arrangements, and that the processes are robust and fit for purpose. He provided a verbal update on the progress of the second activity, for which a draft report was with Management to respond, covering the Customer Service Standards element, and the third activity was planned for November.</p>			
7.	Risk, Incident and Issues report; including Business Plan performance.	<ol style="list-style-type: none"> <li>1. The Ombudsman noted that there were no longer any risks assessed to be critical, though caseloads and cyber incidents remained the highest risks to the SPSO.</li> <li>2. The Director shared with the AAB the continued changes to process and technological improvements being implemented that will continue to mitigate the risk of personal data incidents.</li> </ol>			
8.	AOB	<ol style="list-style-type: none"> <li>1. The Chair noted the SPSO’s involvement in the drafting of the Strategic Engagement Documents, which were issued in final version in 2020. The Ombudsman and Direct confirmed these documents were embedded in the SPSO financial processes.</li> </ol>			



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		2. The Ombudsman updated the meeting on the progress of three current legal cases, and the assessed financial risk that may be associated with the proceedings.			
9.	Private Meeting	The Chair closed the meeting. The AAB and External Auditors met in private after the meeting.			

Approved for publication 04 October 2023

**Andy Shaw, Chair**