

Note

Meeting Date	Tuesday 28 March 2023, 13:30-15:00
Board	Andy Shaw, Chair Claire Robertson David Watt
Attendees	External Auditor – Audit Scotland: Tommy Yule, Neil Maclean, Hector Stalker Internal Auditor – Wylie and Bisset: Stephen Pringle Ombudsman - Rosemary Agnew Director - Niki Maclean Corporate Services Manager - Fiona Paterson (note taker)
Observer	
Apologies	Head of Improvement, Standards and Engagement – Andrew Sheridan

Item	Subject	Main points of discussion	Actions agreed	Due	Lead
1.	Welcome	The Chair welcomed everyone to the meeting and asked for brief introductions for the new External Audit team.			
2.	Declarations of Interest	There were no additional matters for declaration, other than already noted on the published Declarations of Interest.			



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3.	Previous notes, outstanding action points	<ol style="list-style-type: none"> 1. The previous notes and outstanding actions were reviewed. 2. The AAB asked about progress on the Workforce Planning action, and the Director explained that there has been some delay in the project which has been carried over to the 2023-24 business plan. The AAB requested a more detailed update for the next meeting. 3. There were no additional matters arising from the review. 	Update on Workforce Planning project.	22 Sep 2023	Dir
4.	Financial report	<ol style="list-style-type: none"> 1. The Director informed the meeting that the 2022-23 budget was in a good position for year-end at this time, with a small underspend. 2. The Director updated the meeting on the current 2023-24 pay negotiations, which may affect both the 2022-23 and 2023-24 budgets, should the pay deal be backdated to February as negotiated with the SPCB. This could result in an accrual to the 2022-23 budget leading to a possible overspend. The 2023-24 budget has the expected pay increase included. Negotiations are ongoing at this time. 3. The Ombudsman outlined the position on active court cases, of which the SPCB is aware. 4. The Director confirmed the shared service offering to SHRC has been finalised, and will be resourced through the additional part-time HR officer to enhance the capacity to meet the administrative needs for the shared service. 			



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5.	External Audit report	<p>External Auditor's Annual Audit Plan 2022-23</p> <ol style="list-style-type: none">1. The External Auditor tabled its first report to the AAB. The Auditor noted only one material risk and one wider scope risk that would be addressed in the audit, and was able to provide rebuttals for income recognition.2. The Auditor will also be examining the impact of IFRS 16 on the other office-holders who are located in Bridgeside House under the lease held by SPSO, and whether they will be considered to be peppercorn sub-lease tenants for their own accounts.3. The AAB noted the difference in materiality, to previous years, and the additional burden this may place on work done by the management team. The Auditor responded that as it was their first year auditing the organisation it was part of the familiarisation process.4. The AAB raised the Section 22 report against another office-holder and suggested the SPSO response to that report could also be noted in by the Auditor as part of the rationale for considering the SPSO under the less complex bodies approach. The Auditor assured the AAB that it will notify the AAB should there be any governance risks uncovered.	<ol style="list-style-type: none">1. Agree new date for AAB to view draft ARFS	<ol style="list-style-type: none">1. June 2023	<ol style="list-style-type: none">1. CSM



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		<p>5. The AAB requested their meeting to view the draft Annual Report and Financial Statements was undertaken before the fieldwork at the end of June.</p>			
6.	Internal Audit report	<p>1. The Internal Auditor presented the four final activity reports for 2022-23.</p> <p>2. The AAB noted the strong outcomes and low level recommendations for each report, and noted the following points on each:</p> <ul style="list-style-type: none"> a. Climate change reporting: there will be global reporting standards from 2025; b. Procurement: reference to Council Tax should be non-domestic rates c. Risk: the AAB provide advice to the Ombudsman, which is given serious consideration. 			
7.	Risk, Incident and Issues report; including Business Plan performance.	<p>1. The AAB noted the SPSO risk assessments, and the Ombudsman provided an update on the current position for those risk areas, noting that the cyber risk was of most concern.</p> <p>2. The AAB asked if the slippage on the Corporate Service business plan actions was a concern to the shared service agenda. The Ombudsman explained that the slippage was mostly due to work being paused on non-urgent project areas, mostly with the HR function, due to statutory,</p>			



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		recruitment and business as usual priorities. This included diverting resource to provided support to the SHRC during this set-up period from December to March. The shared service agreement will result in additional resource in the HR function to address this requirement.			
8.	AOB	1. The Ombudsman informed the AAB that the SPSO has been named a prescribed person under the Public Interest Disclosure (Prescribed Persons) (Amendment) Order 2022, which requires a annual statutory return and published report.			
		The Chair closed the meeting.			

Approved for publication 17 April 2023

Andy Shaw, Chair