

## Note

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<b>Meeting Date</b>	Friday 22 March 2024, 10:30 – 12:00, by remote video conference
<b>Board</b>	Andy Shaw, Chair David Watt 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: Stephen Pringle Internal Auditor Ombudsman - Rosemary Agnew Head of Improvement, Standards and Engagement – Andrew Sheridan Corporate Services Manager - Fiona Paterson (note taker)
<b>Apologies</b>	Director - Niki Maclean
<b>Observer</b>	Head of Investigations (PSC) – Judy Saddler



Item	Subject	Main points of discussion	Actions agreed	Due	Lead
1.	Welcome	1. The Chair welcomed everyone to the meeting and noted the apologies.			
2.	Declarations of Interest	1. There were no additional matters for declaration, other than already noted on the published Declarations of Interest.			
3.	Previous notes, outstanding action points	1. The previous notes and outstanding actions were reviewed. There were no additional matters arising from the review. 2. The Ombudsman expanded on the preparations put in place for the new Patient Safety Commissioner to locate in Bridgeside House in the next year.			
4.	Financial report	1. The Ombudsman noted the SPCB approval for the 2024-25 SPSO budget bid was confirmed for the requested amount, however, the contingency funding request for the project work to employ two additional staff for a one year trial to develop a mediation service, in addition to the resolution options currently open to the SPSO, was still under discussion. 2. Some contingency funding for 2023-24 un-budgeted liabilities has been approved, however, other overspends will be met from the cash-in-bank, which will be lower than the recommended SPCB guidelines to end the year. 3. The Ombudsman noted the financial risks included unknown legal costs due to the noted increase in litigation against public services. This risk will be noted in the Strategic Risk Register.			



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5.	External Audit report	<ol style="list-style-type: none"> <li>1. The External Auditor tabled the draft planning report for the 2023-24 audit, noting that the first year of audit was smooth and good relationships were fostered, leading to an expected clean and straight forward audit for the second year. Taking into account the outcome from last year's audit, and following the initial governance review and planning work for this year, SPSO have been assessed as low risk, less complex body, therefore, materiality has been set a higher threshold.</li> <li>2. There are no changes to the FReM which will impact the SPSO, and following a close study of IFRS 16 in last year's audit, the auditor assessed there is no risk of material misstatement.</li> <li>3. The plan was approved for finalising.</li> </ol>	Finalise plan.	Mar 24	Auditor
6.	Internal Audit report	<ol style="list-style-type: none"> <li>1. The Internal Auditor presented the reports for the three final activities, the Annual Report for 2023—24, the Annual Plan for 2024—25, and the first activity report to the AAB.</li> <li>2. The Auditor noted the positive assurance from the 2023—24 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 return to auditing corporate activities.</li> <li>4. The AAB commented that much assurance was gained from this year's activities relating to the core business activity of the SPSO, and the positive outcomes in all areas.</li> </ol>	Finalise plan	Mar 24	Auditor



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		<p>5. The AAB noted the timing of this year's Governance activity would follow the outcomes from the SPCB review of office-holder governance, allowing time for the auditors to review the SPCB report and any recommendations.</p> <p>6. The AAB requested that the shared service activity scope included a review of the controls and compliance of the office-holders who are using the service.</p>			
7.	Risk, Incident and Issues report; including Business Plan performance.	<p>1. The Ombudsman informed the AAB that a new SPSO whistle-blowing policy, which adopted the standards set for the NHS, would be published in time for the new business year. It is hoped this policy will provide an example to other non-health public bodies.</p> <p>2. The Ombudsman noted to the AAB that the move to expand the Corporate Shared Services offering, and the pattern of increased occurrence in litigation against the SPSO, were two areas of risk with increasing likelihoods closely monitored by the Leadership Team. The Corporate Shared Service risk will be noted more fully in the Strategic risk register.</p> <p>3. The Ombudsman reflected that the additional temporary resource acquired to clear the backlog of cases from the period of lockdown proved very effective, and there is a further focus to reduce the older cases in the office.</p> <p>4. The Ombudsman noted that all the business activities of strategic or high priority have been achieved, with only low priority activities carried forward to the new business year.</p>	Strategic Risk additions	Jun 24	Omb



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		<p>5. The AAB reviewed the draft Strategic risk register and recommended separating the Cyber risk from the Business Continuity risk, due to the different focus and approach required for each of these activities.</p> <p>6. The Leadership Team outlined for the AAB the impact of the change to how legislative reform is implemented, leading to a more reactionary response from public bodies impacted by the developments, and the difficulty planning for the resource required.</p>			
8.	AOB	<p>1. The Chair noted this was his last meeting with the AAB, and new Chair would be David Watt.</p> <p>2. The Ombudsman thanked the Chair for his five years as an active and willing member of the SPSO Audit Advisory Board, and noted the very significant contribution to SPSO he has made, providing an external, informed view of our governance and audit activities.</p>			
9.	Private Meeting	The AAB undertook their annual self-assessment, facilitated by the Internal Auditor.			

Approved for publication 01 April 2024

**Andy Shaw, Chair**