# Note

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| **Meeting Date** | Thursday 23 September 2021; 10:30 – 11:45 |
| **Board** | Andy Shaw, Chair  Claire Robertson  David Watt |
| **Attendees** | External Auditor - Deloitte: Pat Kenny  Internal Auditor – Wylie and Bisset: Stephen Pringle  Ombudsman - Rosemary Agnew  Director - Niki Maclean  Head of Improvement, Standards and Engagement – Andrew Sheridan  Corporate Services Manager - Fiona Paterson (note taker) |
| **Observer** | Communications and Engagement Manager – Theresa Valtin |

| **Item** | **Subject** | **Main points of discussion** | **Actions agreed** | **Due** | **Lead** |
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| 1. | Welcome | The Chair thanked everyone for attending and noted the technical difficulties that may be experienced by attendees during this video-conference meeting. |  |  |  |
| 2. | Declarations of Interest | 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. 2. The Chair asked for a progress report on the action to monitor and review the unallocated pool of cases. The Director expanded on the activities undertaken and provided clarity on the current position. The Director assured the meeting that she was satisfied these additional actions met the criteria and intention of the recommendation. 3. There were no additional matters arising from the review. |  |  |  |
| 3. | Financial report | 1. The Director provided further background for the various in-year contingency funding requests, and confirmed the SPCB are considering one request which will extend across two financial years. The Ombudsman used this example to describe the difficulties for medium-term financial planning due to the funding model. 2. The AAB noted the predicted year-end financial position outlined in the report. 3. The Ombudsman noted to the meeting the shared services arrangements with the Biometrics Commissioner which is hoped to provide an effective cost saving model for the SPCB. 4. The Ombudsman provided an update on the additional function resulting from the Scottish Government work on developing systems of child-friendly complaints, remedy and redress. The Scottish Government is funding a project for SPSO to lead, building on our experience from developing the INWO function, and collaborating with CYPCS and other agencies. 5. The Chair noted the low 10-day payment performance. The CSM provided some background to the challenges for SPSO to meet this target and noted that it would be interesting to know how other Public Body performed against this target. The Chair asked the Auditors to share what they may have experienced in their work, and the Internal Auditor noted that in most cases there has been an improvement in efficiencies in this area. The Chair noted that there may be learnings from other public bodies for SPSO to improve this performance. | Further scrutiny and development of payment performance efficiency. | Mar 22 | CSM |
| 4. | External Audit report | **SPSO Annual Report and Accounts 2020-21**   1. The AAB noted the process for comment and finalisation was efficient and worked well. There were no further comments to add other than those made on the draft document. 2. The AAB commented that the report read well with a balanced presentation and clear language.   **External Auditor’s Report 2020-21**   1. The External Auditor concurred with the AAB comments, and endorsed the quality of the SPSO Annual Report and Accounts 2020-21, giving an unmodified opinion. 2. The Auditor drew attention to the two recommendations in the report and offered resource to assist the SPSO implementing them in a proportionate way. 3. The AAB noted these were similar recommendations to other organisations. It was also noted that these would be useful undertakings, particularly as the organisation has been through a prolonged period of continual change. These activities could also provide documented support to explicitly address the risks of resource and capacity. 4. The AAB commented that when assessing the fraud risk in the organisation that there was no incentive, and the risk is more likely to be error-based. 5. The Chair expressed his thanks to the Auditors for their work and the report. |  |  |  |
| 5. | Internal Audit report | 1. The Internal Auditor presented the Annual Report for 2020-21 and the first activity report for 2021-22 to the AAB. 2. The Auditor noted from the Annual Report that the SPSO had adequate and effective risk management, control and governance processes to achieve their objectives. 3. Responding to a question from AAB, the Auditor explained for 2021-22 they will capture the qualitative performance of internal audit through assignment feedback questionnaires, and reporting the findings within the annual internal audit report. 4. Accounting, Budgeting and Monitoring – This audit activity concluded that there was a strong level of assurance over the SPSO’s arrangements, and that the processes are robust and fit for purpose. The Auditor offered to provide examples of good practice for the implementation of the recommendation from the report. 5. The AAB asked about the sensitivity testing undertaken to assure the flexibility of the budgeting process. The Auditor noted the in-year changes made in response to the emerging C-19 incident, which demonstrated flexibility and responsiveness to the arising needs. 6. The External Auditor noted the move to outcome focussed budgeting by Audit Scotland, in light of it being the 10th anniversary of the Christie Report. |  |  |  |
| 6. | Risk, Incident and Issues report; including Business Plan performance. | 1. The Ombudsman noted that the Business Plan will undergo a fundamental review at the end of Q2, recognising the need to refocus capacity and resource to include the new projects that are time-sensitive. This will align with a full review of the Strategic Risk Register and Risk Appetite embracing the different functions the SPSO now performs. 2. The AAB noted that this would be the opportunity to reframe Strategic Risk 6. 3. The AAB noted the three amber operational risks. The Director noted recent internal and external complaint-handling training is emphasising resolution as soon as possible in the complaint-handling process, providing a better outcome for complainers and reducing the pressure on complaint-handling resources. The CSM noted the measures in place to provide electronic data security with the IT application. |  |  |  |
|  |  | The Chair closed the meeting. |  |  |  |

Approved for publication 05 October 2021

**Andy Shaw, Chair**