

Note of the Audit Advisory Committee Meeting held on 1 October 2013

Present:

Committee:

Tom Frawley	Chair
Heather Logan	
Douglas Sinclair	

In attendance:

Gillian Woolman	External Auditor, Audit Scotland
Patricia Fraser	External Auditor, Audit Scotland
Nick MacDonald	Internal Auditor, SLAB
David Thomas	Independent Service Delivery Reviewer
Jim Martin	Ombudsman
Niki Maclean	Director
Emma Gray	Head of Policy and External Communications
Paul McFadden	Head of Complaints Standards
Fiona Paterson	Senior Personal Assistant (minute taker for open meeting)
Rachel Hall	Executive Casework Officer

SPSO Staff Presentation:

Carol Neil	Advice Team Manager
------------	---------------------

1. CN gave a 20 minute presentation to the Committee on the progress and initial results from the Duty Complaints Reviewer Project implemented in June 2013. The Committee asked about next steps and the implications this project will have for the organisation. The Chair thanked CN for the informative and interesting presentation.
2. The full meeting opened at 11:15 with no apologies and there were no declarations of interest to be recorded. The note of the meeting held on 2 May 2013 was agreed with no amendments.
3. The Outstanding Actions list was reviewed in detail and will be updated for each meeting. Completed actions included the draft A&AC Induction Checklist which was tabled for A&AC approval. This was given.

The draft Anti-Fraud policy was also tabled for discussion. The Committee asked for clarification on how a member of staff could inform the A&AC of a whistle-blowing or fraud issue they would like to raise outwith the senior management team. The Committee suggested making the A&AC Chair's contact details directly available to staff for use in such an event. The A&AC recommended minor amendments to the Anti-Fraud Policy and asked that it be brought to the next meeting for finalising.

Action 1: FP to update with Anti-Fraud policy with minor amendments and table at the next A&AC meeting.

Action 2: The Committee requested that a standing order item to notify the Committee of any issues raised under the Whistle-blowing or Anti-Fraud policies was added to the agenda.

The Committee asked if the SPSO had taken part in the pilot exercise to run a check of payroll recipients against other agency details in an attempt to identify benefit fraud. The Auditor clarified that the initiative, overseen by Audit Scotland, did not include the SPSO in the initial pilot, but the SPSO could be considered for inclusion in the resulting on-going activity. The Auditor will update the Committee.

Action 3: External Auditor to inform the Committee whether the SPSO could be included in a future exercise to check the payroll.

4. Internal Auditor's report

The Internal Auditor tabled the 2013 report on Payroll. The report made two advisable recommendations which have been agreed and raised no issues. The Audit found that payroll, which is outsourced, is governed by a set of comprehensive procedures and is well controlled, and the evaluation of the controls which govern payroll processes is good. The Internal Auditor will meet with the Director to clarify who is responsible for tracking SPSO pension liabilities and ensure these systems are in place.

Action 4: NM to report back to A&AC following pension liabilities discussion with Internal Auditor.

5. External Auditor's report

The External Auditor presented the Committee with a report on the 2012-13 audit alongside the annual accounts, outlining the proposed Independent Auditor's Report and attaching the proforma letter for reproduction by the Ombudsman to accompany the signed financial statements. No matters of material significance were noted.

The Auditor expressed her thanks to the SPSO staff for their help and assistance during the audit of this year's financial statements.

6. Financial Monitoring

The Director tabled the 2013-14 expenditure against budget to the end of August and the predicted year-end position was noted.

The Committee were provided the SPSO 2014-15 budget submission and the SPCB approval timetable for office holder budgets. The Finance Committee will meet in November and it is expected the budget will be finalised in January. The Committee discussed the impact of the alternative responses to the SPSO request for additional resource. The Ombudsman informed the Committee of discussions with the SPCB regarding various funding models that currently exist in the public sector that may or may not be appropriate for further consideration.

The Committee discussed future developments in the public sector complaints landscape, the possible impact on the SPSO, and best value drivers to improve complaint handling for the user of public services.

7. Risk Register and exceptions

The Committee discussed the risk register, and in particular, the four risks rated 'high'. The Committee noted the additional risk suggested for inclusion by the Committee in May was in the final version.

8. Performance Information

a. Corporate and Casework

The Committee noted the Corporate Services activities undertaken in Q1 and the key activities for the coming quarter. The Committee also noted the improved statistical report and expressed their appreciation for the additional information.

The Committee looked at the Q1 business performance against measures in the operational plan, and appreciated the additional project detail contained within the Service Improvement framework. The Committee were assured that the aim of all current projects is to ensure efficient processing of complaints whilst improving the service provided to users.

b. Policy and External Communications

The Committee were updated on developments and progress made in the Complaints Standards Authority, in particular, the current discussions about Social Work complaints. The Committee discussed the possible overlap in jurisdictions in current Bills which are under consideration by the Parliament.

The Committee were provided with published copies of the annual and sectoral reports noting the positive interest and feedback in the separate sectoral reports, which had been welcomed by the Committee as a positive move towards working with the Parliament Committees in a focussed and effective manner.

The Committee look forward to seeing the report findings from the BUJ project and noted this project is an example of the SPSO providing support to the public service to aid improvement for the user, thereby, adding value through this work. Possible ways of measuring this added value were discussed.

Action 5: EG to provide the Committee with a copy of the BUJ Project findings when completed.

9. Independent Service Delivery Reviewer Report

DT tabled his report to the Committee noting that the SPSO was one of the few public service ombudsman that has an independent reviewer of service delivery. The report covered those cases DT dealt with in 2012-13 and in the first five months of 2013-14. The Committee were informed of the main issues found in this time and the improvement this had led to in SPSO service delivery.

The Chair thanked DT for the contributing report, which was much appreciated.

10. The Committee agreed to publish the ratified notes of the A&AC meetings on the SPSO website from this meeting going forwards.
11. The meeting closed at 13:00
12. The Committee members then met in private with the Auditors followed by the Ombudsman.