

We work **independently** and **fairly**
We are **customer-focused** and value **integrity** and **respect**
We value **learning** and **improvement**

Note of the Audit and Advisory Committee (AAC) Meeting held on 22 February 2018

Committee:

Tom Frawley	Chair
Jean Couper	
Jim McCormick	

In attendance:

Nicola Johnston	Head of Internal Audit, SLAB
Pat Kenny	External Audit Manager, Deloitte
Chloe Ridley	External Auditor, Deloitte
Rosemary Agnew	Scottish Public Services Ombudsman
Niki Maclean	Director
John Stevenson	Head of Complaints Standards Authority
Fiona Paterson	Corporate Services Manager (minute taker for open meeting)

No Apologies

Carried forward actions: There were no outstanding actions.

1. Before the meeting convened, the AAC met separately with the Ombudsman in order to discuss a range of issues including the Ombudsman's priorities going forward into 2018-19. The Ombudsman also briefed the AAC on current and emerging issues that she believed may impact the work of the SPSO in the first six months of 2018.
2. The AAC meeting proper commenced at 10.15, the Committee members were joined by the Senior Management Team and also the Internal and External Auditors. The Chair asked that it be noted that there were no issues identified in the member's briefing with the Ombudsman that required to be included in the Agenda of today's meeting.

Declarations of interest

3. The Chair asked if any members wished to record any specific declarations of interest in relation to today's agenda. All members confirmed that they were not aware of any conflict of interests related to today's agenda.

Previous meeting minutes

4. The minutes of the meeting of the 1 December 2017 were noted and approved. The AAC then reviewed progress against the agreed actions from previous meetings and, following updates, all were noted as either being completed or were being progressed satisfactorily.
5. The Ombudsman confirmed for the meeting that the formal letter from the SPCB had now been received approving Bridgeside House, MacDonald Road as the new offices for the SPSO on the completion of its current lease. The Ombudsman explained that the delay in receiving this

letter has impacted adversely on the timeline for concluding the project by a delay of approximately 4-6 weeks. The AAC commended all the staff involved in project for securing this outcome in what were clearly very challenging circumstances.

6. The Ombudsman advised the meeting that the Office was currently preparing to transition to a new Strategic Plan that would inform the drafting of the 2018-19 business plan.
7. The Ombudsman updated the AAC on the preparations that were being made ahead of the Ombudsman assuming the role of Independent National Whistle-blowing Officer (INWO) for the NHS staff in Scotland, a UK first. The Ombudsman explained that this jurisdiction will be very different from other SPSO jurisdictions and will present some new and different challenges to the Office.

Internal Auditor's Report

8. The Head of Internal Audit updated the AAC on progress against the 2017-18 Audit Plan. She provided the annual assurance on the framework of control, with the opinion that the standard form of Governance Statement could be signed in the Accounts for the year to 31 March 2018.
9. The AAC noted the outcomes of the 2017-18 work plan, the Committee also reviewed the proposed activity plan for 2018-19 .

External Auditor's Report

10. The Audit Director detailed for the AAC the key points from the External Auditors' Planning Report for year ending 31 March 2018. The AAC discussed in detail the risks identified in the wider scope requirements of the report, expanding in particular on global issues that may impact the SPSO.

Financial Monitoring

11. The Director expanded on the key points set out in the financial monitoring report, which reflected the year-to-date expenditure and included explanatory notes in relation to all variances. The Director advised that any underspend will be utilized for overtime to address casework pressures. The AAC noted that the overall financial position of the office was sound and projected to come in on budget.

Risk Management

Fraud and control failures

12. The AAC noted that there were no reports in relation to fraud or control failures during the period being reported on. This meeting also noted that no critical risks had been identified that might impact on the SPSO's ability to deliver its Business Plan for 2017-18.

Performance Information

13. The AAC received the year-to-date case work performance of the Office against the strategic objectives detailed in the 2017-18 Business Plan. In particular, the following was noted:

13.1. *SO1 Complaints and Investigations*: The meeting noted the 30% increase in the number of complaints closed at the early stages of the complaint, a very positive outcome for service users who, as a consequence, are receiving timely outcomes on their complaints. The Chair commented that the increase in the number of cases received by the office coupled with the increased productivity shows a sophisticated understanding of the work flow mechanisms behind the statistics. The meeting also noted that there has been a

reduction in the requirement for signposting complainants away from the Office following their initial contact. This was acknowledged as an important improvement because it reflected a reduction in premature and inappropriate complaints to the office which involved staff in nugatory work.

13.2. *SO2 Scottish Welfare Fund:* The AAC were advised that additional resource had been secured to meet the increase in case numbers for this work. The AAC were updated on the SWF Review Service engagement event that was held on 8 February, which was the first event of its kind hosted by the Office to support council staff in their frontline roles, the AAC was advised that the event was very well received by all who attended. The Ombudsman also advised the meeting that the Office was currently engaging with the Scottish Government to secure the required amendments to the guidance to improve the level of consistency in relation to decisions on the Scottish Welfare Fund.

13.3. *SO3 Simplification of Complaints Procedures:* The Head of Complaints Standards Authority in the Office advised the meeting that the strategic objective for the CSA had been met, with agreement on model complaints handling arrangements now in place across all sectors of the public service. He explained that the next challenge would be to ensure that the learning and improvement opportunities from complaints is developed and applied by all bodies in the jurisdiction of the Office.

13.4. *SO6 Engagement, Learning and Improvement:* The AAC commended the commitment demonstrated by the remaining member of the Communications staff in support of the communications function following the departure of the other members of the department. The Head of CSA advised that a new Communications manager had been appointed and will be joining the Office at the end of April. He also noted for the AAC that a Thematic Report 'Making complaints work for everyone' had been published and had been well received at the NHS Duty of Candour event in February.

A.O.B.

14. As there were no further matters for discussion the Chair closed the meeting.

15. The meeting closed at 12:40
