

**Note**

<b>Meeting Date</b>	Thursday 12 March 2020; 10:30 – 12:00
<b>Board</b>	Jean Couper, Chair Andy Shaw David Watt
<b>Attendees</b>	External Auditor - Deloitte: Pat Kenny Internal Auditor - SLAB: Nicola Johnston Ombudsman - Rosemary Agnew Director - Niki Maclean Head of Improvement, Standards and Engagement - John Stevenson Corporate Services Manager - Fiona Paterson (note taker)
<b>Observer</b>	Theresa Valtin, Communications Manager
<b>Apologies</b>	None

Item	Subject	Main points of discussion	Actions agreed	Due	Lead
	AAB Self-assessment	1. The Internal Auditor facilitated the AAB self-assessment for 2020 prior to the open meeting.			
1.	Declarations of Interest	2. There were no additional matters for declaration, other than already noted on the published Declarations of Interest.			



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2.	Previous notes, outstanding action points	<ol style="list-style-type: none"> <li data-bbox="562 288 1532 360">1. The previous notes and outstanding actions were reviewed and there were no additional matters arising from the review.</li> </ol>			
3.	Financial report	<ol style="list-style-type: none"> <li data-bbox="562 451 1532 603">1. The AAB noted the financial position outlined in the report, which outlined the expected year-end overspend, mostly attributed to the additional pension and other staff related costs. SPSO have absorbed the substantial contingency requirements where-ever possible.</li> <li data-bbox="562 635 1532 914">2. The Director confirmed the SPSO had received confirmation that 2020-21 budget had been approved, excluding the additional funding for the new Independent Whistle Blowing Officer role. INWO will be funded in the first year by the Scottish Government, and from year two would be included in the normal budget process. INWO will be subject to annual review while the monitoring of the volume of cases is undertaken in the early years.</li> </ol>			
4.	External Audit report	<ol style="list-style-type: none"> <li data-bbox="562 967 1532 1078">1. The AAB noted the External Audit plan for 2019-20. The Auditor confirmed there were no changes to the risk assessment for the organisation.</li> <li data-bbox="562 1110 1532 1350">2. The Auditor raised for discussion with the AAB his opinion that the SPSO meet the criteria for a small body exemption. In his considered opinion the exemption is appropriate due to the SPSO's governance structure and framework, and the lack of complexity of the organisation. The AAB confirmed they were comfortable with this opinion based on their knowledge of the organisation.</li> </ol>			



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		<ol style="list-style-type: none"> <li>3. The Auditor noted that new guidance may require small bodies to be exposed to a deeper 'wider-scope' audit once per 5-year cycle.</li> <li>4. Following a query from the AAB, the Director confirmed that technical support for addressing FR16 would be provided by the management accountant.</li> </ol>			
5.	Internal Audit report	<ol style="list-style-type: none"> <li>1. The Director noted this would be the last meeting with the Internal Auditor in terms of the current contract, and provided her deep-felt gratitude for the 12 years of service and the excellent working relationship that had been fostered between the organisations.</li> <li>2. The AAB noted the two audit reports tabled at the meeting, Accounting and Budgeting, and Facilities. The Ombudsman drew the AAB's attention to the approach the SPSO were taking to medium-term financial planning as outlined in the draft Strategic Plan.</li> <li>3. The AAB discussed the satisfactory rating of the Facilities report and, based on the minor recommendations in the report, suggested that in their opinion the report may have merited the higher rating of good.</li> <li>4. The AAB noted the annual assurance, following the completion of the year's internal audit activities, as a sound framework of control which provides reasonable assurance regarding the effective and efficient achievement of its objectives.</li> </ol>			
6.	Risk, Incident and Issues report; including	<ol style="list-style-type: none"> <li>1. The Ombudsman updated the AAB on the SPSO preparations and contingencies in light of current events relating to the Covid-19 pandemic.</li> </ol>			



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	Business Plan performance.	2. The AAB noted the importance of keeping the SPCB informed and up-to-date in good time with any impact on performance these events may have.			
7.	AOB	1. The Director presented an executive summary providing the AAB with assurance that good processes were in place to prevent fraud in the organisation. 2. The AAB were content with the controls that are in place.			

Approved for publication 18 June 2020

**Jean Couper, Chair**