

Note of the Audit and Advisory Committee Meeting held on 25 February 2014

Committee:

Tom Frawley	Chair
Heather Logan	
Douglas Sinclair	

In attendance:

Nick MacDonald	Internal Auditor, SLAB
Patricia Fraser	External Auditors, Audit Scotland
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

1. The Committee met in private with the Ombudsman from 09:30 and then completed a self-assessment facilitated by the Internal Auditor from 10:00. The open meeting with the management team began at 10:30, there were no apologies.
2. Following a request for declarations of interest, Heather Logan noted she was now a member of the Audit Committee for Audit Scotland, and the Chair advised that he had taken partial retirement from his post of Northern Ireland Ombudsman and was now working three days per week.
3. The note of the meeting held on 19 November 2013 was agreed with no amendments and approved for circulation.
4. The list of outstanding actions was reviewed, the Committee were updated on the proposed timeline for the submission of the SPSO Records Management Plan to the Keeper for review. NM updated the Committee about the outcome from her discussion of SPSO pension liabilities with the Internal Auditor and the SPCB.
5. **Internal Auditor's Report**
The Internal Auditor provided the Committee with an update on the progress of the three remaining reviews of the SPSO audit programme for 2013-14.
6. **External Auditor's report**
The Annual Audit Plan 2013-14 was noted by the Committee and the management confirmed they were content with the proposed timelines. The Committee requested confirmation of what percentage of the fee is the contribution towards the costs of national performance studies and statutory reports by the Auditor General and Accounts Commission, how this is calculated and whether it is applied to all organisations.

Action 1: The Auditor will inform the Committee what percentage of the fee is contributed towards the costs of national performance studies and statutory reports undertaken by the Auditor General and Accounts Commission, how this is calculated and whether it is applied to all organisations. *PF, May 14*

7. Financial Monitoring

The Director tabled the 2013-14 expenditure against budget to the end of December and the projected year-end position was noted by the Committee with a number of explanations being provided as background for variances shown.

The Committee noted the completed review of the SPSO Procurement Policy and were advised that the Internal Auditor had provided comment on the draft version of the report. Following further discussion, the policy was approved for publication.

8. Risk Register and exceptions

The Committee noted the adjustment to six risks as outlined in the paper, the Committee approved the new format of the Risk Register which now focused on those risks that could create obstacles to achieving the strategic objectives of the SPSO. The Committee suggested it was important to ensure there was a focus throughout the Risk Register on both efficiency and the effective use of public finance. The view of the Committee also suggested that this focus could be strengthened generally in SPSO's external messaging. The Committee also commented on the target scores and emphasised that it was important that these were reasonable and proportionate.

Action 2: The SMT will ensure the 2014-15 Risk Register and external communications incorporate messages focused on efficiency and the effective use of public finance, and also that the risk appetite is reasonable and proportionate to the size of the organisation.
NM, May 14

PM presented the information around the interrogation of Risk 11 to the Committee. The Committee enquired whether the SMT had found the process to be worthwhile. PM reflected that it had been, in that it allowed the SMT to focus on the specific details with much more rigour. The Committee suggested applying this process to groups of similar risks relating to the same strategic objective in order to get an overview of all the potential barriers to achieving that objective.

Action 3: The SMT will extend the interrogation of risks to include a group of similar risks within the same strategic objective. *NM, May 14*

9. Performance Information

a. Corporate and Casework

The Committee noted the Corporate Services activities undertaken in Q3 and the key activities projected to year-end. The Committee were advised of a major project proposed for the coming year which involved reviewing the SPSO service standards in order to align them with the quality assurance process. This project will be undertaken in consultation with peers and stakeholders, and it is hoped this will lead to a common set of standards being adopted across the UK Ombudsman sector.

The Committee reviewed the casework statistics and discussed the likely year-end outturn. The Committee asked that the casework figures be shown in a slightly different format to improve clarity for those who may not have a background in the work of the SPSO.

Action 4: The Committee requested that the quarterly casework volumes are shown as raw numbers with a year-on-year comparison, open caseload being shown by stage, and the oldest case open is shown as 'date received' rather than business days. *FP, May 14*

The Committee looked at the Q3 business performance against targets set in the operational plan and noted the paper on organisational learning from the Service Complaints (SDCs) Report for Q3 which will be published on our website.

b. Policy and External Communications

The Committee noted the developments and progress made by the Complaints Standards Authority, the Training and the Policy and Communications Units as outlined in the Policy Group Update. The Committee suggested that the CSA consider providing further reminders and support for local authorities to ensure consistency in their reporting of complaints under the requirements of the model CHP.

10. The meeting closed at 12:15.