

## Note of the Audit and Advisory Committee Meeting held on 26 May 2015

---

*Committee:*

|               |       |
|---------------|-------|
| Tom Frawley   | Chair |
| Heather Logan |       |

*In attendance:*

|                  |   |
|------------------|---|
| Internal Auditor | Nick MacDonald, SLAB                                      |
| External Auditor | Gillian Woolman, Audit Scotland                           |
| Jim Martin       | Ombudsman   |
| Niki Maclean     | Director  |
| Fiona Paterson   | Senior Personal Assistant (minute taker for open meeting) |

*Observing:*

|                |  |
|----------------|--|
| John Stevenson | Complaints Standards Authority Officer |
|----------------|--|

*Apologies:*

|                  |  |
|------------------|--|
| Douglas Sinclair |  |
| Emma Gray        | Head of Policy and External Communications |
| Paul McFadden    | Head of Complaints Standards               |
| Rachel Nicholson | Executive Casework Officer                 |

1. The AAC met for a briefing by the Ombudsman from 09:30. The meeting with the senior management team began at 10:15.
2. The Chair noted there were no particular matters identified in the closed meeting with the Ombudsman that required to be discussed at the open meeting.
3. Declarations of interest continue to be recorded from Heather Logan and Douglas Sinclair in relation Audit Scotland matters, as they are on the Board. Gillian Woolman is also the appointed Auditor for the Standards Commissioner and the Scottish Commissioner for Children and Young People.
4. The note of the meeting held on 17 February 2015 was agreed with a minor amendment to clarify the members' declarations and approved for circulation. There were no matters arising from the minutes that were not covered in the agenda.

**5. Internal Auditor's Report**

The Internal Auditor tabled the target dates and agreed timetable for the 2015-16 SPSO audit engagements. The Internal Auditor provided the AAC with a record of all audit engagements in order to provide assurance to the Committee that audits which only appeared once per cycle were being audited at least every four years. The Internal Auditor explained that the Case Management audit had been deferred in order to take account of the additional bodies which will be included in the jurisdiction after April 2016.

The AAC indicated an interest in being advised of what areas of risk management would be examined year on year, in order to be assured that the proposed programme included all aspects of the Ombudsman responsibilities. The members also asked for an assurance that an examination of the risk profile and risk appetite of the SPSO would be

made available. The AAC also suggested a 'value for money' or 'efficiency' review could be developed as a possible contingency study during the duration of the plan.

**Action 1:** *The AAC asked to be informed of the proposed audit fees for the period 2015-18.*

## 6. Financial Monitoring

The Director tabled the year-end financial expenditure against the budget for 2014-15. The AAC noted the approved contingency funding and the year-end cash and bank balance positions. The Director also tabled the year-to-date expenditure for 2015-16 and the AAC discussed the detailed notes accompanying the report including the known unbudgeted liabilities.

## 7. Risk Management

The AAC noted that no critical risks had been identified that might affect the SPSO's ability to meet its business plan nor had any declarations of fraud or control failure incidents been notified.

The AAC discussed in detail the significant risk to the performance of the SPSO of rising caseloads and the implications for the SPSO if the business case submission to the SPCB to address the workload pressures was not accepted. The Ombudsman outlined to the meeting the options open to the SPSO if the business submission was not accepted.

**Action 2:** *The AAC requested that a Risk Interrogation paper in relation to work pressures be prepared for the next meeting.*

## 8. Performance Information

- a. *Corporate Services:* The AAC noted the 2014-15 performance summary and the draft 2015-16 Business Plan. The AAC were advised that the SPSO have committed to the continued use of the Public Service Improvement Framework (PSIF) as a resource to support the business planning process. The AAC was advised that as part of this decision the SPSO would join other public bodies in the PSIF Network.
- b. *Casework:* The AAC reviewed the 2014-15 casework statistics and BUJ performance out turn. The AAC noted a 10% rise in complaints received, from all sectors other than water. There was a 23% rise in complaints from the health sector that were judged as being within the jurisdiction of the SPSO, and clearly this continuing increase was having a major impact on the workload of the SPSO.

**Action 3:** *The AAC asked that some analysis be undertaken on the percentage of cases that involved a complaint-handling element aspect.*

- c. *Policy Group:* The AAC noted the Q4 update from the Policy, External Communications, Complaints Standards Authority and Training areas and acknowledged the continuing progress that was being made across all these areas.
- d. *Service Improvement Report:* The AAC noted the two reports on organisational learning from customer service complaints; Q4 results and the 2014-15 annual summary of complaints; which will be published on the SPSO website. The AAC suggested developing the detail of the context of each complaint suggesting that the impact of each summary would be enhanced by including more context and background.

9. The meeting closed at 12:30.