

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 1 December 2017

Committee:

Tom Frawley	Chair
Jean Couper	
Jim McCormick	

In attendance:

Nicola Johnston	Head of Internal Audit, SLAB
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)

Apologies:

Pat Kenny	External Audit Manager, Deloitte
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Observer:

Amy Hillman	Advice Officer
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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 briefed the AAC on current and emerging issues that may impact the work of the SPSO over the early part of 2018.
2. The AAC meeting proper commenced at 10.00, the members were joined by the Senior Management Team and by the Internal Auditors. The Chair asked that it be noted that there were no matters identified in the member's briefing with the Ombudsman that required to be included in the Agenda of today's meeting.

The Chair offered his congratulations to all who had been involved in the successful preparation and publication of the SPSO's Annual Report for 2017-18.

3. **Declarations of interest**

The Chair asked if any members wished to record any particular declarations of interest in relation to today's agenda. The members confirmed there were no conflict of interests related to the agenda for the meeting.

4. Previous meeting minutes

The minutes of the meeting held on 5 September 2017 were noted and approved with some minor amendments. The AAC reviewed progress against the agreed actions from previous meetings and, following updates, all were noted as either completed or were being progressed satisfactorily.

The Ombudsman updated the AAC that a detailed plan to clear a backlog of unallocated cases had been implemented, and it is projected that all these cases will be allocated by Friday 15 December.

5. Internal Auditor's Report

The Head of Internal Audit updated the AAC on progress against the 2017-18 Audit Plan and then took questions from the AAC in relation to the Internal Audit review of the IS Installation. Members asked whether the iTECS report for 2016-17 had been received, FP responded that it had not been received and assured the meeting that she would follow this up with the iTECS Business Partner. The AAC enquired of the Auditor if, in her opinion, robust controls were being applied by the staff, and she assured the meeting that they were. The AAC also asked about the iTECS and SPSO's 'cyber resilience' and the Auditor responded that she was confident that the arrangements currently in place were proportionate to the level of risk presented.

6. Financial Monitoring

The Director tabled a paper that set out the year-to-date expenditure, including explanatory notes in relation to any variances. The paper also included the 2018-19 Budget Submission. The Ombudsman asked that the AAC note that new bodies brought into the SPSO jurisdiction within a financial year may or may not generate additional casework in that year. If additional casework was generated, then that work may require additional funding. The Ombudsman explained that this situation, should it arise, would be managed through close monitoring of the movement in caseloads, with early alerts provided to the SPCB when any significant movement in case numbers is noticed.

The AAC noted the increase in training income and congratulated the SPSO both on this and the significant take up of related training tools which had been developed by the SPSO in support of a number of training initiatives it had launched in recent years.

7. Risk Management

7.1. Fraud and control failures

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

7.2. Office accommodation

The Ombudsman updated the AAC on the continuing difficulty being experienced by the SPCB in confirming appropriate accommodation and facilities for the SPSO before November, highlighting to the AAC the significant risk this presented. The AAC asked

that their developing concerns about the lack of a clear way forward at this late stage in the process, and the uncertainty this is creating, be recorded and conveyed to the appropriate authorities. The AAC gave their support to the Ombudsman in relation to her intention to write to the SPCB outlining the risks a delayed decision on accommodation is already causing for the SPSO.

7.3. Independent National Whistleblowing Officer

The Head of CSA presented a Risk Interrogation Paper in relation to the potential risks associated with the SPSO being given responsibility for the new role of Independent National Whistleblowing Officer (INO). The AAC asked about the challenges the SPSO would face if it took on this new role and what steps it would be required to take to address these risks. The Head of CSA confirmed to the AAC that he was confident that if the SPSO was confirmed in the role it would be delivered on time and to a high standard, maintaining an effective interface with professional regulators, particularly where competence and safety issues had been identified. The Chair asked that the standing in which the SPSO be held be noted in light of the Government's consideration of the Office to accommodate the role of INO.

8. Performance Information

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

- a. *SO1 Complaints and Investigations:* The Ombudsman informed the AAC of the commitment shown by the complaints reviewers to have all unallocated cases allocated by 15 December. The Ombudsman asked the AAC to note the importance of the increase in resources and the related overtime initiative had played in achieving this challenging goal.

The AAC agreed that it was also important to note the increase in the percentage of investigations upheld year-on-year. The Ombudsman explained that this outcome may be the result of applying the proportionality guidance to the complaints handling process in a more structured manner over the past twelve months, as a result, only those cases where there are clear errors and oversights are now progressing to investigation stage. She also asked the AAC to note that the full impact of this approach has not yet been reached.

Action 1: The AAC requested that the average working days for the open cases be included as an additional indicator.

- b. *SO2 Scottish Welfare Fund:* The AAC were advised that the number of reconsiderations had dropped as a result of proactively managing the expectations of applicants at the beginning of the review process. Additionally, it has been noticed that a more consistent approach is being applied by local authorities to SWF requests, possibly due to the coordination and feedback provided by SPSO since it had assumed responsibility for this jurisdiction. The AAC was also advised that the first annual conference to be convened in order to share learning derived from reviews was now scheduled for February 18 and was already attracting a great deal of interest from stakeholders.

- c. *SO3 Simplification of Complaints Procedures:* The Head of CSA advised the meeting that this strategic objective has been met, with agreement on model complaints handling arrangements in place across all sectors. He explained that the next challenge would be to ensure that the learning and improvement opportunities from complaints is developed and applied by bodies in jurisdiction.
- d. *SO4 Good Practice:* The AAC were advised that the range and types of questions recorded during contacts with the CSA team are now being used to inform the information provided in FAQs.
- e. *SO5 Accountability and Best Value:* The AAC were informed that the annual staff survey had commenced and the results would be used to inform the 2018-19 learning and development action plan.
- f. *SO6 Engagement, Learning and Improvement:* The Ombudsman advised the AAC following the resignation of the Head of Communications and Engagement in June, the recruitment process for the communications team will commence in Q4. RA commended the commitment demonstrated by the remaining staff to finalise and publish the annual report and to issue the annual letters to bodies in jurisdiction. The Ombudsman advised the Learning and Improvement Unit were continuing to gather knowledge and trends from casework, and were now undertaking to align our subject codes to the relevant codes within sectors to allow better mapping and tracking of complaints through the whole system.

9. **A.O.B.**

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

10. The meeting closed at 12:00.
