

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 21 February 2017

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### Committee:

Tom Frawley	Chair
Heather Logan	
Jim McCormick	

### In attendance:

External Auditor	Pat Kenny, Auditor; James Corrigan, Deloitte
Internal Auditor	Nicola Johnston, SLAB
Jim Martin	Ombudsman
Niki Maclean	Director
John Stevenson	Head of Complaints Standards
Jamie McGrandles	Executive Casework Officer
Rachel Nicholson	Executive Casework Officer
Fiona Paterson	Corporate Services Manager (minute taker for open meeting)

### Observer:

Mario Hook	Gibraltar Public Services Ombudsman
Julie Murphy	SPSO Accountant

### Apologies:

Emma Gray	Head of Communications and Engagement
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1. At the invitation of the Ombudsman, Mario Hook, the Gibraltar Public Services Ombudsman attended the meeting.
  2. Ahead of the meeting, the non-executive members were briefed by the Ombudsman on current and emerging issues that were impacting, or could impact, the SPSO. The meeting was joined later by the Internal Auditor who then supported the AAC in their completion of their annual self-assessment of the operation of the committee.
  3. The formal AAC meeting commenced at 10.30 and the members were joined by the Senior Management Team, the external auditors and observers. The Chair welcomed the new External Auditors, the Gibraltar Public Services Ombudsman and the office Accountant to the meeting; he then invited the External Auditors to introduce themselves to the AAC. The Chair asked that the apology from Emma Gray be noted.

The Gibraltar Ombudsman thanked the Chair for allowing him to observe the AAC meeting, and noted that the SPSO was highly regarded for its creative approaches, a number of which he had adopted in his own office.

*Our vision is to be a **world-leading, innovative, accessible and trusted** organisation  
 that promotes **best practice, learning and improvement.***

4. The Chair reminded the meeting that Heather Logan was stepping down from the AAC after this meeting. He commented that her instructive, supportive and informative challenges to the AAC and management team had contributed to the acknowledged on-going improvements at the SPSO. The Chair also reflected his appreciation to Heather for her support and contribution to the work of the AAC during her term concluding that she would be greatly missed.

The Chair raised the matter of the new appointment of a new AAC member, to replace Heather Logan. It was acknowledged that the process for a replacement would be initiated by the new Ombudsman.

#### **5. Matters arising**

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. However, he asked that the meeting be given an update on the transition to the new Ombudsman. The Ombudsman confirmed that Rosemary Agnew, the current Scottish Information Commissioner, had been offered the post and now been approved by the Scottish Parliament for appointment by Her Majesty the Queen as the new Scottish Public Services Ombudsman. She will take up post from 1 May 2017.

#### **6. Declarations of interest**

The Chair asked if any members wished to indicate a conflict of interest. In response, Heather Logan recorded her on-going membership of the Board of Audit Scotland and confirmed that as previously advised to the Ombudsman, she would cease her membership of the AAC in March 2017. She also confirmed that until then she would not participate in any discussion at meetings that might relate to the work of Audit Scotland and the SPSO. She also advised that should such a circumstance arise, she would withdraw from the meeting if the Chairman should judge it necessary.

Jim McCormick recorded that he will be chairing a new Disability & Carers Benefits advisory group, having been appointed to the role by the Social Security Minister. Although he did not believe it constituted an actual conflict of interest, it is relevant as the SPSO has responsibility for the independent review of a Crisis Grant and Community Care Grant decisions.

#### **7. Previous meeting minutes**

The note of the meeting held on 8 November 2016 was agreed and approved. The AAC reviewed progress against the agreed actions from previous meetings and, following updates, all were noted as completed or being progressed satisfactorily.

#### **8. Internal Auditor's Report**

The Internal Auditor provided the annual assurance for 2016-17 to the AAC, following the completion of the five internal audit engagements for this financial year. In summary, the Head of Internal Audit noted that in her opinion the SPSO has a generally sound framework of control, which provides reasonable assurance regarding the effective and efficient achievement of its objectives.

Additionally, the annual programme for internal audit for 2017-18 was discussed.

## 9. Financial Monitoring

The Director tabled a paper that reflected the year-to-date financial expenditure against the agreed budget for 2016-17, explaining the predicted year-end budget and cash position. She confirmed that the SPSO had been able to absorb the unbudgeted liabilities within its existing budget and would not be making further applications for contingency funding in this financial year. She advised the AAC that approval for the budget submission for 2017-18 had not yet been received.

The AAC noted the 7% increase in External Audit fees, which Audit Scotland had confirmed is in line with other public bodies.

## 10. Risk Management

The AAC noted that no critical risks had been identified on the Risk Register that might affect the SPSO's ability to achieve its agreed Business Plan. It was also noted that no reports in relation to fraud or control failures had been identified during the period under review.

### *Recruitment of the next Ombudsman*

The Ombudsman confirmed to the AAC that Rosemary Agnew, Scottish Information Commissioner, had been appointed as his successor from 1 May 2017.

### *Risk Opportunities*

The AAC supported recent comments made by the Ombudsman to Parliamentary Committees when he suggested possible changes to the current legislation, including binding recommendations, addressing systemic issues, and a licence to receive income through the provision of services by the training unit.

### *Future Risks*

The AAC discussed external factors that might impact on the performance of the office, and were advised by the Director that there could be a significant adverse impact on the office as a consequence of the increasing number of complaints, compounded by the increasing complexity of these complaints. She pointed out that these risks are already recorded on the Risk Register. The Director assured the AAC that any additional expenditure resulting from new jurisdictions would be covered by the Scottish Government, pending clarifications around future long term funding.

## 11. Performance Information

The AAC noted the performance of the SPSO, in particular, what had been achieved against the strategic objectives detailed in the 2016-17 Business Plan. The AAC also noted the priorities and open risks included in the paper. In particular, they noted the following:

- a. *SO1 Complaints and Investigations:* The AAC discussed the introduction of a Professional Advisory Service to replace the service currently provided by the PHSO. The Gibraltar Public Services Ombudsman indicated his office would be interested in discussing access to this

service once it is available. The meeting was advised that other Ombudsman Services may also be interested in accessing this service. The Director explained to the AAC that the slowdown in the number of cases being closed was due to the reduction in complaints reviewers by the fulltime equivalent of two.

- b. *SO2 Scottish Welfare Fund:* The Director informed the AAC that the number of applications for review had increased, particularly the number being made for Crisis Grants. In response, the office had recruited an additional member of staff to the team.
- c. *SO3 Simplification of Complaints Procedures:* The Head of CSA advised the meeting of the growing interest of bodies under jurisdiction accessing the self-assessment tool that had been developed by the SPSO to support improvement in complaints handling and is now being issued with the notification and initial enquiry on a complaint once it is received by the office. The AAC acknowledged the success of the improvement work now being undertaken by the CSA team, and that its achievement was reflected in similar teams being established in Northern Ireland, Wales and England.
- d. *SO4 Good Practice:* The AAC were updated on the different complaints handling networks that were now embedded in each sector. The AAC also were advised of the progress that was now being achieved by each of the sector-led groups.
- e. *SO5 Accountability and Best Value:* The Director informed the AAC of the phenomenal level of recruitment handled in-house in the past year, which resulted in other HR projects being delayed or deferred. She also shared with the meeting the initial findings from the recently completed staff survey, which is showing improvement on the previous year's survey results, despite the restrictions on resources and increased workloads. Finally, the meeting was advised that the process for IIP reaccreditation has also begun, with 25 members of staff identified for interview as part of the process.
- f. *SO6 Engagement, Learning and Improvement:* The Director, on behalf of the Head of Communications and Engagement, provided a summary of the progress to date of the learning and improvement unit and its current work programme. During the discussion that followed, the AAC commended the senior management team on their very effective recent appearances before the Parliamentary Committees, noting that the SPSO had presented its case effectively in the public space, with important messages communicated effectively. The AAC noted the Customer Service Complaints report for quarter three and were informed of the planned staff training around the process for dealing with these complaints, the standards the SPSO holds itself to and an emphasis on the early resolution of these complaints through phone contact.

## 12. **A.O.B.**

As the meeting concluded, the Chair asked the Gibraltar Ombudsman for his impressions of the meeting. In response, Mr Hook commented that the contributions by the team reflected enormous pride and commitment in working as part of the SPSO and commended the Ombudsman and his staff for their continuing achievements.

The Chair again thanked Heather Logan, for her contribution, acknowledging her good judgement which has contributed in no small measure to the effectiveness of the AAC during her time as a member. He concluded by indicating that her contributions to the AAC have been invaluable to him as Chair and will be greatly missed.

13. The meeting closed at 13:00.

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