

Note

Meeting Date	Friday 27 September 2024, 10:30 – 12:00 In person: Bridgeside House, 99 McDonald Road, Edinburgh, EH7 4NS
Board	David Watt, Chair Claire Robertson Siobhan White Steve Renwick
Attendees	External Auditor – Audit Scotland: Tommy Yule External Auditor – Audit Scotland: Neil Maclean Internal Auditor – Wylie and Bisset: Conor McGinley Ombudsman - Rosemary Agnew Head of Corporate and Shared Services – Stuart Crickmar Corporate Services Manager - Fiona Paterson (note taker)
Apologies	Head of Improvement, Standards and Engagement – Andrew Crawford Head of Investigations (PSC) – Judy Saddler Head of Investigations (INWO/SWF) – Elaine Cameron Internal Auditor – Wylie and Bisset: Graham Gillespie Internal Auditor – Wylie and Bisset: Stephen Pringle Internal Auditor – Wylie and Bisset: Zendl Abaigar SPSO ECOs – Scott Ramsay and Adele Keddie (observers)



Item	Subject	Main points of discussion	Actions agreed	Due	Lead
1.	Welcome	1. The Chair welcomed everyone to the meeting and noted the apologies.			
2.	Declarations of Interest	1. There were no additional matters for declaration, other than already noted on the published Declarations of Interest.			
3.	Previous notes, outstanding action points	1. The previous two notes and outstanding actions were reviewed. 2. The long-term outstanding actions from previous external audits, regarding medium-term financial planning and workforce planning, were discussed and the HoCSS confirmed they will be completed by the next meeting.			
4.	Financial report	1. The HoCSS drew attention to the three parts to the finance paper and provided further background to each. 2. The 2023-24 outturn would be covered more fully in the external audit agenda item, which includes the SPSO 2023-24 Annual Report and Financial Statements. 3. The HoCSS drew attention to the forecast overspend for 2024-25, which is mostly attributed to the increases in property costs for Bridgeside House, for which the SPSO is the lease-holder on behalf of four Office-holders. The increase mostly relates to the 5-year rent review, the difference for which we expect the SPCB will provide contingency funding. The AAB noted this financial outlook is reflected in other public service organisations. 4. The other pressures on the SPSO budget directly relate to the continuing increase in casework and associated support areas. The HoCSS noted the			



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		<p>SPSO were actively looking at efficiencies when approaching independent professional advice for casework, whilst also recognising that the current hourly rate for this advice was moderate. The SPSO is keen to explore any casework efficiencies with the caveat that the quality of output is not compromised.</p> <p>5. The AAB enquired whether the risk register sufficiently captured the financial pressures the organisation currently faced, and the Ombudsman confirmed this was regularly reviewed.</p> <p>6. The 2025-26 SPSO budget bid was submitted on 2 September with a 6% increase on the 2024-25 budget submission, due to property and staffing cost increases, but does not include any uplift for inflationary increases. HoCSS noted that the two-year pay deal and the completion of the rent review would removed some of the uncertainty in the following year's budget bid.</p> <p>7. The Ombudsman updated the AAB on discussions she will undertake with the SPCB to request contingency funding for additional temporary Public Sector Complaints (PCS) staff for two years to address the sustained increase in casework, particularly for the Assessment and Guidance Team (the first contact team). The Ombudsman also expressed her thanks to the HoCSS for all his work (and that of his team).</p>			
5.	External Audit report	<p>SPSO Annual Report and Accounts</p> <p>1. The Chair noted the report read well, and reflected the original comments made by the AAB on the draft document in June. The Chair brought</p>			



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		<p>attention to the presentation of the finance figures in the performance report and recommended they more closely reflect the figures as presented in the finance statements. The AAB noted the graphic design of the document helps to engage the reader, and shows consideration of the stakeholders.</p> <p>2. The AAB noted the report's focus on output against statutory function reflected one of the recommendations to come from the Finance and Public Administration Committee inquiry into 'Scotland's Commissioner Landscape: A Strategic Approach'.</p> <p>3. The Ombudsman thanked the AAB for their input, which was valued and of great assistance.</p> <p>External Auditor's Report</p> <p>4. The External Auditor noted it was a clean audit, reflecting positively on the work done, and the Annual Report and Accounts were given an unmodified audit opinion.</p> <p>5. The Auditor walked the AAB through the details of the report, noting one non-material adjustment was made as a result of the audit process that was corrected in the audited accounts, and the recommendation for an improvement to the recording of assets of the Fixed Asset Register.</p> <p>6. The prior-year recommendations had been noted at item 3 as part of the outstanding actions review.</p> <p>7. The Auditor asked the AAB and the management team if they were aware of any fraudulent activities or post balance sheet activities the AAB need to</p>			



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		<p>be informed of, and both the AAB and management team confirmed there were none.</p> <p>8. The External Auditor expressed his appreciation to the SPSO for the work done and efficiency of response to requests during audit process.</p> <p>9. The Chair expressed his thanks to the Auditors for their work and the report, and noted the AAB were content for the documents to be prepared for signing, and the Auditor's report to be published.</p> <p>10. The Auditor confirmed the document would be prepared for signing and issuing to the Auditor General on 8 October.</p>			
6.	Internal Audit report	<p>1. The Internal Auditor presented the two reports finalised at this point in the year on Shared Services and Learning and Development.</p> <p>2. The AAB noted the recommendations on both audits, and commented that they were aware of the unusual circumstances that lead to the Shared Services audit recommendations and that they were unlikely to be repeated.</p> <p>3. The AAB questioned the use of 'due diligence' in the public service arena, and suggested 'risk assessment' would be the more appropriate terms to use in the shared services agenda.</p>			
7.	Risk, Incident and Issues report; including	<p>1. The AAB reviewed the Strategic risk register and discussed the number of risks stated, particularly around resourcing. The Ombudsman confirmed her reasoning for the different risks. The AAB also noted the current and target risk level for cyber security was the same, however the risk is still</p>			



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	Business Plan performance.	<p>listed as 'treat'. This was confirmed as something that will also require constant attention due to the prevalence of the risk and the resources to hand to mitigate for the risk.</p> <p>2. The AAB suggested including more detail on the actions providing controls or mitigating the risk.</p>			
8.	AOB - Private Meeting	<p>1. The Ombudsman updated the AAB on other private matters after the meeting closed.</p>			

Approved for publication 11 October 2024

David Watt, Chair