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Directorate for Internal Audit and Assurance

Annual Audit Plan 2024-25

Social Security Scotland

Directorate for Internal Audit and Assurance

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1. Introduction

- 1.1. We are pleased to present the proposed Internal Audit Plan for 2024-25. This risk based plan has been developed to ensure it encompasses sufficient activity to allow us to provide an Annual Assurance Opinion on your governance, risk management and internal controls at the end of the year. For more details on the methodology for preparing this plan, please see [Annex A](#).
- 1.2. The plan will be subject to regular review throughout the year to ensure it remains current and reflects the changing risk environment. Any significant developments that may merit changes to the plan will be discussed and agreed with Management and presented at the next Audit and Assurance Committee for comment.
- 1.3. All Internal Audit activity will be carried out in line with our agreed Memorandum of Understanding. The current MOU is now out of date and so we will progress with updating this and agreeing this with the Accountable Officer as a priority.
- 1.4. Internal Audit activities are also undertaken in relation to Scottish Government Shared Services and the outcomes taken into consideration in our overarching Annual Assurance Opinion. There is no additional fee for this.
- 1.5. Through our integrated approach to our assurance we have fully engaged with the Digital Assurance Office (DAO), the Portfolio, Programme and Project Assurance (PPPA) team, the Head of the Counter Fraud Profession and the SG Data Protection Officer to ensure that our planned activities are aligned and providing best value. We will continue to share relevant final outputs between our assurance teams. The Data Protection Officer and Head of the Counter Fraud Profession are also within the DIAA which provides access to these specialist resources for advice and guidance as required in-year. We are in the final year of our current co-source partnership with EY and we will be due to go to tender for a new partner imminently. Crown Office and Procurator Fiscal Service (COPFS) has access to this co-source partnership if any further specialist audit work is required. Separate fee and charging arrangements apply for this work. EY support has not been deemed necessary

based on current planning assumptions, but this can be kept under review in-year, depending on client appetite and emerging risks, issues and opportunities.

- 1.6. As part of our overall preparation for planning for all our clients we undertake a horizon scanning exercise. We have included information in [Annex B](#) to show the key areas of risk and assurance we have considered in preparing the annual plan.
- 1.7. Finally, [Annex C](#) details the Audit Coverage over the past three years.

2. Overview

- 2.1.** We have undertaken a range of engagement activities in the development of our plan for the year ahead, to enable us to achieve a risk based approach and add value and provide assurance on areas of significant risk or focus of the Accountable Officer and the Executive Team. This has included meetings with Senior Management, the Accountable Officer and the Non-Executive Members of the Audit and Assurance Committee. We have also considered a range of documents such as the strategic and divisional risk registers, the annual report and accounts, external audit's annual report and audit findings, the outcomes from our past work and the work of other assurance providers, as well as consideration of the wider environment in which Social Security Scotland operates.
- 2.2.** We have also taken into consideration the stage of maturity that Social Security Scotland has now reached, the proximity to the closure of Social Security Programme and the extensive work still required for transition and determining the future target operating model for the Agency.
- 2.3.** In our planning we have taken cognisance of the demands on staff and their capacity and capability to support the delivery of our planned activities. Where possible we will look to work with colleagues in Social Security Scotland so as to support and add value to the priority activities on which they are focussed. We are also considerate of impact the output of our work can have on increasing workloads where recommendations have to be implemented. As in previous years we aim to work with management to ensure our approach to reporting on our findings is pragmatic and proportionate, whilst maintaining our independence and objective focus on the governance, risk management and control arrangements operating within Social Security Scotland.
- 2.4.** In terms of wider DIAA Assurance activities, there are currently no scheduled reviews due to be undertaken by Digital Assurance Office (DAO) or Portfolio, Programme and Project Assurance (PPPA), with the focus continuing to be on Social Security Programme, but there is increasing engagement between these divisions and relevant colleagues in Social Security Scotland and where assurance activities may be appropriate this will be discussed and progressed as necessary. Internally we continue to engage with colleagues across the directorate to ensure we provide an integrated approach to our assurance provision.

2.5. We have estimated that through delivery of our proposed plan we will provide 680 days of Internal Audit activity. As well as the individual assurance and advisory reviews noted in our plan, we have also factored in time for:

- strategic management;
- attendance at Audit and Assurance Committees;
- preparation of 2025-26 annual plan;
- provision of the annual assurance statement;
- ongoing engagement with senior management;
- the Integrated Assurance Forum and engagement with other assurance providers; and
- completion of follow up reviews to provide independent assurance over the implementation of agreed actions from our previous Internal Audit activities.

2.6. We believe that our proposed plan will provide us with sufficient material over the year, together with information we gather from other sources, to provide the Accountable Officer and the Audit and Assurance Committee with an annual assurance opinion at the end of the year.

3. 2024-25 Planned Activities

3.1. Audit Activities

Assurance These are the planned assurance reviews we propose to undertake during 2024/2025. Please note that the proposed quarter in which each review will be undertaken and the outline scopes detailed in this table, are provisional. Scheduling of each audit will now be confirmed with management and detailed scopes will be developed and refined as part of our planning processes for each individual review.			
Activity Title	Brief Scope Outline	Proposed Quarter	Link to SSS Risks (See Annex D SSS Strategic Risk Register)
Client Services Delivery Compliance	A continuation of the current compliance audit to provide independent assessment of compliance with guidance and processes for the administration of Social Security Scotland's benefits.	Full Year	CR004
Transition/Programme Closure	Due to the ongoing activity in relation to transition of products and benefits from Social Security Programme to Social Security Scotland and the proximity of the closure of Social Security Programme we propose to undertake a review of Transition/Programme Closure to provide assurance on the governance, risk management and control arrangements in relation to this.	Full Year	CR011 and CR008

Activity Title	Brief Scope Outline	Proposed Quarter	Link to SSS Risks (See Annex D SSS Strategic Risk Register)
	<p>During planning we will determine the detailed scope for this review, however it is anticipated that this review will focus on Social Security Scotland, its readiness for transition and Programme closure, the governance in relation to transition, the capacity and capability of Social Security Scotland to take on the products once transitioned, resourcing, finance and funding of products once transitioned and provide a view as to how Programme closure is being considered across the Agency.</p> <p>We propose doing this as a full year review, include elements in each of the individual reviews to capture what is happening in practice just now regarding the preparations for transition and Programme closure. In Q4 we would then ensure any other elements within the scope not covered by the fieldwork during each of the other reviews is considered.</p> <p>We also intend to consider lessons learned from early elements which have already transitioned and how such learning is being captured and considered for future transition activities.</p>		

Activity Title	Brief Scope Outline	Proposed Quarter	Link to SSS Risks (See Annex D SSS Strategic Risk Register)
Value for Money / Fiscal Sustainability / Change/Savings work	<p>It was agreed as part of budget settlement that work would be undertaken to address inefficiencies and improve financial sustainability. As such we aim to provide assurance in relation to these activities and the action being taken by Social Security Scotland.</p> <p>Our review would aim to assess how the Agency is determining whether the systems and/or processes built provide value for money, how Social Security Scotland is managing its financial resources in order to deliver and achieve its strategic objectives and whether effective action is being taken to identify and make savings to ensure future fiscal sustainability is achieved and risk, governance and controls are effective.</p> <p>We propose to factor in an element of this into all reviews to provide assurance over how this is being considered across the agency.</p>	Full Year	CR003a and CR003b
Mailroom	The mailroom arrangements for Social Security Scotland have previously been considered as part of our Document Management review in 2022/23. However, since	Q1	CR009

Activity Title	Brief Scope Outline	Proposed Quarter	Link to SSS Risks (See Annex D SSS Strategic Risk Register)
	<p>this previous review a lot of work has been undertaken, with new/different ways of working established.</p> <p>This review would provide assurance in relation to the mailroom arrangements in place in both Dundee and Glasgow to ensure arrangements are efficient and effective and there is good governance, risk management and internal controls in place for Mailroom activities.</p> <p>Through our annual planning discussions it was highlighted that the mailroom is a function for the Agency as a whole, not just Client Services Delivery and so as part of this review we will also consider the mailroom activities for divisions throughout the Agency to understand the processes and effectiveness of these arrangements.</p>		
Data Sharing and Data Governance	We aim to provide assurance in relation to the data sharing activities ongoing across Social Security Scotland with external parties. As part of this we will consider the agreements which are in place, how these are established and whether they are fit for purpose, the data exchanges between key systems and data integrity and controls over the data that flows through Social Security Scotland's systems.	Q1	CR002 and CR014

Activity Title	Brief Scope Outline	Proposed Quarter	Link to SSS Risks (See Annex D SSS Strategic Risk Register)
	<p>We will also consider data governance and how data is handled, kept secure, used in line with legislative requirements and disposed of securely when no longer required.</p> <p>We will also discuss with management whether we should also consider the new Client Interaction Service and the data that will then be available through this, how access is controlled and how it is ensured individuals are allowed access only to their data.</p>		
Electronic Purchase Card (EPC) Usage	<p>In the past year there has been a focus on EPC card usage across the Scottish Government.</p> <p>With this piece of work we would aim to provide assurance in relation to EPC card usage across Social Security Scotland. Using Data Analytics we will analyse card usage and also test to ensure compliance with guidance in relation to the propriety and approval of EPC spend and assess controls to minimise risk of non-compliance and misuse.</p>	Q1	CR003b

Activity Title	Brief Scope Outline	Proposed Quarter	Link to SSS Risks (See Annex D SSS Strategic Risk Register)
GP Payments	GP Payments is an area that has been highlighted by management where assurance would be beneficial to ensure processes and governance in relation to this is effective and arrangements for GP payments are appropriate.	Q1	
Recruitment	<p>From discussion with management, we noted that there has been a lot of change to this service and as such management were keen to get assurance in relation to this. It is anticipated that this review would need to link in with Workforce Planning as this informs recruitment.</p> <p>Through discussions risk in relation to interviews being undertaken remotely via Teams, the potential that applicants may be coached or have an earpiece or similar and also the risk of applicants utilising Artificial Intelligence or coaches to complete/submit applications can be a risk which we can consider as part of this review.</p> <p>If controls are weak at the recruitment and pre-employment stages there is increased risk that staff recruited may not be appropriate, may not have the capacity and/or</p>	Q2	CR001

Activity Title	Brief Scope Outline	Proposed Quarter	Link to SSS Risks (See Annex D SSS Strategic Risk Register)
	capability to deliver in the role and ultimately will impact Social Security Scotland's ability to achieve its strategic objectives.		
Complaints	<p>This audit will provide assurance over the complaints administration process including how complaints are handled from clients, MPs and MSP's and other stakeholders.</p> <p>This review will also consider action taken to ensure that lessons are learnt and improvements are made when complaints are upheld.</p>	Q2	CR009
People Survey Outcomes	<p>Social Security Scotland is now five years old and through annual planning discussions it was highlighted that absence rates have increased, turnover of staff has increased, people engagement scores reducing and potentially hybrid working may be having an impact on staff.</p> <p>This review will aim to assess the action being taken by Social Security Scotland in relation to the outcome of the 2023 People Survey results and the changing absence, staff turnover and people engagement scores with a view to providing assurance that the Agency is taking appropriate action and managing the risk effectively.</p>	Q3	CR005

Activity Title	Brief Scope Outline	Proposed Quarter	Link to SSS Risks (See Annex D SSS Strategic Risk Register)
Travel and Subsistence	<p>This audit will evaluate and report on the controls in place to manage the risks surrounding Travel and Subsistence (T&S) arrangements.</p> <p>Using Data Analytics we will analyse T&S activity and also test to ensure compliance with guidance in relation to propriety and approval and assess controls to minimise risk of non-compliance and misuse.</p>	Q3	CR003b
Performance Management	<p>We will consider the linkage between operations performance, Key Performance Indicators and outcomes and how performance is managed and management information supports this. As part of this we will assess the processes in place for managing individual and collective performance across Social Security Scotland.</p> <p>This review would follow on from our previous audit which of Productivity and Efficiency which has not yet been followed up due to delay with implementing the agreed recommendations.</p> <p>As part of this review we will aim to provide assurance over how performance is being measured, the activity ongoing to develop KPI's and whether this is aligned with Social Security Scotland's strategic objectives. We can also provide assurance as to</p>	Q3	CR005 and CR012

Activity Title	Brief Scope Outline	Proposed Quarter	Link to SSS Risks (See Annex D SSS Strategic Risk Register)
	whether the Agency has effective arrangements for measuring and reporting on the achievement of their strategic objectives and how Social Security Scotland reports on whether the organisation is performing well and its ability to identify trends in improvements or declines in performance.		
Business Continuity Resilience	<p>Internal Audit previously reviewed Business Continuity Planning in 2019/20 when the arrangements were still in their infancy and in need of significant development. Since this time, the Agency has grown in both size and maturity and changed significantly.</p> <p>The aim of this review would be to provide assurance over the current arrangements for Business Continuity Resilience across the organisation and whether these are fit for current need and future needs once Programme has ended.</p>	Q3	CR008
Quality	This review would consider Social Security Scotland approach to establishing a Quality Framework and Quality Assurance activities across the organisation. As part of this we aim to provide assurance over the effectiveness of the Quality Assurance arrangements and how the Agency's approach is embedded consistently and effectively.	Q4	CR004

Activity Title	Brief Scope Outline	Proposed Quarter	Link to SSS Risks (See Annex D SSS Strategic Risk Register)
	This review would follow on from Advisory work undertaken in 2023/24 which focussed on the development of the Quality Support Team in Client Services Delivery.		
Case Reviews - Scheduled and Unscheduled	<p>With the launch of recurring benefits, Social Security Scotland needs to ensure that it has effective arrangements for the review of these benefits to ensure they remain accurate and that clients continue to receive the benefits which they are entitled to.</p> <p>Our review aims provide assurance over the arrangements for the management and provision of both scheduled and unscheduled case reviews and determine whether the established systems, processes and tools are effective for delivery and achievement of strategic objectives and meet the needs of both the Agency and its clients.</p>	Q4	CR009
Automation in Benefit Administration	Through the agile methodology being followed for development and delivery of the systems and processes new releases bring in further automation within the benefit administration process.	Q4	CR009

Activity Title	Brief Scope Outline	Proposed Quarter	Link to SSS Risks (See Annex D SSS Strategic Risk Register)
	<p>Straight-through processing was initially launched for Scottish Child Payment and Best Start Grant, but now is also being included in disability benefits and the new Carer's Support Payment.</p> <p>Our review will aim to provide assurance to management that the automation being built into the benefit administration process is effective and improving the efficiency of the benefit administration process and improves the overall governance, risk management and control arrangements for Social Security Scotland.</p>		

Advisory

A resource is included in our plan to accommodate any requests for advice. This is consistent with the approach taken in previous years. Some initial thoughts on areas to be included are listed below. Regular updates on Advisory work undertaken will be provided in our Update paper to each Audit and Assurance Committee meeting.

Budget Setting Assumptions	<p>We propose to undertake an advisory review in relation to the methodology employed to derive the assumptions on which Social Security Scotland's budget is then based and any activity to validate these assumptions.</p> <p>Examples of what we will consider are workforce numbers, resource needs across the agency and how this is this linked to delivery priorities</p> <p>We also propose to consider plans in place for delivery to achieve the budgeted assumptions and how this is being managed/monitored, etc.</p>	Q1
Client Services Delivery / Health & Social Care Pilot re Improved Ways of Working	<p>A pilot activity was being undertaken until February 2024. Our advisory work would follow on from this pilot exercise to support next steps with this piece of work.</p>	Q1
External Stakeholder Relations	<p>This review will consider whether or not Social Security Scotland is ready to lead on relationship management with the Department for Work and Pensions (DWP) and other government departments.</p> <p>It should be noted that this activity is not currently the responsibility of Social Security Scotland but management will need to be clear on their role now and in the future and ensure they are informed and have the technical and resource capacity to lead on this in the future.</p> <p>The Devolution Programme in the DWP currently is linked with colleagues in Social Security Directorate, to discuss delivery of the Programme, but such engagement will need to continue beyond the life of the SSD as it currently exists.</p> <p>As such we will consider what management are doing to map out what resource, capacity and capability will be needed for this in the future and how is this being embedded in the Agency.</p>	Q2
General Advisory	<p>We have included in the plan for 2024/25 a bank of days for utilisation throughout the year, as and when advisory involvement from Internal Audit would be beneficial.</p>	Full Year

3.2. Suggestions for future years

Through our Annual Planning processes several reviews were identified for future years and so we have noted these here for information and consideration as part of ongoing planning and review of our Internal Audit activities.

Activity Title	Brief Scope Outline
Cyber Security	<p>A review of Cyber Security governance was undertaken in 2022/23.</p> <p>We believe it would be beneficial for a further review, however a lot of work is still in progress and there are action plans in place to progress this. We understand there has been some delays due to resource impacts so would suggest consideration for 2025/26 plan, once more progress has been made to ensure our work provides most value.</p>
Carers Support Payment	<p>We would anticipate that once launched it would be beneficial for some assurance activity in relation to this new benefit. Such a review would aim to consider both new applications and case transfers and assess whether lessons have been learnt from previous benefits</p>
Capacity and Capability	<p>A lot of work ongoing across the agency in relation to management capability of staff in B and C Bands and there is work ongoing looking to alter the span of control from 1-4 to 1-8</p> <p>It is also noted that colleagues within Social Security Scotland have come from various backgrounds with varying cultures/approaches and so we would aim to provide assurance as to how this is managed.</p>
Scottish Administrative Exercises (SAE's)	<p>Provide assurance over the processes being established for dealing with SAE's and whether this is efficient and effective.</p>
Protective Security	<p>Such a review would consider the progress being made with this since the team/roles were established in Social Security Scotland. There is currently some Advisory work ongoing in relation to this and so we suggest Assurance work would be beneficial in future years.</p>
Business Planning and/or Corporate Planning	<p>This has not been reviewed by Internal Audit since the Agency's launch in 2018/19.</p> <p>A new Corporate Plan is due in 2024 and currently being developed so we propose to undertake such an audit in future year so as to add most value.</p>
Consultations	<p>Possible future review of how consultations are undertaken to ensure the processes are efficient and effective</p> <p>Due to low volume of cases inclusion in the current plan may not add much value, but noted for consideration in future audit plans.</p>
Overtime	<p>To evaluate and report on the controls in place to manage the risks surrounding overtime arrangements.</p>

Through our Annual Planning processes several reviews were identified for future years and so we have noted these here for information and consideration as part of ongoing planning and review of our Internal Audit activities.



Activity Title	Brief Scope Outline
	The review would consider overtime activity across the Agency and assess the controls in place to ensure compliance with guidance in relation to identification of need and approval and assess controls to minimise risk of non-compliance and misuse.

3.3. 2024-25 Internal Audit Fee

Cost (one off, daily rate etc.)	Number of Days	Total Estimated Costs
£440	680	£299,200
£440	Ad-hoc additional days if required will be subject to additional daily rate charges.	To be confirmed if additional days required.

Annex A - Methodology

- The overarching purpose of the Audit Plan is to establish a risk based prioritised list of audit activities for the audit client, that is appropriately aligned to their overall risk appetite, and to show the audit resources required to carry out the proposed level of coverage.
- The approach is in line with the Internal Audit Charter and Strategy, provided below, it also complies with [Public Sector Internal Audit Standards](#).

Internal Audit guidance documents (updated versions will be provided throughout the year where appropriate)	
Internal Audit Charter 2024-25	 Internal Audit Charter 2024-25.pdf
Internal Audit Strategy 2023-24	 Internal Audit Strategy 2023-24.pdf

- In developing the plan, we consulted with the Accountable Officer, members of the Audit and Assurance Committee and members of the Executive Team. We also reviewed a variety of corporate information e.g. Corporate and Business Plans, Risk Registers etc. Other strands of assurance and information were duly considered. The approach is intended to ensure we target our work at priority areas and complement other sources of assurance.

Annex B – Risk Horizon Scanning

Financial
Sustainability

Post Covid-19 and
Economic recovery

Constitutional, and
Statutory Reform /
Change

Performance
Delivery Risks and
Outcomes

Fraud

Net Zero

Capacity and
Capability

Digital disruption
and new
technologies

Organisational
Culture & Wellbeing

Organisational
Resilience &
Business Continuity

Hybrid Working and
Estate Management

Human capital,
diversity, talent
management and
retention

Information and
Data Governance
and Management

Cyber Resilience and
Security

Corporate
Transformation,
Change Management
and Shared Services

Public Service
Reform

Annex C – Prior Three Years Audit Activity

Audit Year		
2021-22	2022-23	2023-24
Operations Compliance Reasonable Assurance	Benefit Delivery Compliance Reasonable Assurance	Client Services Delivery Compliance Draft Report in progress
Disability and Carer's Benefits Readiness Reasonable Assurance	IT Supply Reasonable Assurance	Integration Space Substantial Assurance
Internal Controls Reasonable Assurance	Cyber Security Resilience Limited Assurance	Procurement Reasonable Assurance
Chief Digital Office (CDO) Transition into Social Security Scotland Reasonable Assurance	Debt Arrangements Reasonable Assurance	Winter Heating Benefits Reasonable Assurance
Residency Reasonable Assurance	Incident Management Reasonable Assurance	Safeguarding Limited Assurance
Covid-19 Substantial Assurance	Internal Controls Limited Assurance	CDP in-depth follow up Limited Assurance
Equalities and Diversity Reasonable Assurance	Document Management Reasonable Assurance	Internal Controls – Official Error Trends Limited Assurance
Client Experience Reasonable Assurance	Client Experience – Disability and Carers Benefits Re-determinations and Appeals Reasonable Assurance	Adult Disability Payment In-Depth Review Draft Report in progress
Social Security - Scottish Child Payment In-depth Review Reasonable Assurance	SPM (Management Information and reporting) Limited Assurance	Transition Audit Cancelled
Budget Setting Reasonable Assurance	Health and Social Care Quality Assurance and Professional Supervision Reasonable Assurance	Case Discussions Draft Report in progress
Learning and Development Substantial Assurance	Local Delivery Reasonable Assurance	Risk Management Draft Report in progress

SPM / Technical Debt Limited Assurance	Case Transfer Process Limited Assurance	Stabilisation and Improvement period Audit Cancelled
Recruitment Reasonable Assurance	Staff Health and Safety/ Wellbeing Substantial Assurance	Governance Draft Report in progress
Productivity and Efficiency Reasonable Assurance	Quality Assurance Framework Advisory	Corporate Transformation/Estates Management Fieldwork ongoing
Workforce Planning Reasonable Assurance	Workforce planning Advisory	Continuous Improvement Draft Report in progress
Child Disability Payment In-depth review Limited Assurance		Role Based Access Controls Fieldwork ongoing
		Quality Support Team Advisory
		Monetary Value of Fraud and Error Advisory Fieldwork Ongoing

Annex D – Strategic Risk Register Extract

Risk ID	Risk Description	Inherent Risk	Residual Risk	Score Change (since last report)	Target Risk Score	4 Ts
CR-001	Workforce planning and organisational design	20	12	↑	6	Treat
CR-002	Asset Security	25	15	↔	10	Treat
CR-003a	Value for Money	20	12	↔	9	Treat
CR-003b	Financial Management	20	20	↓	15	Treat
CR-004	Quality	25	20	↔	15	Treat
CR-005	Culture and inclusion	9	12	↑	6	Treat
CR-006	Technology and systems	16	12	↔	9	Treat
CR-007	Safeguarding	20	16	↔	12	Treat
CR-008	Organisational resilience	25	16	↔	12	Treat
CR-009	Delivering for our clients	25	20	↑	10	Treat
CR-010	Cyber security	25	15	↔	10	Treat
CR-011	Programme closure	25	25	↔	15	Treat
CR-012	Management Information and Performance	20	20	↔	16	Tolerate
CR-013	Protective Security			↔		
CR-014	Data Protection			↔		
Corp Gov	Corporate Governance			↔		