



Audit and Assurance Committee

Date of Meeting	13 September 2022
Time	10:15 – 12:30
Location	Video Conference – Microsoft Teams

Attendees

Present

Non-Executive Members

Russell Frith (RF)	Chair, Non-Executive Member
Elaine Noad (EN)	Non-Executive Body Member
Naghat Ahmed (NA)	Non-Executive Body Member
Barry Matheson (BM)	Non-Executive Body Member

Social Security Scotland

David Wallace (DW)	Accountable Officer, Chief Executive
Alastair MacPhail (AM)	Deputy Director Strategy, Change, Data & Engagement
LS	Risk and Assurance Team Leader
MF	Head of Fraud and Error Resolution
RM	Lead Risk Coordinator
DP	Head of Strategy and Corporate Services
NB	Head of Finance
GB	Data Protection Manager
KC	Head of Client Services Operations (Item 4 only)
FP	Head of Strategic Resourcing (Item 4 only)
MK	Head of People (Item 4 only)
Andy McClintock (AM2)	Deputy Director Chief Digital Officer (Item 4 only)



GB Workforce Planning Project Lead (Item 4 only)

Audit Scotland

FI Audit Scotland

Internal Audit Directorate, Scottish Government

IB Senior Internal Auditor

LS (2) Internal Auditor

MH Internal Auditor

Secretariat

GE Corporate Assurance Coordinator

Observers

ID Organisational Strategy Manager

EM Governance and Strategy Team Leader

RM Finance Business Partner

Apologies

Lisa Baron-Broadhurst Programme Director, Social Security
(LBB)

James Wallace (JW) Deputy Director of Finance and Corporate Services

GD Head of Corporate Strategy and Communications

1. Welcome and Conflicts of Interest

- 1.1. The Chair welcomed everyone to the meeting and noted the apologies as listed above.
- 1.2. No conflicts of interest were noted.

2. Minutes and Action Tracker

- 2.1. The minutes from the May 17 2022 Audit and Assurance Committee have been agreed and are awaiting publication.
- 2.2. LS advised the committee that Social Security Scotland have recruited a Diversity and Inclusion Manager. Discussions are ongoing with HR to recruit for the additional positions and LS will update with progress at the next meeting.
- 2.3. All the actions within the tracker have been updated.

Action	LS	Provide the Committee with a further update on the Diversity and Inclusion recruitment.
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3. Social Security Scotland - Risk Management Update

- 3.1. RM provided the committee with an update of Risk management activity noting the following:
 - Changes in the Risk team structure with a new Risk Manager in position.
 - The Risk team are making good progress with the development of Principle Risks with the target of completing this in January 2023. A meeting is planned with the Chief Executive to discuss the next steps.
 - We now have 27 Strategic Risks, up from 22 with Operational Delivery risks increasing.
 - The Risk Review Group continues to meet monthly and has good governance in place. We are revising the Terms of Reference and will bring this to the next meeting.
- 3.2. RF requested a draft version of Principle Risks to be provided at the next meeting.
- 3.3. EN highlighted the Committee should keep Risk AS-R066 under review and requested timescales to be provided by correspondence. DW confirmed working groups have been set up with Social Security Programme to mitigate the risk and this risk is being discussed with IBM.
- 3.4. RF and EN queried Risk AS-R090 highlighting the description may need rewritten and reviewed if this is an operational risk. RM agreed.



3.5. The Chair thanked RM and the Committee noted the report.

Action	RM	Provide the Committee with the Risk Review Group Terms of Reference at the next Audit and Assurance Committee meeting.
Action	RM	Provide the Committee with draft Principle Risks at the next Audit and Assurance Committee meeting.
Action	RM	Provide AS-R066 timescales to EN.
Action	RM	Review AS-R090 and consider rewording the description of the risk.

4. Internal Audit Directorate Update

4.1. IB provided the Internal Audit update and noted the following:

- Quarter 2 work from the 2022/23 Audit Plan is progressing well and Internal Audit have in place additional resources to deliver the agreed workload in Quarter 3.
- An update on the status of the outstanding draft reports.
- Work is ongoing with Core Scottish Government Audits that Social Security Scotland have an interest in, with all work due to be finalised by the end of the year.

4.2. EN questioned the purpose of the advisory report of the Quality Assurance Framework. LS(2) confirmed we are doing a Quality Assurance Framework review in Quarter 4 and the advisory focuses on the progression of the Framework prior to the review.

4.3. LS(2) noted the 4 reports included in the Internal Audit Report and the assurance ratings:

- Disability and Carers Benefits Readiness Review – Reasonable assurance.
- Review of SPM – Limited assurance.
- Productivity and Efficiency Review - Limited assurance.
- Workforce Planning Review - Reasonable assurance.

4.4. BM questioned the ownership of technical debt and how does technical debt effect Social Security Scotland. AM(2) confirmed Social Security Scotland and Social Security Programme are working together to understand technical debt. AM confirmed we have already transitioned some Low Income Benefits and we

have an Embedding and Enhancement period next year to look at processes and inefficiencies to improve our services and understand more of technical debt.

4.5. The Chair thanked IB and LS(2) and the committee noted the contents of the report.

5. Social Security Scotland – Financial Update

5.1. NB was pleased to present the Social Security Scotland Financial July Update.

5.2. [Redacted]

5.3. The Audit and Assurance Committee thanked NB and noted the update.

6. Social Security Scotland – Error, Fraud and Debt Quarter 1 Update

6.1. MF presented the Social Security Scotland Error, Fraud and Debt Quarter 1 update and noted the following:

- An update on Scottish Child Payment and Best Start Foods correction errors.
- Less underpayment errors for this quarter.
- Two new locations have been secured for counter fraud activity, this will provide greater geographical coverage to the team.
- Progress is being made with improvements to Intelligence Management processes and systems.

6.2. RF, BM and EN all noted the report was comprehensive and praised the improvements made to intelligence management. BM requested to revise the report by reducing the tables and graphs and retain focus on important information for the committee.

6.3. RF questioned what data do we provide to the National Fraud Initiative in October and what do we expect to get back? MF confirmed we will be working with Audit Scotland, the Cabinet Office and DWP to get the most value but this would be an iterate process.

6.4. NA asked do we anticipate a spike in errors from Case Transfers. MF confirmed we expect more demand for error correction and debt management activity related to Case Transfers and Scottish Child Payment Phase two.

6.5. The Chair thanked MF and noted the contents of the report.

Action	MF	Revise the report and focus on main information with less tables and graphs
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7. Social Security Scotland – Audit Recommendations Update

7.1. LS presented the Audit Recommendations update and noted the following:

- The report has been revised focusing on recommendations that have missed their deadlines or are at risk of missing their deadlines.
- Previous Health-check report actions are confirmed completed by the assessors. Work is ongoing for the 2022 Health-check actions and to confirm reporting governance with Social Security Programme and we expect to complete this in the coming weeks.
- We are working with Internal Audit with the aim of combining similar recommendations as we are noticing themes.
- The Corporate Assurance team have a new Quality Review process which involves the Agency Leadership Team. This will help improve and get more holistic management responses.

7.2. RF and BM praised the format of the report and were satisfied with the amount of information provided.

7.3. EN queried the outstanding recommendations from previous audit years, asking when these will likely be completed? LS confirmed the Corporate Assurance team will undertake an in depth review of all recommendations which are at risk of slippage or missed.

7.4. EN requested work to continue on the Equality and Diversity recommendations which have missed their deadlines.

7.5. BM suggested joint working for Principle Risk and Audit Recommendation action owners. LS confirmed with herself being the Risk and Assurance Lead that both teams communicate and can align risks and recommendations.

7.6. The Audit and Assurance Committee thanked LS and noted the update.

8. Social Security Scotland - Data Protection Framework Report and Assurance

8.1. GB provided the committee with an update noting the following:

- Social Security Scotland have carried out a number of data protection Health-checks in the last year.

- Social Security Scotland are at a very early stage of maturity and we will continue to encourage continuous improvement and refine our data protection guidance.
 - A Data Protection Assurance Framework is in place.
- 8.2. EN questioned do Social Security Scotland staff appreciate how important data protection is and do we encourage training to be completed? GB confirmed training completion is monitored and messages are sent to individuals identified who have not completed mandatory training packages.
- 8.3. GB confirmed the team have a positive relationship with the Chief Digital Office which helps identify any system related data breach.
- 8.4. The Chair thanked GB and noted the contents of the report.

9. Any Other Business

- 9.1. RF advised this is EN last Audit and Assurance Committee meeting. RF placed on record his gratitude for all the help and support EN has provided Social Security Scotland.
- 9.2. LS advised the quorum in the Terms of Reference will need reviewed. This will be reviewed by the November 2022 Audit and Assurance Committee meeting.
- 9.3. Thanks were expressed to Social Security Scotland and Internal Audit for the work completed for today's meeting.
- 9.4. No other business was recorded and RF concluded the meeting.

Action	LS	Review the quorum in the Terms of Reference for November's Audit and Assurance Committee meeting.
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Date of next Meeting – 22 November 2022

Action(AP)/Decision(DP)	Detail	Owner	Due Date	Status
AP – 13/09/2022 - 01	Provide the Committee with a further update on the Diversity and Inclusion recruitment.	LS	Next Meeting	Ongoing
AP – 13/09/2022 – 02	Provide the Committee with the Risk Review Group Terms of Reference at the next Audit and Assurance Committee meeting.	RM	Next Meeting	Open
AP – 13/09/2022 – 03	Provide the Committee with draft Principle Risks at the next Audit and Assurance Committee meeting.	RM	Next Meeting	Open
AP – 13/09/2022 – 04	Provide AS-R066 timescales to EN.	RM	Next Meeting	Open
AP – 13/09/2022 – 05	Review AS-R090 and consider rewording the description of the risk.	RM	Next Meeting	Open
AP – 13/09/2022 - 06	Revise the report and focus on main information with less tables and graphs	MF	Next Meeting	Open
AP – 13/09/2022 - 07	Review the quorum in the Terms of Reference for Novembers Audit and Assurance Committee meeting.	LS	Next Meeting	Open