

Internal Audit Plan 2021-22

Social Security Scotland

**Directorate for Internal Audit
and Assurance**

01/02/2021

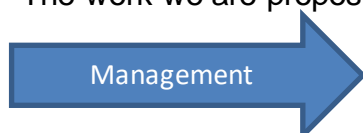
Proposed Internal Audit Plan – April 2021 to March 2022

Introduction

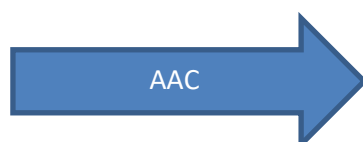
1. I attach for Members' consideration, our proposed risk-based Internal Audit Plan for Social Security Scotland for 2021-22.
2. As Social Security Scotland develops we will periodically review, revise and agree activities with management.
3. We will also review the plan prior to each meeting of the Audit and Assurance Committee to ensure it remains current and reflects Social Security Scotland's changing risk environment. Any significant developments that may merit changes to the plan will be discussed and agreed with Social Security Scotland's management, and the Audit and Assurance Committee will be informed.

Objectives

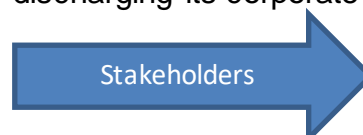
4. The work we are proposing seeks to meet the needs of three audiences:



Assurance and advice for the Accountable Officer and Senior Managers on governance, risk management and control from professionals who have an understanding of Social Security Scotland's business, including sharing experience on best practice issues.



Assistance to Social Security Scotland's Audit and Assurance Committee in discharging its corporate governance and compliance responsibilities.



Independent opinions and reports that add credibility to financial and business information released by Social Security Scotland.

Methodology

5. Our approach complies with the Public Sector Internal Audit Standards (PSIAS), the latest version of which was issued 1 April 2020, and sets the guidelines for a risk based approach to auditing. In developing the plan, we consulted Social Security Scotland's management and the non-executive Audit and Assurance Committee members. We also reviewed available corporate information, the strategic risk register and Certificates of Assurance. Other strands of assurance and information were duly considered (see diagram 1). The approach is intended to ensure we target our work at priority areas and complement other sources of assurance.
6. To ensure proper coverage, minimise duplication of effort and comply with the principles of integrated assurance, we have taken into consideration external audit plans as well as consideration of any work being undertaken by the Digital Assurance Office and Project, Programme and Portfolio Assurance colleagues within the Directorate of Internal Audit and Assurance.

Diagram 1



Proposed Coverage in 2021-22

7. In line with discussion held with management and based on Internal Audit plans we estimate that we will provide 660 days of internal audit. The 660 days will comprise direct audit time, strategic management – this is the Head of Internal Audit service – attendance at Audit and Assurance Committees, preparation of

an annual plan, provision of the annual assurance and engagement with senior management. There is also provision for ad hoc advisory work. The split between direct audit and advisory work will be flexible as we work through the plan depending on where risks are and where we can best add value.

8. We have worked closely with senior management to identify key areas for our Internal Audit plan focus and previously circulated our proposal for comment. Business and associated risks will continue to change and develop during the coming year. We will remain responsive and flexible in our approach. Please see the proposed assurance activities in **Annex A**.
9. Any review activities we undertake will be agreed through a formal Terms of Reference (TOR) which will be agreed with relevant Social Security Scotland senior management prior to the start of the review assignment. The process for obtaining assignment assurance will involve examination of the risks relating to the area to be reviewed and assessment of the actual controls against those that we would expect to be in operation. The reporting dates to Audit and Assurance Committee take account of the time required for fieldwork, drafting reports to management (the service standard being within 3 weeks of completing fieldwork) and finalising the reports.

Follow Up Reviews

10. We will undertake follow up reviews to provide independent assurance that the recommendations from any of our previous and future reports have been implemented, as agreed, and are working as expected. Where necessary we will make appropriate reports to the Audit and Assurance Committee regarding any implementation progress on High and Medium priority recommendations.

Annual Assurance 2021-22

11. Our proposed coverage, as set out above and in **Annex A**, will enable us to provide our annual assurance report to the Audit and Assurance Committee in May 2022.
12. Alongside this specific plan for Social Security Scotland, which provides assurance to the Accountable Officer and Audit and Assurance Committee, internal audit assurance will also be provided on those corporate systems that Social Security Scotland utilises through the core Scottish Government. The cost of the assurance over the corporate systems is covered in whole, by the Scottish Government.

Advisory Work

13. Members should note that we have also included resource in our plan to accommodate any other requests for advice. The aim is to provide independent feedback on arrangements being developed or already in place, such as policies, processes and specific projects. This is consistent with the approach taken in previous years.

Strategic Engagement

14. We will continue to meet and engage with senior management on a regular basis.

[Redacted]

Lead Senior Internal Audit Manager

Scottish Government Directorate for Internal Audit and Assurance

January 2021

[Redacted]

Internal Audit Manager

Scottish Government Directorate for Internal Audit and Assurance

Annex A

PROPOSED AUDIT PLAN (delivered through advisory/review services as required)

Audit need	Purpose of audit	Scheduled
Overarching Themes to be considered in all work we undertake		
These themes will be considered as part of all reviews (where relevant)		
National Performance Framework	All of what we do should be driven by our aim to achieve the outcomes of the National Performance Framework. As part of our work we will assess how this is being achieved by Social Security Scotland.	
Recovery from Covid-19	As well as a specific review being included in the plan for 2021-22 it is expected that throughout all reviews we will consider the impact Covid-19 has had on the specific area of the review and the lessons that have been learnt and how this is then being taken forward.	
Assurance		
Covid-19	[Redacted]	Quarter 1
Internal Control	[Redacted]	Quarters 1 to 4
Social Security Scotland Transition to Director General Communities	[Redacted]	Quarter 1
Budget Setting	[Redacted]	Quarter 3
Chief Digital Office (CDO) Transition into Social Security Scotland	[Redacted]	Quarter 1
Agency Agreements	[Redacted]	Quarter 3
Productivity and Efficiency	[Redacted]	Quarter 4

Equalities and Diversity	[Redacted]	Quarter 1/2
Workforce Planning	[Redacted]	Quarter 4
Recruitment	[Redacted]	Quarter 2
Learning and Development	[Redacted]	Quarter 3
Operations Compliance	[Redacted]	Quarters 1 to 4
SPM / Technical Debt	[Redacted]	Quarter 3
Disability Benefits (Wave 2) Readiness	[Redacted]	Quarters 1 to 4
Residency	[Redacted]	Quarter 1
Scottish Child Payment In-depth Review	[Redacted]	Quarter 2

Child Disability Payment In-depth review	[Redacted]	Quarter 4
Client Experience	[Redacted]	Quarter 1/2
Counter Fraud/Error	[Redacted]	Quarter 3
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.		
Clinical Division	[Redacted]	
Quality Assurance Framework	[Redacted]	
Governance	[Redacted]	

Reviews to be considered for future years:

- Corporate Governance – [Redacted]
- Climate Change and Sustainability – [Redacted]
- Clinical Governance – [Redacted]
- Procurement – [Redacted]