

Social Security Scotland

Audit and Assurance Committee
Audit Scotland Update



 **AUDIT SCOTLAND**

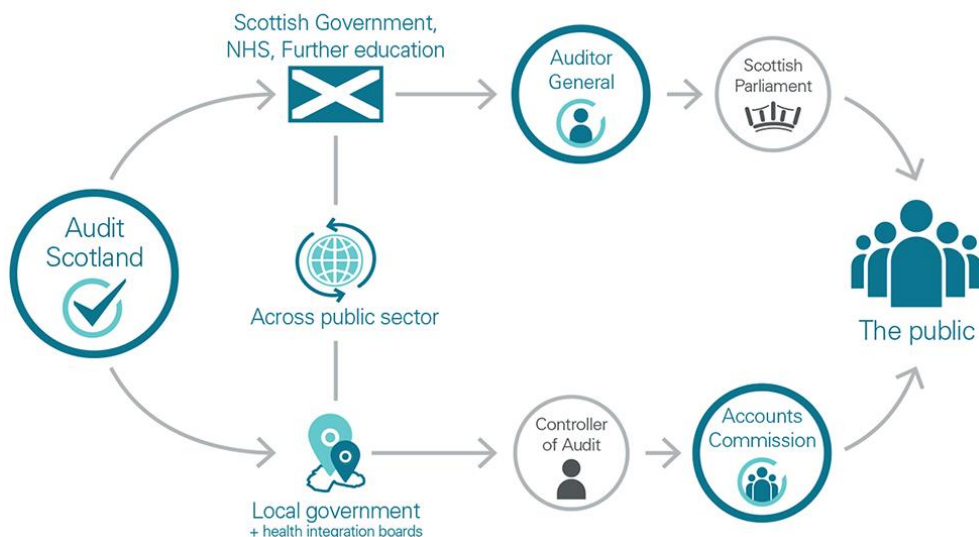
Prepared for Social Security Scotland Audit and Assurance Committee

September 2021

Who we are

The Auditor General, the Accounts Commission and Audit Scotland work together to deliver public audit in Scotland:

- The Auditor General is an independent crown appointment, made on the recommendation of the Scottish Parliament, to audit the Scottish Government, NHS and other bodies and report to Parliament on their financial health and performance.
- The Accounts Commission is an independent public body appointed by Scottish ministers to hold local government to account. The Controller of Audit is an independent post established by statute, with powers to report directly to the Commission on the audit of local government.
- Audit Scotland is governed by a board, consisting of the Auditor General, the chair of the Accounts Commission, a non-executive board chair, and two non-executive members appointed by the Scottish Commission for Public Audit, a commission of the Scottish Parliament.



About us

Our vision is to be a world-class audit organisation that improves the use of public money.

Through our work for the Auditor General and the Accounts Commission, we provide independent assurance to the people of Scotland that public money is spent properly and provides value. We aim to achieve this by:

- carrying out relevant and timely audits of the way the public sector manages and spends money
- reporting our findings and conclusions in public
- identifying risks, making clear and relevant recommendations.

External audit update

Our financial statements audit work is progressing well

1. We received the unaudited annual report and accounts as planned on the 12 July 2021. This enabled us to start the audit in line with the previously agreed timetable.
2. The bulk of our audit work is complete, with only a few items outstanding, but this has not impacted our timescales to deliver the audit. We have still to receive the audited financial summary from the National Audit Office and expect to receive that by the 17 September. We are aiming to sign off the annual report and accounts on the 22 October, following the audit and assurance committee meeting on the 19 October.

Qualified regularity opinion on the 2020/21 annual report and accounts

3. The proposed independent auditor's report is currently being drafted. We have held an internal panel with colleagues, alongside consulting with our technical team, to challenge our conclusions and ensure the wording of our audit opinion is clear and appropriate.
4. We are proposing a regularity qualification in relation to the benefits delivered by the Department of Work and Pension. The estimated levels of overpayment are material to the opinion, and the expenditure resulting from such overpayments was not incurred in accordance with applicable enactments. We will have the opportunity to discuss this in more detail at the next audit and assurance committee meeting.
5. On the 13 September 2021 we had our most recent meeting with key representatives from Social Security Scotland, the Scottish Government and the Scottish Government audit team. These meetings have enabled us to discuss the implications of our Social Security Scotland audit opinion on the consolidated annual report and accounts for the Scottish Government. We will keep in close contact with the Scottish Government audit team as they fully conclude this.

Update on plans for section 22 reporting

6. In previous years Social Security Scotland has been the subject of section 22 reports to the Scottish Parliament largely due to the implications of a qualified audit opinion. The audit team are still in discussion with the Auditor General for Scotland about whether a report will be prepared on the 2020/21 audit and we expect this to be confirmed by the end of September.
7. As part of this discussion we are exploring other opportunities to support wider reporting and understanding of our findings from the audit, such as briefings, blogs and increasing the visibility of the annual audit report. We will keep the relevant contacts within Social Security Scotland informed of the outcome of our discussions.

Update on plans for performance audit reporting

8. A section 23 report is planned for spring next year. As the Scottish Government is still to implement the most complex and highest value benefits, our audit focus remains on the programme of implementation.

9. Linked to the details in [paragraph 7](#) we are exploring the opportunity of using alternative outputs as part of our wider programme of work. We envisage an output towards the end of the year which will signpost the findings from the annual audit report and highlight the future planned work.

Concluding remarks

10. The Audit and Assurance Committee are asked to note this report.

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