

Audit and Assurance Committee

Date of Meeting	Tuesday 25 August 2020
Subject	Internal Audit Progress Report
Agenda No.	7
Paper No	8.6
Prepared By	Internal Audit
Purpose	Note

Background

1.1 Internal Audit Progress Report for comment and discussion.

Key Points

2.1 Key points to note are:

- The internal audit plan for 2020/21 has been reviewed and a revised plan has been agreed. We will continue to review the plan on an ongoing basis.
- We have continued to participate in regular meetings with key stakeholders in order to remain aware of progress and developments within the Agency.
- Planning for initial reviews has been undertaken and fieldwork is now ongoing.
- Follow-up activity has resumed.

Conclusion/Recommendation

3.1 The Audit and Assurance Committee members are invited to note the range of Internal Audit and Assurance Directorate activities undertaken since the previous meeting.





Internal Audit Progress Report

Social Security Scotland 2020-2021

Audit and Assurance Committee
25 August 2020

Directorate of Internal Audit and Assurance

Report Issue Date: 12-08-2020

1. Purpose

- 1.1. For information and comment.

2. Key Messages

- 2.1. The internal audit plan for 2020/21 has been reviewed and a revised plan has been agreed with management. The proposed revised plan was discussed with AAC members on 18th June 2020. We will continue to review the plan on an ongoing basis.
- 2.2. The Directorate of Internal Audit and Assurance (DIAA) has continued to participate in regular catch-ups with key stakeholders within Social Security Scotland in order to remain aware of progress and developments within the Agency.
- 2.3. All planning for quarter 2 reviews has been undertaken and planning for quarter 3 reviews is due to begin. Further detail on this is provided in section 5 of this paper
- 2.4. Follow-up activity, reviewing implementation of recommendations agreed as part of work undertaken in previous years, has resumed. An update on activity since the previous AAC meeting is provided in section 6 of this paper.

3. Action Required

- 3.1. Members are invited to note the range of Internal Audit (IA) activities to date, offer any comments and otherwise note the report.

Iain Burns	Lead Senior Internal Audit Manager
Louise Spencer	Internal Audit Manager

4. **Introduction**

- 4.1. This paper provides Members with a summary of IA activities in Social Security Scotland and relevant strategic matters since the Committee's last meeting on 19th May 2020.

5. **Main Assignments – Current Year 2020-2021**

- 5.1. The status of main assignments for 2020-2021 undertaken since the last AAC is shown in **Table 1** below.

Table 1: Main Audit Assignments 2020-2021 Audit Plan

Activity	Status
Operations	Fieldwork ongoing – continuous audit of operational processing compliance with guidance, testing all 'live' benefits
Key Financial Systems	Fieldwork ongoing – continuous audit of key financial systems and processes including: <ul style="list-style-type: none"> • Benefit Payment Exceptions including Manual Payments • Worthy Cause payments to fund benefit bank accounts • Payments made via SEAS
Wave 1 Benefits – Carers Allowance Supplement	Fieldwork ongoing
Wave 1 Benefits – Best Start Grant	Scope agreed, fieldwork starting 7 th September 2020
Debt Management	Scope agreed, fieldwork starting 24 th August 2020
Programme Links	Planning undertaken, fieldwork starting 7 th September 2020
Governance	Planning underway

6. Follow-Up Activity

6.1. Scheduled follow-ups completed were as follows:

Internal Audit Review	Recommendations Made and Accepted	Recommendation Status at time of Follow-Up
Interim IT Systems: Support & Maintenance	3 Medium 2 Low	Final Report Issued -24 June 2020 5 Fully Implemented
Risk Management	4 Medium	Final Report Issued – 9 th July 2020 3 Fully Implemented 1 Partially Implemented. Risk posed has now been reduced and so no further follow-ups will be undertaken. Management are responsible for ensuring full implementation is achieved.
GDPR & Data Handling	2 Medium 4 Low	Final Report Issued – 18 th June 2020 6 Fully Implemented

6.2. The next follow-ups to be undertaken include:

- Estates Management
- Business Planning
- Reporting and Assurance Functions: Roles and Responsibilities
- Local Delivery
- Travel Management

6.3. The outcome of the above follow-ups will be reported to future Audit and Assurance Committee meetings.

7. Advisory Activity

7.1. Please see attached **Annex A** for Advisory activity undertaken since the previous Audit and Assurance Committee.

- 7.2. We continue to engage with various teams throughout Social Security Scotland on an ongoing basis and also are keen to provide advisory support where possible.

8. Strategic Matters and Insights

- 8.1. The initial Core Scottish Government (SG) Internal Audit 2020-21 plan was been realigned to provide targeted and timely advice and assurance on Covid-19 response arrangements the SG put in place in order to safeguard and maintain sound proportionate governance and effective and transparent decision making, and to test compliance and effectiveness, in line with existing governance structures.
- 8.2 We have agreed the SG Internal Audit plan for the remainder of the year with the Executive Team and the Permanent Secretary. We propose to continue with cross-cutting themes and reviews that provide the broadest assurance and insight in the most efficient and effective way.

Advisory Activity Undertaken

ADVISORY WORK		
Business Area	Detail	Other Related Work
Covid-19 Response	Ongoing discussions and availability to support response and provide assurance over decisions made and action taken in response to current pandemic lockdown situation and amended working practices.	
Fraud and Error Resolution Unit – Ongoing engagement	Regular catch-ups to discuss emerging issues, and developments within the team	
Risk Management	Attendance at recent Risk Review Group meeting	
Strategic Culture	Initial preparatory work for culture assessment	