



## Audit and Assurance Committee

<b>Date of Meeting</b>	Tuesday 19 October 2021
<b>Time</b>	10:20 – 12:00
<b>Location</b>	Video Conference – Microsoft Teams

## Attendees

### Present

Russell Frith (RF)	Chair, Non-Executive Member
Douglas Hutchens (DH)	Non-Executive Body Member
Elaine Noad (EN)	Non-Executive Body Member
Barry Matheson (BM)	Non-Executive Body Member
Jessica Burns (JB)	Non-Executive Body Member
Naghat Ahmed (NA)	Non-Executive Body Member
David Wallace (DW)	Accountable Officer, Chief Executive
Miriam Craven (MC)	Deputy Director for Strategy and Client Experience
James Wallace (JW)	Deputy Director of Finance and Corporate Service
CB	Strategy, Policy and Assurance Lead
JC	Corporate Assurance Lead
NB	Head of Finance

### Audit Scotland

PG	Senior Audit Manager
CG	Audit Director

### Internal Audit Directorate, Scottish Government

IB	Senior Internal Auditor
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LS Internal Auditor

### Secretariat

GE Corporate Assurance Coordinator

### Apologies

GD Head of Corporate Strategy and Communications

FI Audit Scotland

### Observers

IB Assistant Governance Manager

## 1. Welcome and Conflicts of Interest

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

## 2. Audit Scotland – 2020-21 Annual Audit Report and Independent Auditors Report

- 2.1. CG was pleased to present the Annual Audit Report cover letter and noted audit work is complete. CG noted we are awaiting the final review of the Annual Report and Accounts prior to sign off.
- 2.2. CG advised the report provided a qualified opinion on the regularity of benefit expenditure from the Department for Work and Pensions and is consistent with the prior year's audit opinion.
- 2.3. CG stated audit approach this year requires a financial summary from the Department for Work and Pensions and Audited by National Audit Office. CG stated as benefits are transferred and administered by Social Security Scotland our reliance on these assurances will reduce.
- 2.4. CG asked the committee of any knowledge of fraud or non-compliance with laws. Committee confirmed no instances.
- 2.5. CG confirmed the draft Letter of Representation will be signed by DW along with accounts by the end of this week.
- 2.6. CG presented the Annual Audit Report summarising findings from the 2021 audit noting that the Annual Report and Accounts will be signed off within



- timetable. CG highlighted the papers were of a high standard and good support was received from Finance staff to be in a strong position.
- 2.7. CG highlighted the Performance Review stating there are changes as a result of the Audit Scotland review. CG is satisfied report is compliant however identifies further improvements can be made and will share good practice with Social Security Scotland from other audits.
  - 2.8. CG opened floor for questions.
  - 2.9. RF asked CG to indicate where further improvements in the Performance Report could be made. CG indicated that one area was further development of reporting on actual performance. DW stated the Charter Measurement Framework Report will be published on the same day as the Annual report and Accounts, which will show the performance of Social Security Scotland .
  - 2.10. EN replied if the report is published on the same day as the Charter Measurement Framework can the communication team be utilised to bring out the five key messages. DW confirmed the communications team are involved to ensure the key messages are not lost. DW confirmed DW, JW and MC will give formal evidence to parliament on the 25 November 2021. CG to check if Audit Scotland is invited along with the Auditor General.
  - 2.11. CG confirmed that the Financial Systems and Internal Controls are working effectively. CG confirmed that Social Security Scotland have a strong Fraud and Error team who continue to develop and build knowledge putting Social Security Scotland in a strong position for current and future benefit deliveries.
  - 2.12. CG commented on the financial sustainability for year 2021-22. CG noted that despite the impact of Covid-19 benefit roll out has continued. Scottish Child Payment applications opened in November 2020, Child Disability Payment has piloted ahead of National roll out In November 2021. Social Security Scotland will have 70,000 more eligible clients than current Personal Independence Payment benefit. CG commented robust workforce planning is needed.
  - 2.13. CG highlighted good progress in strengthening equalities arrangements with the publication of the Equalities Strategy.
  - 2.14. CG Opened floor for questions. RF asked if Audit Scotland were content with management responses to recommendations. CG is satisfied and responses are not a concern .
  - 2.15. CG noted following conversation with the Auditor General, there will be no Section 22 report this year as there are sufficient National Performance audit plans in place to be put to parliament in the next 12 months. CG noted this will be reconsidered each year.
  - 2.16. RF thanked CG for update and the committee had no further questions.



Action	CG	CG to check if Audit Scotland is invited with Auditor General to give evidence to parliament on 25 November.
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### 3. 2020-21 Annual Report and Accounts

- 3.1. JW wished to record his thanks for the preparation of the Annual Reports and Accounts and highlighted good development in the Performance space.
- 3.2. JW wished to record his thanks for Audit Scotland stating the Audit Plan ran to schedule. JW welcomes the Audit Scotland report and opinion stating it is fair and balanced.
- 3.3. JW thanked IB and his Internal Audit team for all their support.
- 3.4. JW provided a summary of the Annual Reports and Accounts for the following three categories,
  - Performance report,
  - Accountability report and
  - Financial Statement.and noted the report confirmed a fair and balanced review of the Agencies performance over the financial year.
- 3.5. JW was pleased to note the Investigatory Powers Commission reported Social Security Scotland's Fraud and Error teams are developing well. JW explained the Fraud and Error team will continue to develop for future benefit delivery. This is in line with the Audit Scotland recommendation.
- 3.6. JW noted Workforce planning arrangements are complex due to Social Security Programme using Agile methodologies to deliver systems and processes. JW stated we are planning and preparing as best as can with estimates. This will settle in the long term, allowing Social Security Scotland to prepare a robust long term plan.
- 3.7. JW opened floor for questions. RF praised the report expressing satisfaction of reports clarity for wider audiences.
- 3.8. DH & EN suggested producing a summary document from the information held in diagrams which could be included in the report to make it more accessible?
- 3.9. RF confirmed Annual Report will be finalised in next few days, signed by DW and sent over to Audit Scotland.

### 4. Updated Audit and Assurance Committee Annual Report

- 4.1. RF stated the final version of the report was not available. JC to email to all committee members who will provide comments to JC and RF. This will then be presented to DW.

#### 4.2. RF confirms Report has been updated to confirm Audit Scotland Opinion

Action	Committee members	To provide comments on Audit and Assurance Committee Annual Report to RF and JC
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### 5. Any Other Business

- 5.1. Thanks were expressed to Social Security Scotland colleagues, Internal Audit and Audit Scotland for the work completed for today's meeting.
- 5.2. The Chair and DW thanked Douglas Hutchens and Jessica Burns for all contributions to the committee over the past three years. DW welcomed Barry Matheson and Naghat Ahmed to the committee.
- 5.3. No other business was recorded.

**Date of next Meeting – 9 November 2021**

Action(AP)/Decision(DP)	Detail	Owner	Due Date	Status
<b>AP - 19/10/2021 - 01</b>	CG to check if Audit Scotland is invited with Auditor General to give evidence to parliament on 25 November.	<b>CG</b>	Next meeting	
<b>AP - 19/10/2021 - 02</b>	To provide comments on Audit and Assurance Committee Annual Report to RF and JC	<b>Committee</b>	Next meeting	