

Audit and Assurance Committee

Date of Meeting	16 th May 2023
Subject	Internal Audit Progress Paper
Agenda No.	5
Prepared By	Directorate for Internal Audit and Assurance
Purpose	Note

1. Background

1.1. Internal Audit Progress Report for comment and discussion

2. Key Points

2.1 Key points to note are:

- Work is almost complete on the 2022/23 Internal Audit Plan with an update provided in this paper on each of the remaining reviews.
- Planning and fieldwork for the initial assurance activities included in the agreed 2023/2024 Internal Audit Plan are now underway.
- Advisory and Follow-up activity is ongoing. A summary of this is provided in the body of our report.

3. Conclusion

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

Directorate for Internal Audit and Assurance

Audit and Assurance Committee Progress Report

Social Security Scotland 2023-24

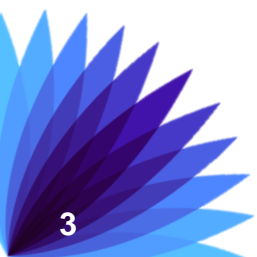
16 May 2023

Directorate for Internal Audit and Assurance

Issue Date: 3-05-2023

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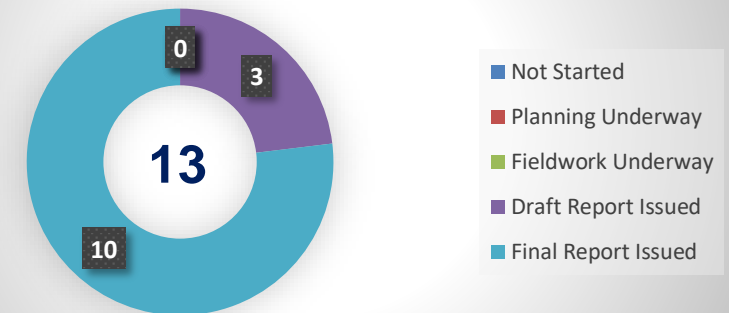


1. Progress Highlights

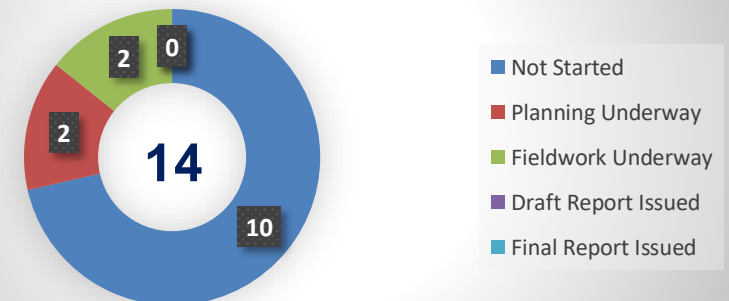
1.1. Key Messages

- The 2022/2023 Internal Audit Plan is now almost complete, as summarised in the diagrams opposite.
- Planning and fieldwork is underway for the first assurance activities included in the 2023/2024 Internal Audit Plan.
- Further details of Assurance work are provided in [Table 1](#) and [Table 2](#).
- Details of Advisory work is provided in [Table 3](#)
- A summary of progress on the implementation of recommendations is provided in [Table 4](#).
- Five Internal Audit Report are tabled for discussion.
- The latest Internal Audit Strategic Matters, Integrated Assurance and Strategic Best Practice / insight sharing is provided in [Section 2](#).

2022/23 Assurance Activities



2023/24 Assurance Activities



2. Directorate for Internal Audit and Assurance Strategic Update

2.1. Directorate for Internal Audit and Assurance Strategic Matters

Corporate Systems 2022-23

- 2.1.1.** Internal Audit provides an annual assurance opinion on the arrangements for risk management, control and governance over the SG Corporate Systems, to the Permanent Secretary (as Principal Accountable Officer) and the Accountable Officers of the public bodies that use the SG systems via shared services arrangements. Our assurance opinion focuses on effectiveness of controls over the underlying corporate systems, processes and procedures. Our opinion is not intended to provide an assessment of service associated with these systems.
- 2.1.2.** For 2022-23 we have provided Reasonable Assurance on the arrangements for risk management, control and governance over the SG's Key Corporate Systems. This is a composite opinion, encompassing all of the systems. Our Assurance Reports in 2021-22 and 2020-21 referred to limitations in core systems. As in the previous years, we have not identified errors. However, we have again noted areas where systems limitations, coupled with resourcing issues, have impacted performance of intended controls, which required additional manual intervention and / or a risk based approach to mitigate key risks. A full copy of the Corporate Systems Annual Assurance Report will be shared after it has been presented to Scottish Government Audit and Assurance Committee in June.

Technology Assurance Framework (Digital Assurance Office)

- 2.1.3.** The Digital Assurance Office now has in place a dedicated continuous improvement resource which will enable us to learn lessons from the reviews delivered under the Technology Assurance Framework to improve our own processes as well as providing insights to stakeholders and sharing good practice and case studies. Work has started to systematically analyse the recommendations from major project reviews and Digital Standard assessments. Sharing these insights will provide

the opportunity to inform the support offered to projects and programmes. Engagement to establish how best to do this is underway with Digital Directorate and the Programme and Project Management Centre for Expertise. An analysis of good practice identified through major reviews is also in hand and we are working to prepare case studies of good practice and lessons learned across a range of topics.

Internal Audit

2.1.4. Provided below are details of a number of articles which may be of interest to Audit and Assurance Committee members:

- The Scottish Government Audit and Assurance Committee (SGAAC) approved the updated Internal Audit Charter and Internal Audit Strategy and copies are shared for your information. Please see Annexes H and I.
- The Directorate for Internal Audit and Assurance issued our next Quarterly Bulletin which covers the change of the Director and reflections from Sharon Fairweather, the outgoing Director. A copy is shared in Annex J for your information.

Annex A Internal Audit Plan and Progress

The following tables provide an update on the progress of our Internal Audit work since the previous Audit and Assurance Committee and highlights progress with our assurance, advisory and follow up activities.

Table 1 – 2022/23 Assurance Work

Audit Title	Planned Quarter	Progress to Date	Comments
Client Services Delivery Compliance	All Year	Final Report Issued	The final report was issued on 11 th April 2023 with Reasonable Assurance. Please see Annex C.
IT Supply	Q1	Closed	Final report shared with Audit and Assurance Committee on 22 nd November 2022.
Cyber Security Governance	Q2	Final Report Issued	The final report was issued on 13 th March 2023. Due to the sensitive nature of the content of this review we are not including the final report in but instead have provide a short summary paper. Please see Annex D.
Debt Arrangements	Q2	Closed	Final report shared with Audit and Assurance Committee on 21 st March 2023.
Incident Management	Q2	Final Report Issued	The final report was issued on 12 th April 2023 with Reasonable Assurance. Please see Annex E.
Internal Controls - Post Award Controls	Q2	Closed	Final report shared with Audit and Assurance Committee on 21 st March 2023.
Document Management	Q2	Closed	Final report shared with Audit and Assurance Committee on 21 st March 2023.
Client Experience – Disability and Carers Benefits Re-determinations and Appeals	Q3	Final Report Issued	The final report was issued on 20 th April 2023 with Reasonable Assurance. Please see Annex F.
SPM Management Information and Reporting	Q3	Closed	Final report shared with Audit and Assurance Committee on 21 st March 2023.

Audit Title	Planned Quarter	Progress to Date	Comments
Health and Social Care Quality Assurance and Professional Supervision	Q3	Final Report Issued	The final report was issued on 26 th April 2023 with Reasonable Assurance. Please see Annex G.
Social Security Scotland - Local Delivery	Q3	Draft Report Issued	The draft report is currently being drafted with an emerging Reasonable assurance opinion. The draft report will have been issued prior to the committee meeting taking place for management to review and provide their management response. The final report will be shared with Audit and Assurance Committee members once agreed with management.
Social Security Scotland – Case Transfer Process	Q4	Draft Report Issued	The draft report was issued on 30 th March 2023 with an emerging Limited assurance opinion. The final report will be shared with Audit and Assurance Committee members once agreed with management.
Social Security Scotland – Staff Health and Safety/Wellbeing	Q4	Draft Report Issued	The draft report was issued on 12 th April 2023 with an emerging Substantial assurance opinion. The final report will be shared with Audit and Assurance Committee members once agreed with management.

Table 2 – 2023/2024 Assurance Work

Audit Title	Planned Quarter	Progress to Date	Comments
Client Services Delivery Compliance	All Year	Fieldwork Ongoing	<p>Planning for this review is now complete and the terms of reference agreed. Fieldwork is now ongoing and testing outcomes will be reported to management monthly.</p> <p>A report will be produced at the end of the year and this will be shared with Audit and Assurance Committee members once agreed with management.</p>
Integration Space	1	Planning Underway	<p>Planning is underway with meetings held with key contacts to discuss the scope of this review.</p> <p>The Terms of Reference is now in progress and fieldwork is due to commence mid-May.</p>
Procurement	1	Planning Underway	<p>Planning is underway, a draft terms of reference has been issued for management to agree</p> <p>Fieldwork is due to commence 9th May 2023</p>
Winter Heating Benefits	1	Fieldwork Ongoing	<p>Planning has been undertaken and the Terms of Reference Agreed with management</p> <p>Fieldwork commenced on 17th April and is now ongoing</p>

Table 3 - Advisory Work

The main advisory work undertaken since the previous Audit and Assurance Committee is noted in the below table:

Advisory Title	Status	Progress to Date
Workforce planning	Complete	The final management letter was issued on 21 st March 2023
Quality Assurance Framework	Reporting	Our fieldwork is now complete and a draft management letter is in progress.
Error Control Working Group	Ongoing	We are participating in the monthly Error Control Working Group set up by Social Security Scotland.
Internal Control Steering Group	Ongoing	We are included in the membership of the monthly Internal Control Steering Group which has been established by Social Security Scotland.
Benefit Forecasting	Complete	As set out in the Internal Audit Plan for 2022/23, we have undertaken a piece of advisory in relation to benefit forecasting. A final management letter has now been issued.

Table 4 – Follow Ups

The following table is an overview of the follow up activity progress since the last Audit and Assurance Committee in March 2023.

Please note, our follow ups only focus on High and Medium priority recommendations.

Report Title	Recommendations	Progress to Date
Client Experience - Client Feedback and Unacceptable Actions	2 High 3 Medium	Complete 1 Fully Implemented 3 Partially Implemented 1 Superseded
SPM Technical Debt	2 High 2 Medium	Fieldwork ongoing
Budget Setting	3 Medium 1 Low	Fieldwork ongoing
IT Supply	1 High 4 Medium 2 Low	Fieldwork ongoing