

Audit and Assurance Committee

Date of Meeting	13 th May 2025
Subject	Internal Audit Progress Paper
Agenda No.	5
Paper Number	31.4a
Purpose	Discuss

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 2024-25 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 2025-26 Internal Audit Plan are now underway.
- Advisory and Follow-up activity is ongoing. A summary of progress since the last Audit and Assurance Committee is also 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.



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Directorate for Internal Audit and Assurance

Audit and Assurance Committee Progress Report

Social Security Scotland 2025-26

13th May 2025

Directorate for Internal Audit and Assurance

Issue Date: 6-05- 2025

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1. Progress Highlights

1.1. Key Messages

- The 2024-25 Internal Audit Plan is now almost complete, as summarised on **Chart 1** opposite.
- Planning and fieldwork is underway for the first assurance and advisory activities included in the 2025-26 Internal Audit Plan, see **Chart 2** opposite for details on assurance activities.
- 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](#).
- The latest Internal Audit Strategic Matters, Integrated Assurance and Strategic Best Practice / insight sharing is provided in [Section 2](#).

Chart 1 - 2024-25 Assurance Activities

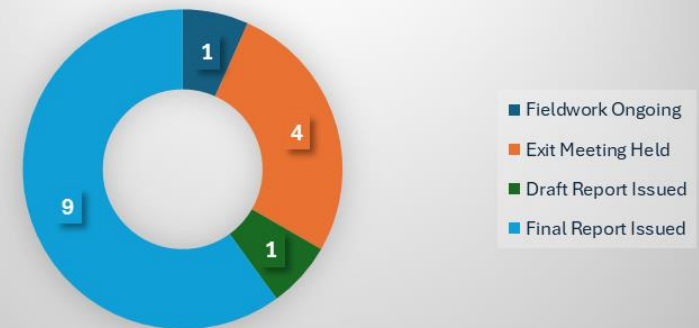
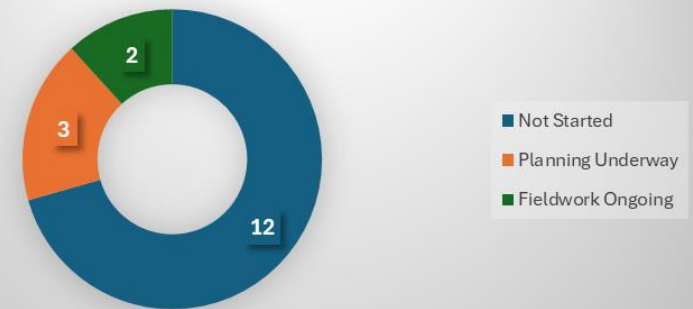


Chart 2: 2025-26 Assurance Activities



2. Directorate for Internal Audit and Assurance Strategic Update

2.1. Internal Audit Strategic Matters

2.1.1. The new Global Internal Audit Standards (GIAS) were implemented in January 2025, the associated Public Sector Application Note was published in December 2024, came into effect on 1 April 2025. We are still investigating the range of changes but will keep members informed in good time of any changes requiring to be implemented to align with best practice. A letter was issued to all Accountable Officers 17th February 2025 which set out the mandatory requirements, as set out in the new standards for Accountable Officers and their leadership teams, and for Audit Committee Members. A copy of the letter has been included for information **(see Supporting Paper 1)**.

2.1.2. As part of their standard review process, the DIAA have updated their Strategy and Audit Charter. This year the strategy update included the changes required to reflect the new GIAS standards. Also included in the updated Strategy is a Delivery Plan for 2025/26. Both the Strategy and Charter are shared as **Supporting Papers (2&3)** to this report.

2.2. Strategic Best Practice

2.2.1. A presentation entitled “Recognising and responding to Early Warning signs in public sector bodies” was provided at the 23 April 2025 Audit Committee Chair Network’s meeting, generating interesting discussion and reflection regarding the cyclical nature of some of the points highlighted. It is shared for your information **(see Supporting Paper 4)**.

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.

Table 1 – 2024-25 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 1 st May 2025 with a Reasonable assurance opinion. Final report attached as Annex B
VFM - Fiscal Sustainability - Change - Savings Work	All Year	Exit Meeting Held	Fieldwork has now concluded and the exit meeting held. Draft Report is now in progress. The final report will be shared with members once agreed with management.
Transition - Programme Closure	All Year	Exit Meeting Held	Fieldwork has now concluded and the exit meeting held. Draft Report is now in progress. The final report will be shared with members once agreed with management.
Performance Management	3	Final Report Issued	The final report was issued on 2 nd May 2025 with a Reasonable assurance opinion. Final report attached as Annex C
Quality	3	Final Report Issued	The final report was issued on 29 th April 2025 with a Reasonable assurance opinion. Final report attached as Annex D
Business Continuity Resilience	3	Fieldwork Ongoing	Fieldwork is currently ongoing for this review. Due to unexpected staff absence there has been some delay, but this is now being progressed as a priority. The final report will be shared with members once agreed with management.

Audit Title	Planned Quarter	Progress to Date	Comments
Automation in Benefit Administration	4	Exit Meeting Held	Fieldwork has now concluded and the exit meeting held. Draft Report is now in progress. The final report will be shared with members once agreed with management.
Recruitment	4	Draft Report Issued	The draft report for this review was issued on 1 st May 2025 with an emerging substantial assurance opinion. The final report will be shared with members once agreed by management.
Case Reviews - Scheduled and Unscheduled	4	Exit Meeting Held	Fieldwork has now concluded and the exit meeting held. Draft Report is now in progress. The final report will be shared with members once agreed with management.

Table 2 – 2025-26 Assurance Work

Audit Title	Planned Quarter	Progress to Date	Comments
Client Services Delivery Compliance	All Year	Planning Underway	Planning is underway with meetings held with key contacts to discuss the scope of this review. The Terms of Reference is now in progress, with fieldwork due to commence during May, and testing outcomes will be reported to management monthly. 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.

Audit Title	Planned Quarter	Progress to Date	Comments
Future Operating Model	1	Fieldwork Ongoing	Fieldwork commenced on 23 rd April 2025 and is now ongoing.
Change Governance (Finance)	1	Planning Underway	Planning is underway with meetings held with key contacts to discuss the scope of this review. The Terms of Reference is now in progress and fieldwork is due to commence in May.
Batch Platform Governance	1	Planning Underway	Planning is underway with meetings held with key contacts to discuss the scope of this review. The Terms of Reference is now in progress and fieldwork is due to commence in May.
Heating Payments	1	Fieldwork Ongoing	Fieldwork commenced on 14 th April 2025 and is now ongoing.

Table 3 - Advisory Work

Advisory Title	Status	Outline of the Advisory Activity and its Status
Error Control Working Group	Ongoing	We continue to participate in the monthly Error Control Working Group set up by Social Security Scotland.
Internal Control Steering Group	Ongoing	We continue to participate in the monthly Internal Control Steering Group which has been established by Social Security Scotland as well as a sub-group which is now established.

Advisory Title	Status	Outline of the Advisory Activity and its Status
Protective Security	Fieldwork Complete	Fieldwork is now complete and our draft management letter has been shared and discussed with management.
Budget Setting Assumptions	Fieldwork Complete	Fieldwork is now complete and our draft management letter has been shared with management with a meeting scheduled to discuss findings in more detail later this month.
Business Plan Initiatives	Fieldwork Complete	This advisory is focussed on the Project Management Office and reviewing their ways of working in relation to the Business Plan initiatives and the project management activities in operation to support the delivery of these.
3 Lines of Defence	Complete	Participation in focus groups and discussions in relation to work being undertaken by the Senior Internal Control Manager
Internal Investigations, Monitoring and Controls	Fieldwork Ongoing	We are reviewing the work undertaken by the team, the tools and technology and ways of working within the team as well as considering any future plans and objectives for the team and how this fits within the three lines of defence model.
Impact Assessments	Fieldwork Complete	Fieldwork has been completed and we are in the process of reviewing our findings prior to discussion with management.
Stakeholder Engagement	Fieldwork Complete	Fieldwork has been completed and we are in the process of reviewing our findings prior to discussion with management.
Assurance Gaps	Not Started	This piece of work will be done in conjunction with the Corporate Assurance Team with a view to identifying any significant gaps in the current assurance activities of Social Security Scotland.

Advisory Title	Status	Outline of the Advisory Activity and its Status
Programme Transition: Leadership and Culture	Fieldwork Ongoing	Planning for this piece of advisory work has been completed and fieldwork has just commenced.

Table 4 – Follow Ups

The following table is an overview of the follow up activity progress since the last Audit and Assurance Committee in February 2025.

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

Report Title	Recommendations	Progress to Date
Internal Controls - Post Award Controls	3 High 1 Medium	Complete Two recommendations (high) fully implemented and two (one high and one medium) partially implemented.
Case Transfers	5 High 2 Medium	Complete One recommendation (high) fully implemented and five (four high and one medium) partially implemented. Management opted to tolerate the risk for the remaining medium recommendation.
Governance	2 Medium 3 Low	Complete One recommendation fully implemented and two (one high and one medium) partially implemented.
Continuous Improvement	1 High 3 Medium	Deferred

Report Title	Recommendations	Progress to Date
		Due to changes with priorities and further work required to implement the agreed recommendations it has been requested by management that we delay the follow up until April 2025. With the recommendations being incorporated into the Future Operating Model, follow up will take place as part of the planned assurance review.
Winter Heating Benefits	2 High 3 Medium	Complete All recommendations fully implemented.
Safeguarding	4 High 4 Medium	Deferred An update on revised timescales for implementation of these recommendations is due to be provided by management.
Risk Management	1 High 4 Medium 2 Low	Complete Three recommendations (one high and two medium) fully implemented and two (medium) partially implemented.
Child Disability Payment In-depth Review	2 High 4 Medium 1 Low	Complete Two recommendations (medium) fully implemented and four (two high and two medium) partially implemented.
Productivity and Efficiency	2 Medium	Deferred An update on revised timescales for implementation of these recommendations is due to be provided by management.
Electronic Purchase Card	2 Medium	Fieldwork Ongoing

Report Title	Recommendations	Progress to Date
	3 Low	
Adult Disability Payment	4 High 2 Medium 2 Low	Fieldwork Ongoing
Corporate Transformation and Estates Management	4 Medium 1 Low	Fieldwork Ongoing