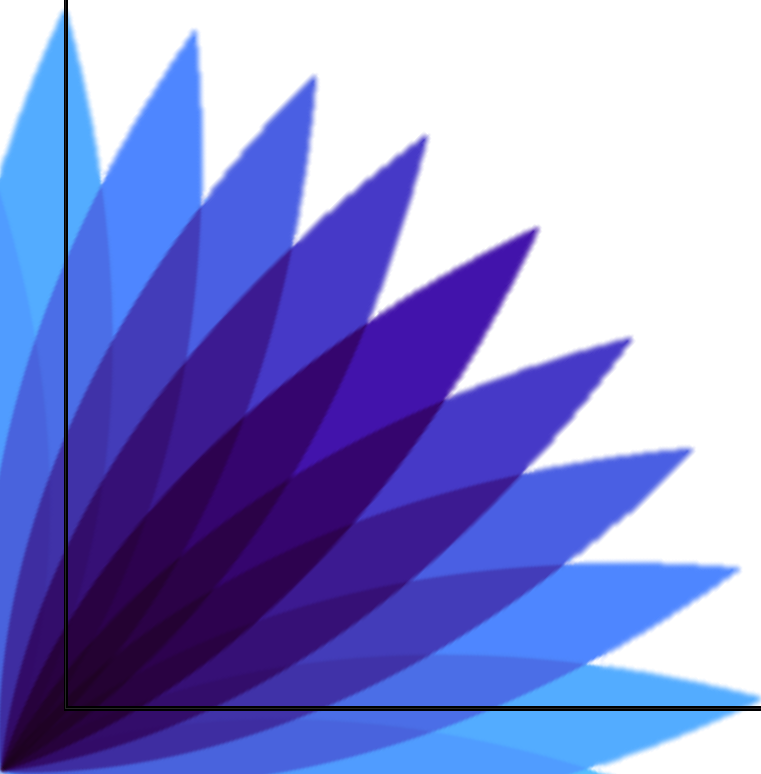




Scottish Government
Riaghaltas na h-Alba
gov.scot

Directorate for Internal Audit and Assurance

Strategy 2024-27



Contents

1. Who we are	3
2. Our mission and vision	3
3. Delivering our vision	4
4. Building a sustainable future	6
5. Monitoring and reporting our progress	7
Annex A – 2024-25 DIAA Delivery Plan	8
Annex B – 2025-26 DIAA Delivery Plan	12

1. Who we are

- 1.1.** The Directorate for Internal Audit and Assurance (DIAA) was formed in 2019-20, bringing together independent assurance providers from across the Scottish Government (SG). The Directorate comprises: Head of Counter Fraud Profession and Counter Fraud Service; Data Protection Officer; Digital Assurance Office, Internal Audit, and Portfolio, Programme and Project Assurance.
- 1.2.** The DIAA sits within the Director General (DG) Scottish Exchequer portfolio. We are independent from the other functions of the DG and report directly to the Permanent Secretary. For Internal Audit services beyond the SG, we report directly to Accountable Officers.
- 1.3.** Our people deliver business critical services. We are uniquely positioned in Government as independent audit and assurance providers. We provide insights and outcomes to support organisations to be governed well and to deliver effectively. Our independent status is key to building and maintaining public trust in the service of Scotland.
- 1.4.** The challenges and opportunities facing the public sector in Scotland, make the need for robust, high quality, value- add, independent and objective assurance more critical than ever.

2. Our mission and vision

- 2.1.** The period from 2019-20 to 2023-24 focused on building strong foundations and working towards developing an integrated assurance approach across DIAA.
- 2.2.** This next phase for our Directorate, guided by our strategy out to 2027, is about transforming the way we deliver assurance to enhance the value we add to Government, the wider public sector and the people of Scotland.

2.3. While our mission (our ‘why’) has remained constant, our vision and the way we will deliver it (the ‘how’ and the ‘what’) will look and feel different.

2.4. Our mission: is to provide assurance insights and advice to support our clients and partners to continuously improve the achievement of outcomes and the delivery of services in Scotland.

2.5. Our mission directly supports the mission of the Scottish Government: *we work together to improve the lives of the people of Scotland.*

2.6. Our vision: in 2027 we will be working in an integrated way, providing impactful independent assurance and advice at the right time. Continuously striving to improve our services and supporting our clients to deliver in the Service of Scotland. Equipped with the skills and technology we need to deliver. To achieve our vision we will have a laser focus on:

- **People.**
- **Professions.**
- **Innovation.**
- **Quality.**

2.7. Our vision and the pillars underneath will only be delivered successfully if we re-organise our size, shape and capability to deliver for success. This includes how our services are delivered and the breadth of those services. Further information on this is included at **section four** and in our delivery plans **at Annexes A and B**. Our vision directly feeds into the vision of the Scottish Government: *to be a dynamic, diverse and connected organisation, serving Scotland now and in the future.*

3. Delivering our vision

3.1. This section sets out our strategy in 2024-27 to deliver against each of the four key pillars. **Annex A** includes our plan for delivery in 2024-25, and **Annex B for 2025-26**,

to achieve our strategy. Separately, we will also develop DIAA workforce plan and learning and development strategy out to 2027.

People

3.2. Our 2024-27 strategy to achieve this is: We are diverse, inclusive and an employer of choice in the audit and assurance community. We have talent pipelines and career pathways and our people are equipped with the skills they need now and in the future.

Professions

3.3. We invest in our professions, working with our partners across the public sector to harness insights and improve outcomes.

Our 2024-27 strategy to achieve this is:

- We are the responsible Internal Audit Standard Setter in Scotland to develop and maintain Internal Audit Standards.
- We are positioned as the leaders of public sector internal audit in Scotland, working collaboratively with the UK Government Internal Audit Agency (GIAA) Leadership Group to drive professional practice and share insights, supporting the Chartered Institute of Internal Auditors in all aspects of the profession.
- Strengthen collaboration and ways of working between independent assurance other connected professions in Government.
- We work with partners across the public and private sector to harness insights and improve outcomes.
- Implement a new Target Operating Model for Counter Fraud in the public sector in Scotland which delivers efficiency and impact in the delivery of Counter Fraud services.

Innovation

- 3.4. Our 2024-27 strategy to achieve this is:** We have the tools we need to deliver. We optimise the use of current and emerging technology to improve the quality of insights and products for our clients and to support our people to deliver.

Quality

- 3.5. Our 2024-27 strategy to achieve this is:** We build on strong foundations, providing consistently high-quality services which are valued by customers, continuously improving our ways of working.

4. Building a sustainable future

- 4.1.** We are funded through a combination of Corporate Running Costs and client fee income for some internal audit services. Our strategy to 2027 is built on continuing to deliver services to our existing portfolio of clients and on the basis that the recurring resource shortfall on the CRC position will be re-balanced in 2024-25 through to 2027-28 to support continued delivery of business critical services.
- 4.2.** We will undertake a review of internal audit fee and charging model, for implementation in 2026-27. We are engaged with DG Corporate shared services charging work and it is essential we are in step with a central vision and delivery plan for shared services deployment and charging.
- 4.3.** We will undertake re-design work in 2025 across the Directorate, to review assurance needs across the piece and ensure we are set up to deliver for success now and in the future. This is also linked to the need to replace the Internal Audit system which goes out of support in 2025, with a replacement for use across our Directorate - reducing inefficiencies, improving insights and the quality of our products which reach across the wider central government landscape, and making sure our highly skilled and qualified teams can focus on the areas where they can have most impact.

5. Monitoring and reporting our progress

5.1. We will be transparent in our progress in delivering the strategy by:

- Developing key performance indicators.
- Providing an annual performance report to the Executive Team, Scottish Government Audit and Assurance Committee (SGAAC) and our Internal Audit client public body Audit Committees.
- Preparing annual delivery plans which will underpin the strategy (2024-25 and 2025-26 Plans at Annexes A and B).

Jennifer Inglis-Jones

Director of Internal Audit and Assurance

January 2025

Annex A – 2024-25 DIAA Delivery Plan

Strategic Priority	2024-25 Deliverables
People	Re-instate our Internal Audit training and qualifications pipeline and support our people through professional audit qualifications.
	Recruit into the Data Protection Officer Role.
	Mobilise Internal Audit co-source partnership to provide professional support and operational resilience.
	Improve DIAA staff awareness of individual teams and roles within DIAA e.g. through job shadowing; cuppa chats pilot.
	Development of Assurance Support Officer role and enhanced cross-Directorate working and resilience.
	<p><i>Re-organising our size, shape and capability</i></p> <p><i>Support our people in the European Funding Verification and Compliance Team in their transition into the central audit team.</i></p> <p><i>Commence review of Directorate and operational delivery support requirements and model, including reviewing the impact of transfer of digital project register to Digital Directorate on current DAO job roles.</i></p>
Professions	Reinstate and refresh the Head of Public Sector Internal Audit profession network in Scotland.
	Work with our partners in the public sector, and with our clients to deliver programme of readiness activity for implementation of the new Global Internal Audit Standards which come into effect in January 2025.
	Develop Digital Assurance generic DDaT job role for consideration for addition to the DDaT Framework.

Strategic Priority	2024-25 Deliverables
	Continue to develop and grow the Counter Fraud Profession in Scotland, building a strong community of practice built on the profession's standards and principles, and to work with the Public Sector Fraud authority on membership to the UK government Counter Fraud Profession.
	<p><i>Re-organising our size, shape and capability</i></p> <ul style="list-style-type: none"> <i>Work with key stakeholders to develop proposals for the Executive Team (or delegated to the Strategic Design Authority) to move into the delivery phase of a new TOM for Counter Fraud.</i> <i>Develop a plan and timeline for a refreshed model for independent portfolio, programme and project assurance for major investment and digital programmes and projects.</i>
Innovation	Develop critical path and begin process for new DIAA audit and assurance system for implementation by April 2026.
	Use the role changes in Data Protection Officer post to introduce data protection audits and or align these with planned assurance activity elsewhere in Directorate.
	Engage Government Internal Audit Agency and other partners to explore opportunities to deploy systems and Artificial Intelligence tools to improve our ways of working.
	Enhance our capabilities in data analytics and work with partners in second line functions to identify opportunities for collaboration and efficiency.
	Engage with the Digital Portfolio Office to support smooth transfer of the digital project register to Digital Directorate (including change management of DAO ways of working) and to develop new reporting to the Public Audit Committee.



Strategic Priority	2024-25 Deliverables
	Carry out Discovery work on tooling to explore options for more efficient ways of working for the DIAA – including upskilling on existing software e.g. Power BI and exploring options with Intelligent Automation Centre of Expertise.
Quality	Complete mandatory Internal Quality Assessment and undertake procurement for External Quality Assessment and review of Audit Manual and working practices to identify quality improvements and efficiencies.
	Deliver an enhanced service offer for independent programme and project assurance – including contributing to delivery of a refreshed reporting framework for programme and project assurance across Government.
	Complete review and implementation of revised checklists for major digital project reviews.
	Refresh major digital project review report templates and other Digital Assurance Artefacts to deliver improvements and ensure accessibility compliance.
	Improve the PPPA project assurance offer and range of products (Response to Red process, guidance for completing risk potential assessment forms).
	Mature relationships with key stakeholders (PPM_CoE, Governance and Risk, Procurement, Digital) to design assurance insights which are impactful and support improvement work across the SG, including reporting on programmes and projects.
	Undertake DIAA stakeholder mapping to identify common touchpoints across Directorate, streamline engagement and identify areas which require additional focus in 2025-26.



Strategic Priority	2024-25 Deliverables
	<p><i>Re-organising our size, shape and capability</i></p> <ul style="list-style-type: none"> • <i>Support the transition of the ownership of the Nominated Officer Function to a more appropriate 'home' in SG.</i> • <i>Review continuous improvement/thematic insights needs across Directorate and refresh resourcing and ownership for this moving forward.</i>



Annex B – 2025-26 DIAA Delivery Plan

Strategic Priority	2025-26 Deliverables
People	Development of DIAA learning and development plan, career paths, talent management and succession planning for key roles.
	Development of Assurance Support Officer role and enhanced cross-Directorate working and resilience.
	Focused improvement of DIAA knowledge of cross-Directorate products, services and offers.
	<i>DIAA – Strategy and Design</i> <ul style="list-style-type: none"> <i>Support our people in the European Funding Verification and Compliance Team in their transition into the central Audit Team.</i> <i>Complete review of Directorate and operational delivery support requirements and model.</i> <i>Review of Internal Audit capability and capacity.</i>
Professions	Counter Fraud and Internal Audit Head of Profession corporate delivery – including professions learning plans, and refresh and re-launch of Scottish public sector Audit Committee Handbook.
	Develop the Head of Public Sector Internal Audit Profession Network in Scotland.
	Lead cross-profession refresh and launch of Counter Fraud Strategy (ten years since Protecting Public Resources in Scotland).
	Continue to develop and grow the Counter Fraud Profession in Scotland, building a strong community of practice built on the profession's standards and principles, and to work with the Public Sector Fraud authority on membership to the UK government Counter Fraud Profession.



Strategic Priority	2025-26 Deliverables
	Develop Counter Fraud Pathways learning module to enhance capability.
	<i>DIAA – Strategy and Design</i> <ul style="list-style-type: none"> <i>Soft-launch refreshed ways of working of Counter Fraud professionals across central government in Scotland.</i> <i>Complete review of independent Portfolio, Programme and Project assurance of major digital and non-digital programmes and projects.</i> <i>Review fee and charging model for professional internal audit service provision and commence review of fee and charging approach for wider DIAA services.</i>
Innovation	Engage Government Internal Audit Agency and other partners to explore opportunities to deploy systems and Artificial Intelligence tools to improve our ways of working. Volunteer for early pilots of AI (e.g. co-pilot) in SG.
	Enhance our capabilities in data analytics and work with partners in second line functions to identify opportunities for collaboration and efficiency.
	Carry out Discovery work on tooling to explore options for more efficient ways of working for the DIAA – including upskilling on existing software e.g. Power BI and exploring options with Intelligent Automation Centre of Expertise.
	<i>DIAA – Strategy and Design</i> <ul style="list-style-type: none"> <i>Procurement and readiness for implementation of DIAA system by April 2026</i>
Quality	Complete mandatory Internal Quality Assessment and undertake procurement for External Quality Assessment.
	Deliver 2025-26 DIAA Quality Improvement Plan.



Strategic Priority	2025-26 Deliverables
	DIAA stakeholder map – targeted improvement in Directorate offer and engagement with key stakeholders.
	<i>DIAA – Strategy and Design</i> <ul style="list-style-type: none"> <i>Collaborate with key partners to implement refresh of Nominated Officer function.</i> <i>Refreshed model and approach for delivery of cross-Directorate insights and continuous improvement.</i>

