



Audit and Assurance Committee

Date of Meeting	1 October 2024
Time	10:20 – 12:30
Location	Glasgow Ground Floor Conference Room and Microsoft Teams

Attendees

Present

Non-Executive Directors

Russell Frith (RF)	Chair, Non-Executive Member
Naghat Ahmed (NA)	Non-Executive Member
Barry Matheson (BM)	Non-Executive Member

Social Security Scotland

David Wallace (DW)	Accountable Officer, Chief Executive
SG	Deputy Director, Finance and Corporate Services
Gayle Devlin (GD)	Deputy Director, Health and Social Care
LS	Risk and Assurance Team Leader
DP	Head of Strategy and Corporate Support
NB	Head of Finance
AO	Head of Business Support for the Chief Executive and Chief Operating Officer

Audit Scotland

PG	Audit Director, Audit Scotland
LD	Audit Scotland

Audit Scotland

LC	Senior Internal Audit Manager
PM	Internal Audit Manager

GE Corporate Assurance Co-Ordinator

MW Senior Corporate Reporting Manager



1. Welcome and Conflicts of Interest.

- 1.1. The Chair welcomed everyone to the meeting and no conflicts of interest were noted.
- 1.2. The Chair informed attendees a pre-meeting had occurred prior to this meeting with non-Executive Members, Internal and External Audit in attendance with nothing arising to report.

2. Social Security Scotland 2023-24 Annual Report and Accounts.

- 2.1. LS introduced the 2023-24 Social Security Scotland Annual Report and Accounts and advised the following:
 - This year's engagement with our non-Executive Members commenced earlier to provide them with sufficient time to review and comment on the report.
 - A thank you was provided to Audit Scotland for their work over the past year. In person working in Glasgow High Street was beneficial for discussing ongoing matters. It was noted Social Security Scotland and Audit Scotland have a positive working relationship.
 - A final version of the 2023-24 Annual Report and Accounts has been provided with a request for the non-Executive Members to approve DW, the Accountable Officer, to sign.
- 2.2. RF thanked LS for involving the non-Executive Members at an earlier stage and confirmed that the timing was appropriate, as this allowed drafts to be reviewed at key stages where comments could be considered and implemented.
- 2.3. RF thanked LS and the Committee had no further questions.

3. Audit Scotland 2023-24 Annual Audit Report and Independent Auditors Report.

- 3.1. PG introduced the Audit Scotland 2023-24 Annual Audit Report and Independent Auditor's Report. PG presented the ISA 580 Covering Letter first and noted the following:
 - Audit work for 2023-24 is substantially completed with the expectation the Audit Opinion will be signed today.
 - The Independent Auditor's Report provides a qualified opinion on the regularity of benefit expenditure administered by the Department for Work and Pensions on the basis of estimated level of fraud and error being £42.4 million.



- The audit approach for the 2023-24 financial statements included consideration of a financial summary prepared by the Department for Work and Pensions and is audited by the National Audit Office
 - Audit Scotland report all uncorrected misstatements in the Annual Report and Accounts that are individually greater than the reporting threshold of £500,000.
- 3.2. The Committee confirmed no knowledge of fraud or non-compliance with laws and regulations.
- 3.3. DW informed the Committee that the Department for Work and Pensions (DWP), had not included all eligible clients in the 2023 Winter Heating Payment Scottish client scans. Social Security Scotland will notify these clients about entitlement for 2023-24. Social Security Scotland will work closely with the DWP to understand how clients were missed from the original data. Audit Scotland will seek assurances this matter is resolved during the next auditing year.
- 3.4. PG presented the Annual Audit report and noted the following:
- The estimated level of overpayments attributable to fraud and error of £42.4 million is considered material to our opinion on the accounts.
 - An overview of significant findings and key audit matters from the audit of the financial summary from the National Audit Office. The three findings have been concluded not material.
 - An overview of the significant findings and key audit matters from the audit of the Social Security Scotland Annual Report and Accounts. Four issues have been identified.
 - An overview of identified significant risks of material misstatement in the Annual Report and Accounts. Three risks have been identified.
 - Audit Scotland have seven 2023-24 recommendations.
- 3.5. DW thanked Audit Scotland and praised the working relationship between Audit Scotland and Social Security Scotland and concluded the recommendations are fair.
- 3.6. RF thanked PG and highlighted that the issues outlined in the report were in line with expectations.
- 3.7. The Committee had no further questions.

4. Audit and Assurance Committee Annual Report 2023-24.

- 4.1. The Chair introduced and presented the 2023-24 Audit and Assurance Committee Annual Report. The Chair and the non-Executive Members



approved the final report and were happy for it to be provided to the Accountable Officer.

5. Finalisation of the 2023-24 Social Security Scotland Annual Report and Accounts.

- 5.1. Having considered the draft Annual Report and Accounts and the Report of the External Auditors, the Committee were content to advise that DW, as Accountable Officer, should sign the Annual Report and Accounts and Representation Letter.

6. Any Other Business.

- 6.1. No other business was recorded and the meeting concluded.

Date of next Meeting – 19 November 2024