

## Audit and Assurance Committee Attendance

<b>Meeting Date</b>	Tuesday, 09 September 2025, 10:00 – 12:30, by Hybrid / MS Teams	
<b>Members</b>	Non-Executive Member Non-Executive Member Non-Executive Member Chief Executive, Accountable Officer Deputy Director, Finance and Corporate Services Deputy Director, Disability Operations Chief Digital and Information Officer Risk and Assurance Team Leader Corporate Assurance Manager Senior Internal Audit Manager Internal Audit Manager Audit Scotland Director Financial Reporting and Planning Lead Benefit Expenditure and Debt Finance Lead Head of Error Control and Debt Management Head of Counter Fraud Risk Team Manager	Chair – Russell Frith (RF) Barry Matheson (BM) Naghat Ahmed (NA) David Wallace (DW) Stephanie Devenny (SD) Gayle Devlin (GD) Andy McClintock(AMC) DP MB LC PM PG MW (Item 3) MMcC (Item 3) CP (Item 6) DWi (item 6) SM (Item 7)
<b>Apologies</b>	Audit Scotland Deputy Director Organisational Strategy and Performance	PM Ally MacPhail (AMP)
<b>Secretariat</b>	Corporate Assurance	MB

Item	Subject	Main points of discussion
1.	<b>Welcome and Conflicts of Interest</b>	1.1 The Chair welcomed and thanked everyone for their attendance and noted the apologies as listed above. 1.2 No potential conflicts of interest were noted.
2.	<b>Minutes and Action Tracker</b>	2.1 The minutes from May 2025 Audit and Assurance Committee meeting have been agreed and are awaiting publication. 2.2 All actions are complete. 2.3 The agenda order was amended to reflect and accommodate late attendance due to travel restrictions
3.	<b>Audit Scotland Annual Audit Report Progress Update</b>	3.1 PG provided a verbal Audit Scotland update and advised of the following: <ul style="list-style-type: none"> <li>• End of Accounts review is on track for the current timetable.</li> <li>• Adult Disability Payment performance Audit Report is due to be published on 18<sup>th</sup> September 2025 and is on track.</li> </ul> 3.2 DW offered his continued thanks to Audit Scotland on how audits have progressed and the way in which they have been conducted.
4.	<b>Social Security Scotland Finance Update</b>	4.1 MW and MMcC provided a Finance update on Operating Expenditure for the Year to Date and Benefit Expenditure. <ul style="list-style-type: none"> <li>• The committee discussed the financial position for this financial year of 2025-2026.</li> </ul>
5.	<b>Directorate for Internal Audit and Assurance Update</b>	5.1 LC presented the Directorate for Internal Audit and Assurance update and noted the following: seven Internal Audit reports are included within the meeting papers on – <ul style="list-style-type: none"> <li>• Value for Money/Fiscal Sustainability - Reasonable.</li> <li>• Transition and Programme Closure – Limited.</li> <li>• Automation in Benefits – Limited.</li> <li>• Recruitment – Substantial.</li> <li>• Case Reviews – Reasonable.</li> <li>• Future Operating Model – Reasonable.</li> <li>• Heating Benefits – Reasonable.</li> </ul>

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		<p>6.1 LC also provided a progress update on the 2024-25 Audit Plan, highlighting:</p> <ul style="list-style-type: none"> <li>• One remaining report which is Business Resilience is currently at final stages for review.</li> <li>• A progress report on 2025-26 plan with work progressing well.</li> <li>• LC confirmed the Annual Assurance rating as Reasonable.</li> </ul> <p>6.2 RF sought clarity on the Business Resilience Audit report availability and LC confirmed this was due to resourcing issues, and work has now been completed, and the final report should be available shortly to share.</p> <p>6.3 RF also made comment on the number of reports included from last year's audit period of 2024-25 and asked if the Directorate for Internal Audit were confident that the audit plan for 2025-26 would not similarly be impacted. LC confirmed action had been taken to rectify this through a reduced volume of audits being undertaken during Q4 2025 -26 compared to the previous year.</p> <p>6.4 The committee discussed the Limited Assurance papers in more detail:</p> <ul style="list-style-type: none"> <li>• Transition and Programme Closure</li> <li>• Benefits in Automation</li> <li>• CDP in depth Follow Up Audit</li> </ul> <p>6.5 The committee discussed Transition and Programme Closure, Future Operating Model and the Strategic Risk Register in depth, BM highlighted that Transition, Future Operating Model is the highest risk and recognised this is mainly due to affordability and budget, he asked if it would be beneficial to raise to with Director General Communities Risk Register for discussion. DW remarked that it would be beneficial for this to be highlighted.</p>
6.	<b>Social Security Scotland - Fraud and Error Resolution Update</b>	<p>7.1 CP and DWi presented Social Security Scotland Fraud and Error Progress update and advised of the following:</p> <ul style="list-style-type: none"> <li>• The next iteration of the data layer has gone live during Quarter 1 2025-26 and will help support ongoing data analysis via the Insights and Analysis Team. This release continues to build on strong foundations and will continue to deliver value to the team.</li> <li>• During quarter 1 2025-26 as part of a divisional restructure Recoveries and Payment Resolution teams moved to Finance. There was also movement internally with teams joining Error Interventions and Insight Branch.</li> </ul>

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		<ul style="list-style-type: none"> <li>The team has also reintroduced feedback provision to individuals and Line Managers relating to Official Errors.</li> </ul> 7.2 BM commented on the investment in the data layer and how it has driven improvements.
7.	<b>Social Security Scotland Risk Management Update</b>	8.1 SM presented the Risk Management Update and noted the following: <ul style="list-style-type: none"> <li>Quality Framework was published in August 2025.</li> <li>The Risk and Control Group was stood up and the Risk Review Group was stood down.</li> <li>Value for Money has been closed and archived.</li> <li>A newly assessed risk Financial Sustainability has been included within the pack and the Risk was agreed by the Executive Team on 22<sup>nd</sup> July 2025.</li> <li>A draft risk relating to the new Payment System has been received and will be presented and discussed at Risk and Control Group with approval by the Executive Team, this will be included within the new quarterly brief.</li> </ul>
8.	<b>Audit Recommendations Update</b>	9.1 DP presented the Audit Recommendations Update and noted the following: <ul style="list-style-type: none"> <li>There are 88 open recommendations with 45 proposed for closure. Partially implemented recommendations continue to be tracked.</li> <li>The Corporate Assurance team is working with recommendation owners to gather evidence and make the follow up review process more efficient.</li> <li>Ongoing engagement with action owners ensures that recommendations remain relevant. Where risks are tolerated, the Risk team is informed to ensure appropriate documentation and captured on the report.</li> </ul>

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9	Any Other Business	10.1 No other business was recorded and RF concluded the meeting.

Action	Description	Owner	Status
<b>Action 1</b>	<p>The committee requested that a draft risk be produced for escalation to DG Communities which is an aggregation of three linked Social Security Scotland strategic risks.</p> <ul style="list-style-type: none"> <li>• Fiscal Sustainability CR-016</li> <li>• Delivering for Clients CR-009</li> <li>• Programme Closure CR-011</li> </ul>	Risk team to flag to Director General Communities Meeting	<p>Open</p> <p>Next Steps</p> <ul style="list-style-type: none"> <li>• Circulate the draft risk with Executive Team and our non-Execs for awareness</li> <li>• Share more formally with Non Execs at 30 September EAB meeting</li> <li>• DG colleagues have been alerted - the next DG risk meeting is in October and this new, draft risk will be presented at that point for discussion and potential endorsement.</li> </ul>