



## Audit and Assurance Committee

<b>Date of Meeting</b>	Tuesday 14 May 2019
<b>Time</b>	10:30 – 14:00
<b>Location</b>	Meeting Room 4.1, Dundee House

### Attendees

#### Present:

#### Non- Executives:

[Redacted] s.38(1)(b) (RF)	Chair, Non-Executive Member
[Redacted] s.38(1)(b) (DH)	Non-Executive Body Member
[Redacted] s.38(1)(b) (EN)	Non-Executive Body Member
[Redacted] s.38(1)(b) (JB)	Non-Executive Body Member

#### Social Security Scotland:

David Wallace (DW)	Accountable Officer, Chief Executive
[Redacted] s.38(1)(b) (MR)	Head of Governance and Strategy
[Redacted] s.38(1)(b) (JW)	Head of Finance
[Redacted] s.38(1)(b) (CB)	Strategy, Policy and Assurance Lead
[Redacted] s.38(1)(b) (NM)	Corporate Assurance Manager

#### Audit Scotland:

[Redacted] s.38(1)(b) (MT)	Audit Director
[Redacted] s.38(1)(b) (GD)	Senior Manager
[Redacted] s.38(1)(b) (FI)	Senior Auditor

#### Internal Audit Directorate, Scottish Government:

[Redacted] s.38(1)(b) (IB) Directorate)	Senior Audit Manager (Internal Audit)
[Redacted] s.38(1)(b) (LS)	Internal Audit Manager

#### Also Attending:

[Redacted] s.38(1)(b) (BM)	Disability and Carers Benefits Planning and Risk Manager, Social Security Programme (Item 12 onwards)
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## 2nd Meeting (18-19) Minutes



Social Security Scotland  
Tèarainteachd Shòisealta Alba

[Redacted] s.38(1)(b) (DT) Project Co-ordinator, Social Security Programme (Item 12 only)

### Secretariat

[Redacted] s.38(1)(b) (AP) Governance and Business Support Officer, Social Security Scotland



## 1. Welcome and Conflicts of Interest

- 1.1. The Chair welcomed everyone to the meeting.
- 1.2. No conflicts of interest were noted.

## 2. Minutes of Previous Meeting and Action Tracker

- 2.1. Previous minutes and actions were discussed. RF confirmed that they will be published on the Social Security Scotland website.
- 2.2. RF noted that some actions showing as “Completed” may now be removed from the action tracker.
- 2.3. Minutes and actions were approved without further comment.

## 3. Risk Management Update

- 3.1. CB gave an update on Risk Management within Social Security Scotland. The advice from the Committee at the February meeting has been considered and changes are reflected in the updated Strategic Risk Register.
- 3.2. MR noted the importance of the Agency’s relationship with the Programme, referencing the planned induction session on risk which was to follow the meeting.
- 3.3. It was agreed by the Committee that at future meetings, there will be a deep dive on specific risks and mitigations in order to give assurance to Committee members.

Action	NM	Timetable slots for risk ‘deep dive’ session into agenda timetable.
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## 4. Financial Update

- 4.1. JW provided a financial update to the Committee. A few changes to the format were suggested and agreed.
- 4.2. The first draft of the Annual Accounts was discussed, Members were keen to find out when this would be shared with the Committee. JW confirmed that they are on track to complete on time, however, it was advised that draft annual accounts would have to be shared via correspondence with the Committee.

Action	JW	JW to make changes as suggested by Committee Members.
Action	JW	Draft annual accounts to be shared via correspondence with Committee.



### 5. Fraud Update

- 5.1. JW provided a fraud update to the Committee.
- 5.2. JW discussed counter fraud, and explained that there is a dedicated Counter Fraud team in place. No investigations have taken place yet and they are currently waiting for the Fraud Code of Practise to be laid before Parliament.
- 5.3. The Committee provided comments on the update format which will be taken into account for future meetings.

Action	JW	JW to make changes as suggested by Committee Members.
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### 6. Compliance Register Update

- 6.1. NM gave an overview of the Compliance Register, which sets out where the Agency is in respect of its obligations as a public body. NM explained that this is a work in progress and will develop as the Agency grows.
- 6.2. The Committee discussed and commented on the Compliance Register.

### 7. Internal Audit Progress Report

- 7.1. IB gave an overview of the Internal Audit Progress Report, highlighting that all work for 2018/19 has been completed.
- 7.2. IB ran through the five internal audit reviews recently completed. Recommendations in each have been accepted by the Agency and follow ups will be scheduled in due course.
- 7.3. The Committee noted the reports. DH asked if the recommendations would be included in the Audit Tracker, NM confirmed that this is the case.

### 8. Internal Audit Annual Assurance

- 8.1. LS provided an overview of the Internal Audit Annual Assurance, noting that this was positive assurance of reasonable, recognising where the Agency is and its development. Specifically highlighted was the positive relationship between Agency and Internal Audit Staff.

### 9. Audit Scotland Update

- 9.1. MT introduced the item, explaining that this is part of an ongoing piece of work looking at the Agency's financial systems and controls.



- 9.2. The Committee discussed and commented on a number of risks and the Agency's management response to these. JW agreed to revised wording on one of the responses dealing with payroll.

Action	JW	Provide Audit Scotland revised wordings following meeting.
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### 10. Audit and Assurance Committee Annual Report

- 10.1. RF and NM presented this item, which will be an internal report to the Executive Advisory Body and the Chief Executive.

10.2. The Committee were given the opportunity to discuss and ask questions.

- 10.3. MT asked how this fits into the reporting and meeting cycle, considering that Audit Scotland is yet to provide their opinion. It was agreed that a view will be recorded in future minutes. NM will also review meeting cycle for next year to ensure this fits more appropriately.

Action	NM	NM to update Annual Report with Committee comments and consider whether this should be re-tabled in August following Audit Scotland opinion.
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### 11. Draft Governance Statement

- 11.1. NM introduced the Draft Governance Statement, stating that this had been informed by the Certificates of Assurance for 2018/19 provided to DW by the Agency Senior Leadership Team.

11.2. The Committee discussed the statement and gave feedback.

Action	NM	NM to update Draft Governance Statement
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### 12. Agency Gateway Review

- 12.1. The Agency Gateway Review was presented by NM. Members have already received a copy of the report, however this version includes the Agency response to its recommendations.

12.2. NM highlighted that the recommendations in this report will feed into an Independent Assurance update which will be provided at all future Committee meetings.



### 13. Audit Scotland Report – Implementing the Devolved Powers

- 13.1. GD provided an overview of the recently published Audit Scotland report on the Social Security programme. She noted that the overall message of this document is that things have been going well and a lot of ground work has been laid. She also confirmed that the report will be discussed by two Parliamentary Committees.
- 13.2. DH proposed that the Committee keep referring back to this document, and asked how Members keep it fresh in their minds. GD confirmed that there would be an annual follow up to this.

### 14. Social Security Programme – Overview of Risk Management Function

- 14.1. BM and DT joined the Audit and Assurance Committee to deliver a presentation on the Social Security Programme's Risk Management Function.

### 15. Any Other Business

- 15.1. No other business was recorded.

**Date of next meeting:** Tuesday 6 August 2019

## Audit and Assurance Committee

<b>Date of Meeting</b>	Tuesday 14 May 2019
<b>Time</b>	10:30 – 14:00
<b>Location</b>	Meeting Room 4.1, Dundee House

### Attendees

#### Present:

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#### Also Attending:

[Redacted] s.38(1)(b) (BM)	Disability and Carers Benefits Planning and Risk Manager, Social Security Programme (Item 12 onwards)
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**[Redacted] s.38(1)(b) (DT)** Project Co-ordinator, Social Security Programme (Item 12 only)

**Secretariat**

**[Redacted] s.38(1)(b) (AP)** Governance and Business Support Officer, Social Security Scotland





## 1. Welcome and Conflicts of Interest

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## 2. Minutes of Previous Meeting and Action Tracker

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- 3.2. The Committee asked about the Tolerance levels assigned to a number of risks and suggested that further consideration be given to these.
- 3.3. MR noted the importance of the Agency’s relationship with the Programme, referencing the planned induction session on risk which was to follow the meeting.
- 3.4. It was agreed by the Committee that at future meetings, there will be a deep dive on specific risks and mitigations in order to give assurance to Committee members.

Action	NM	Timetable slots for risk ‘deep dive’ session into agenda timetable.
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Action	JW	Draft annual accounts to be shared via correspondence with Committee.
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Action	JW	Provide Audit Scotland revised wordings following meeting.
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**Date of next meeting:** Tuesday 6 August 2019



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