

**From:** [Redacted section 38(1)(b)]

**Sent:** 03 September 2019 09:22

**To:** Wallace J (James) [Redacted section 38(1)(b)]; [Redacted section 38(1)(b)]; [Redacted section 38(1)(b)]; [Redacted section 38(1)(b)]; [Redacted section 38(1)(b)]; [Redacted section 38(1)(b)]; [Redacted section 38(1)(b)]; [Redacted section 38(1)(b)]

**Cc:** [Redacted section 38(1)(b)]; [Redacted section 38(1)(b)]; [Redacted section 38(1)(b)]; [Redacted section 38(1)(b)]; [Redacted section 38(1)(b)]; [Redacted section 38(1)(b)]; [Redacted section 38(1)(b)]; [Redacted section 38(1)(b)]

**Subject:** RE: Re-scheduled Audit and Assurance Committee

Good Morning,

A gentle reminder that papers for the AAC Committee are due by COP 6 September. Any concerns with this date please get in touch ASAP.

The Agenda will be revised slightly, as David has to leave for 13:15pm. We should be finished by then, but just in case we have amended it slightly.

Thanks

[Redacted section 38(1)(b)]

Revised Agenda :

Item	Paper	Owner	Purpose	Mins
1. Pre-Meeting – Non Executive Members and Internal/External Audit		N/A		10
2. Welcome including conflicts of interest		Chair	Monitor	5
3. Minutes of previous meeting and action tracker		Chair	Monitor	5
4. Annual Accounts presentation		James Wallace	Note	15
5. External Audit Opinion		[Redacted section 38(1)(b)]	Discuss	15
6. Updated Audit and Assurance Committee Annual Report		Chair	Note	5
7. Financial Update		James Wallace	Note	10
8. Error and Fraud Update		[Redacted section 38(1)(b)]	Note	10
9. Risk Management Update		[Redacted section 38(1)(b)]	Discuss	15
Lunch 25 mins				

10. Business Continuity Update		[Redacted section 38(1)(b)]	Note	15
11. Audit recommendations update		[Redacted section 38(1)(b)]	Note	10
12. Internal Audit Progress Update		[Redacted section 38(1)(b)]	Note	15
13. Review the efficiency of Internal/External Audit		Chair	Discuss	10
Total (mins)				

**From:** [Redacted section 38(1)(b)]

**Sent:** 22 August 2019 15:51

**To:** Wallace J (James) [Redacted section 38(1)(b)]; [Redacted section 38(1)(b)]; [Redacted section 38(1)(b)]; [Redacted section 38(1)(b)]; [Redacted section 38(1)(b)]; [Redacted section 38(1)(b)]; [Redacted section 38(1)(b)]; [Redacted section 38(1)(b)]; [Redacted section 38(1)(b)]; [Redacted section 38(1)(b)]; [Redacted section 38(1)(b)]; [Redacted section 38(1)(b)];

**Cc:** [Redacted section 38(1)(b)]; [Redacted section 38(1)(b)]; [Redacted section 38(1)(b)]; [Redacted section 38(1)(b)]; [Redacted section 38(1)(b)]; [Redacted section 38(1)(b)]; [Redacted section 38(1)(b)]; [Redacted section 38(1)(b)]; [Redacted section 38(1)(b)]; [Redacted section 38(1)(b)]; [Redacted section 38(1)(b)]; [Redacted section 38(1)(b)]; [Redacted section 38(1)(b)];

**Subject:** RE: Re-scheduled Audit and Assurance Committee

Good Afternoon,

As you all know the Audit and Assurance Committee has been re-scheduled for Tuesday 17 September and will be held in Dundee. The Agenda will remain as is and is outlined below.

Please note that first on the Agenda is a slot solely for the Non-Executives and Internal/External Audit. [Redacted section 38(1)(b)] (other audit colleagues).

1.	Meeting with Internal/External Auditors	Internal/External Audit and all Non Executive Members	10 mins
2.	Welcome and Conflicts of Interest	Chair	5 mins
3.	Minutes and action tracker	Chair	5 mins
4.	Financial update	James Wallace/[Redacted section 38(1)(b)]	10 mins
5.	Fraud update	James Wallace/[Redacted section 38(1)(b)]	10 mins
6.	Risk Magement Update	[Redacted section 38(1)(b)]	15 mins
7.	Business Continuity Update	[Redacted section 38(1)(b)]	15 mins

	[Redacted section 38(1)(b)] we will need a brief paper outlining what you will go over with the Committee		
8.	Audit recommendations update	[Redacted section 38(1)(b)]	10 mins
9.	Internal Audit Update	[Redacted section 38(1)(b)] / [Redacted section 38(1)(b)]	15 mins
10.	Annual Accounts presentation	James Wallace	15 mins
11.	External Audit opinion	[Redacted section 38(1)(b)]	15 mins
12.	AAC Annual Report	Chair	5 mins
13	Review efficiency internal/external audit	Non Executive Members	10 mins
			140 mins

Papers are due for COP 6 September 2019. Attached is the report template – please use this as it makes it much easier for my team to QA and get the papers out. All papers from Social Security Scotland staff should follow the complete template, others you only need to do the cover paper – also proof read fully as my team don't do this.

I am expecting attendance from:

- [Redacted section 38(1)(b)]
- David Wallace
- [Redacted section 38(1)(b)]
- James Wallace
- [Redacted section 38(1)(b)]
- [Redacted section 38(1)(b)]
- [Redacted section 38(1)(b)]
- [Redacted section 38(1)(b)]
- [Redacted section 38(1)(b)]
- [Redacted section 38(1)(b)]
- [Redacted section 38(1)(b)]
- [Redacted section 38(1)(b)]
- [Redacted section 38(1)(b)] (for her agenda item only)

Thanks everyone and if there are any questions/issues please get in touch ASAP.

Thanks

[Redacted section 38(1)(b)]

## Audit and Assurance Committee

<b>Date of Meeting</b>	Tuesday 17 September 2019
<b>Time</b>	10:30 – 14:00
<b>Location</b>	Meeting Room 4.7, Dundee House

## Attendees

### Present:

#### Non- Executives:

[Redacted section 38(1)(b)]	Chair, Non-Executive Member
[Redacted section 38(1)(b)]	Non-Executive Body Member
[Redacted section 38(1)(b)]	Non-Executive Body Member
[Redacted section 38(1)(b)]	Non-Executive Body Member (by telephone)

#### Social Security Scotland:

David Wallace (DW)	Accountable Officer, Chief Executive
[Redacted section 38(1)(b)]	Head of Governance and Strategy
James Wallace (JW)	Deputy Director of Finance and Corporate Services
[Redacted section 38(1)(b)]	Deputy Head of Finance
[Redacted section 38(1)(b)]	Strategy, Policy and Assurance Lead
[Redacted section 38(1)(b)]	Corporate Assurance Manager
[Redacted section 38(1)(b)]	Fraud and Error Lead

#### Audit Scotland:

[Redacted section 38(1)(b)]	Audit Director
[Redacted section 38(1)(b)]	Senior Auditor

#### Internal Audit Directorate, Scottish Government:

[Redacted section 38(1)(b)]	Senior Audit Manager (Internal Audit Directorate)
[Redacted section 38(1)(b)]	Internal Audit Manager

**Also Attending:**

[Redacted section 38(1)(b)]

Business Resilience Manager (item 10)

[Redacted section 38(1)(b)]

Data Protection and Information  
Governance Lead (item 10)

[Redacted section 38(1)(b)]

Corporate Assurance Assistant (item 11)

**Secretariat**

[Redacted section 38(1)(b)]

Governance and Business Support  
Officer

[Redacted section 38(1)(b)]

Corporate Assurance Manager

## 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. [Redacted section 38(1)(b)] confirmed ~~that~~ they have been ~~will be~~ published on the Social Security Scotland website.
- ~~2.2.~~ [Redacted section 38(1)(b)] ~~noted that some actions showing as "Completed" may now be removed from the action tracker.~~
- ~~2.3.2.2.~~ Minutes and actions were approved without further comment.

## 3. 2018-19 Annual Report and Accounts

- 3.1. JW gave an update on the 2018-19 Annual Report and Accounts. The comments from the Committee have been considered and changes are reflected in the updated Report. The final version will be shared with Audit Scotland shortly.
- 3.2. [Redacted section 38(1)(b)] noted that the AAC should align the 2019-20 Audit and Assurance Committee dates to the Scottish Government finance timetable.
- 3.3. It was [Redacted section 38(1)(b)]-noted that the Agency should ensure that the actions we have committed to do within the report within the tracker are progressed throughout the year. It was advised~~DW noted~~ that some of these ~~were should also be in individual team already on~~ business plans.
- 3.4. [Redacted section 38(1)(b)] noted there is an opportunity in year 2 to use more graphics within the Report to make this easier to understand. [Redacted section 38(1)(b)] advised that [Redacted section 38(1)(b)]~~provided information on a 40 page~~ easy to read report ~~that~~ is in draft format, and it was noted ~~JW ensured the committee~~ that this will not be published without Audit Scotland agreement. [Redacted section 38(1)(b)]~~stated that we need to be clear on who the audience is.~~
- 3.5. There was a [Redacted section 38(1)(b)] queri~~ed~~ if the rationale provided for the ~~estimate~~ for Best Start Grant expenditure being over budget ~~being under~~ was sufficient. Following comment from it was~~DW, JW~~ agreed to add in comments that this was using the forecast set by the Fiscal Commission.
- ~~3.6.~~ [Redacted section 38(1)(b)]~~queried the reasoning behind the fact that the number of Carer's Allowance Supplement payments are higher than the number of CA payments. JW to update the committee following discussion with analysts.~~
- ~~3.6.3.7.~~ A HEADER IN HERE TO INDICATE WE MOVED ON TO AS ITEM (?)
- ~~3.7.3.8.~~ [Redacted section 38(1)(b)] summarised the Audit Scotland Report.

~~3.8.3.9.~~ [Redacted section 38(1)(b)] asked for the inclusion of further wording around qualifying opinion. [Redacted section 38(1)(b)] referred to the section 22 report which explains this in clearer terms. [Redacted section 38(1)(b)] stated that a combined Audit Scotland and Social Security Agency response line on this would be required. JW assured the committee that the Agency Strategic Communications Team already have this in hand. [Redacted section 38(1)(b)] queried whether the Agency or Audit Scotland had requested any information through the National Audit Office. [Redacted section 38(1)(b)] said that they had not.

~~3.9.3.10.~~ [Redacted section 38(1)(b)] ~~asked~~<sup>wished</sup> for the minutes to record his sincere thanks to everyone within the Agency and Audit Scotland who worked together on the Accounts and Report.

[Redacted] section 30 (b) (1)

~~3.10.3.11.~~ Due to the timing of the committee meeting the Executive Advisory Body have ~~delegated responsibility to~~ ~~accepted that~~ the Audit and Audit Committee ~~to make a recommendation on whether~~ ~~may make the recommendation to~~ the Accountable Officer ~~should on whether~~ to sign the Annual Accounts. The Audit and Assurance Committee recommended that ~~the Accountable Officer-DW~~ signs the Accounts for 2018-19.

Action	[Redacted section 38(1)(b)]	<del>The Scottish Government finance timetable should be taken account of in setting the timetable of meetings for 2020 To provide the Audit and Assurance Committee with the Scottish Government finance timetable.</del>
Action	[Redacted section 38(1)(b)]	<del>Final comments from Committee to be included within Annual Report and Accounts. Add additional comments to page 41 of the report stating that the budget for Best Start Grant was set by the Fiscal Commission.</del>
Action	[Redacted section 38(1)(b)]	Update the Audit and Assurance Committee on the reasoning for the number of Carer's Allowance Supplement payments being higher than Carer's Allowance.

**Commented [A1]:** These actions sits with the agenda item above

Name: [Redacted] section 38 (1)(b)

#### 4. AAC Annual Report

4.1. Updated copy of the Audit and Assurance Committee Annual Report was presented. [Redacted section 38(1)(b)] asked and it was agreed that an Annex would be added outlining key business for the year and [Redacted section

38(1)(b)] ~~asked the committee members for comment.~~ [Redacted section 38(1)(b)] ~~requested the report includes details of the committee's induction process, and how the committee will operate.~~ [Redacted section 38(1)(b)] ~~agreed to add an additional annexe to the report to include the suggestions.~~

Action	[Redacted section 38(1)(b)]	[Redacted section 38(1)(b)] <del>to add a</del> <u>Additional Annex to be added as detailed above, annexe to include the Audit and Assurance Committee induction process and details on how the committee operates.</u>
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## 5. Finance Update

- 5.1. [Redacted section 38(1)(b)] provided a finance update to the Committee.
- 5.2. There was a question on [Redacted section 38(1)(b)] ~~asked~~ how comfortable the Agency was in its accuracy with forecasting. It was acknowledged JW stated that this will improved over time and is dependent on the level of changes introduced with a benefit. For example the Agency was had been more accurate with forecasting for Funeral Support Payment.
- 5.3. There was also a question on recruitment underspend. It was [Redacted section 38(1)(b)] ~~explained that she would ensure that the activities aligned with the budget for these.~~ [Redacted section 38(1)(b)] ~~asked if the Agency was concerned that we may underspend on recruitment.~~ JW explained that there is ongoing work with work force planning and that recruitment spend would increase.

## 6. Error and Fraud Q1 Update

- 6.1. [Redacted section 38(1)(b)] gave an update on Fraud and Error. The Committee were pleased with the report and it was agreed that further
- 6.2. ~~The Committee discussed and commented on the Error and Fraud Q1 update.~~ [Redacted section 38(1)(b)] ~~requested additional~~ information on recover and overpayments to be contained within future reports.
- 6.3. [Redacted section 38(1)(b)] ~~noted that in context the Agency has identified 23 cases of underpayments amongst a vast number of total payments.~~ [Redacted section 38(1)(b)] ~~asked if the update would include underpayments in future,~~ [Redacted section 38(1)(b)] ~~confirmed it would.~~

**Commented [A2]:** Add this as an action

Name: [Redacted] section 38 (1)(b)

**Commented [A3]:** Overpayments?

Name: David Wallace

## 7. Risk Management Update

- 7.1. [Redacted section 38(1)(b)] gave an update on risk management and noted that the update spanned a longer period of time.
- 7.2. A deep dive on an individual risk will be added to the agenda for the next Audit and Assurance Committee.



- 7.3. ~~A risk manager will be in place within Operations Senior Leadership Team. Continuous~~ Risk awareness sessions will be held both with new recruits during induction and existing staff.
- 7.4. ~~There was a query in respect of a risk detailing with business continuity and [Redacted section 38(1)(b)] queried risk R029 and requested clarification around the wording of this.~~ CB informed the ~~Audit and Assurance~~ Committee that a Business Resilience Manager was now in place and the wording of this risk was therefore likely to change.

**Commented [A4]:** I think we should make the minutes standalone without referring back. Can we explain what this risk was? Business Continuity I presume.

Name: David Wallace

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## 8. Business Continuity Update

- 8.1. [Redacted section 38(1)(b)] gave an update on the Business Continuity ~~priorities.~~
- 8.2. ~~There was a query on the planned Business Continuity Strategy, and [Redacted section 38(1)(b)] queried when the Business Continuity Strategy would be published. [Redacted section 38(1)(b)] outlined that this was in progress and would include detail on informed the Audit and Assurance Committee that this had been drafted and would be going through sign off shortly. Part of this strategy includes~~ raising awareness, staff training and additional Business Continuity roles.
- 8.3. [Redacted section 38(1)(b)] noted that security ~~advice~~ is currently ~~provided to the Agency from~~ within the core Scottish Government and Chief Digital Office remit. [Redacted section 38(1)(b)] confirmed that she has already liaised with ~~Chief~~ Chief Digital Office and core Scottish Government security teams.
- 8.4. [Redacted section 38(1)(b)] suggested linking up with other Executive Agencies who have mature Business Continuity Strategies.

**Commented [A5]:**

**Commented [A6]:** I think we should answer this question if it was raised

Name: David Wallace

**Commented [A7]:** I would add an action for AAC to see this at some point. Not approve but to note it.

Name: [Redacted] section 38 (1)(b)

## 9. Audit Recommendations Update

- 9.1. [Redacted section 38(1)(b)] presented his proposal for updating the Audit and Assurance Committee on current progress with audit recommendations.
- 9.2. The ~~Ce~~ committee agreed that they would like to see both internal and external audit recommendations ~~on one paper.~~ [Redacted section 38(1)(b)] ~~asked if the grading should be consistent within the paper. It was agreed that the priority scoring terminology of the recommendations should not be altered.~~
- 9.3. [Redacted section 38(1)(b)] ~~that~~asked for the recommendations marked as completed ~~should~~ be signed off at Audit and Assurance Committee before being archived. ~~He also asked. These should be highlighted in blue.~~
- ~~9.4. DW asked for for consideration oif a 'heat map' of recommendations to could be produced to help pinpoint if there were particular themes that had clusters of recommendations. Action owners should also be provided in future reports.~~
- ~~9.5-9.4.~~ [Redacted section 38(1)(b)] ~~asked for the recommendation action owner to be added.~~

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Action	[Redacted section 38(1)(b)]	Provide Audit and Assurance Committee with a heat map of the recommendations.
Action	[Redacted section 38(1)(b)]	Add recommendation action owner to the report.

## 10. Internal Audit Update

- 10.1. [Redacted section 38(1)(b)] updated the committee on current and planned Internal Audit work. The Director General of Economy is now the sponsor for Internal Audit [within the Scottish Government.](#)
- 10.2. [Redacted section 38(1)(b)] asked ~~about if there was any~~ advisory work planned. [Redacted section 38(1)(b)] informed the committee that [they are working with the Agency to collate items for advisory work and this will be incorporated into the plan shortly.](#) ~~at this time there is no current advisory work planned, however it was expected that this would be planned in shortly.~~ [Redacted section 38(1)(b)] ~~stated that this will be discussed at the next meeting with Internal Audit.~~
- 10.3. [Redacted section 38(1)(b)] asked how the Agency's GDPR audit compared with other agencies. [Redacted section 38(1)(b)] said it compared favourably at this stage.

## 11. Review the efficiency of Internal/External Audit

- 11.1. [Redacted section 38(1)(b)] confirmed that Internal Audit are very happy with the engagement and access they are given with the Agency.
- 11.2. A quality service review later in this year will gather feedback from the Agency on satisfaction with Internal Audit service.
- 11.3. [Redacted section 38(1)(b)] asked if there is any duplication between Internal Audit and Audit Scotland. IB stated that discussions take place with Audit Scotland to avoid this.
- 11.4. The Committee discussed the statement and gave feedback..

## 12. Any Other Business

- 12.1. No other business was recorded.

**Date of next meeting:** Tuesday 19<sup>th</sup> November 2019

**From:** [Redacted section 38(1)(b)]  
**Sent:** 24 September 2019 09:20  
**To:** Wallace D (David) [Redacted section 38(1)(b)]; [Redacted section 38(1)(b)]; Wallace J (James) [Redacted section 38(1)(b)]; [Redacted section 38(1)(b)]; [Redacted section 38(1)(b)]; [Redacted section 38(1)(b)]  
**Cc:** [Redacted section 38(1)(b)]; [Redacted section 38(1)(b)]; Craven M (Miriam) [Redacted section 38(1)(b)]  
**Subject:** RE: Action: COP Tuesday 24 September - Audit and Assurance Committee Minutes

Hi,

Thanks to [Redacted section 38(1)(b)] for doing these.

Attached are my comments on top of those added by David W. It looks worse that it is and I would appreciate it if you could give them a proper read through as I have bound to have missed out a full stop or something somewhere.

Thanks

[Redacted section 38(1)(b)]



**Social Security Scotland**  
Tèarainteachd Shòisealta Alba

Social Security Scotland  
50 North Lindsay Street  
Dundee  
DD1 1QE

I work Tue-Fri (Fri am only)

[Redacted] section 38(1)(b)  
Corporate Assurance Manager  
Social Security Scotland

[Redacted section 38(1)(b)]

[Redacted section 38(1)(b)]

[Redacted section 38(1)(b)]



**From:** Wallace D (David) [Redacted section 38(1)(b)]  
**Sent:** 20 September 2019 16:31  
**To:** [Redacted section 38(1)(b)]; Wallace J (James) [Redacted section 38(1)(b)]; [Redacted section 38(1)(b)]; [Redacted section 38(1)(b)]; [Redacted section 38(1)(b)]; [Redacted section 38(1)(b)]  
**Cc:** [Redacted section 38(1)(b)]; [Redacted section 38(1)(b)]; Craven M (Miriam) [Redaction - 38(1)(b)]  
**Subject:** RE: Action: COP Tuesday 24 September - Audit and Assurance Committee Minutes

Many thanks – a couple of suggested edits/comments/questions from me.

David



**David Wallace**  
**Chief Executive**  
**Social Security Scotland**  
[Redacted section 38(1)(b)]  
[Redacted section 38(1)(b)]  
[Redacted section 38(1)(b)]

**From:** [Redacted section 38(1)(b)]

**Sent:** 20 September 2019 14:29

**To:** Wallace D (David) [Redacted section 38(1)(b)]; Wallace J (James) [Redacted section 38(1)(b)]; [Redacted section 38(1)(b)]; [Redacted section 38(1)(b)]; [Redacted section 38(1)(b)]; [Redacted section 38(1)(b)]

**Cc:** [Redacted section 38(1)(b)]; [Redacted section 38(1)(b)]; [Redacted section 38(1)(b)]

**Subject:** Action: COP Tuesday 24 September - Audit and Assurance Committee Minutes

Hi all

See attached draft of this week's Audit and Assurance Committee minutes. Big thanks to [Redacted section 38(1)(b)] for attending and minuting the meeting.

Please review and come back with any comments by COP Tuesday 24 September at the latest, at which point they will be sent to ([Redacted section 38(1)(b)] for comment.

Many thanks in advance

[Redacted section 38(1)(b)]



Social Security Scotland  
220 High Street  
Glasgow  
G4 0QW

**[Redacted] section 38(1)(b)**  
Governance & Business Co-Ordinator  
Social Security Scotland

[Redacted section 38(1)(b)]

[Redacted section 38(1)(b)]

