



Scottish Commission on Social Security (SCoSS): Annual Report and Accounts 2023 - 2024

Contents

1. Co-Chairs' Statement and overview of the performance report	1
2. Performance Report.....	3
2.1 Overview	3
2.2 Analysis of SCoSS's performance	6
3. Accountability Report.....	18
3.1 Corporate Governance Report.....	18
3.2 Remuneration and Staff Report	22
3.3 Parliamentary Accountability Report	26
4. Independent Auditor's Report.....	27
5. Financial Accounts	32
5.1 Introduction	32
5.2 Statement of Comprehensive Net Expenditure for the year ended 31 March 2024	32
5.3 Statement of Financial Position as at 31 March 2024	33
5.4 Statement of Cash flows for the year ended 31 March 2024	34
5.5 Statement of Changes in Taxpayer's Equity for the Year Ended 31 March 2024	36
5.6 Notes to the Accounts for the year ended 31 March 2024.....	37
6. Annex: Accounts Direction	41

1. Co-Chairs' Statement and overview of the performance report

We are pleased to present the fifth annual report and accounts for the Scottish Commission on Social Security (SCoSS) for the financial year 2023-24.

In the five years since SCoSS was established, our work has focused on providing independent scrutiny of draft regulations which set up the 13 benefits that Social Security Scotland is now delivering. In particular, we welcome the number of our scrutiny recommendations which have been accepted by the Scottish Government and which we consider will make a positive contribution to improving outcomes for the people of Scotland.

In 2023-24, we expanded our engagement with stakeholders and people with lived experience to inform our scrutiny of legislation and we look forward to more engagement as we look at how the social security system is delivering for people in practice. Throughout the year, the Commission was pleased to have regularly provided evidence, on our scrutiny report findings, to the Scottish Parliament's Social Justice and Social Security Committee.

During 2023-24, we have sought to improve our governance arrangements through continuing to implement the recommendations of the independent review of SCoSS. In addition, the Social Security (Amendment) (Scotland) Bill progressing through Parliament, includes proposals to expand the range of draft regulations that will fall within SCoSS's remit. These proposals follow recommendations from the independent review and will be a welcome enhancement to our scrutiny role.

Alongside Social Security Scotland's task of delivering new benefits and taking over awards transferred from the DWP, there is also a continual focus on looking for ways to improve the system, making sure it delivers with dignity and respect. SCoSS has a role in advising on whether people are getting the service they are entitled to expect under 'Our Charter'. In 2023-24, SCoSS began to develop this role and we plan to expand this area of scrutiny activity in 2024-25.

SCoSS is able to provide effective advice thanks to the expertise of our members and the engagement of stakeholders with our scrutiny work. Accordingly, we want to thank Jackie Gulland for her contribution to the work of the Commission and welcome our new Chair, Ed Pybus, and new Board member, Adam Bennett, who took up their positions on 1 August 2024 to the Commission.

Our annual report and accounts for 2023-24 demonstrate that SCoSS is utilising the public monies we are allocated in an effective and responsible manner that is achieving best value and bringing about positive change for those who receive social security assistance. The SCoSS Board has reviewed this report and is satisfied that it provides an accurate account of its work and finances over the period.

Two handwritten signatures in black ink. The signature on the left is more complex and cursive, while the one on the right is simpler and more stylized.

Judith Paterson and Dr Mark Simpson, Interim Co-Chairs, Scottish Commission on Social Security

2. Performance Report

2.1 Overview

The Performance Report describes the Scottish Commission on Social Security's—

- Purpose: its main statutory roles and its membership
- Performance: how well it exercised its functions, performed its statutory roles and contributed towards improving the system for social security in Scotland
- Continuous improvement: the steps the SCoSS Board has taken to ensure its work can be as effective as possible
- Risks that could affect SCoSS's performance and the action taken to mitigate them
- Strategies and governance: the strategies SCoSS has agreed to ensure strong governance
- The Co-Chairs' statement and overview of the performance report also form part of the Performance Report.

Purpose and Structure

The Scottish Commission on Social Security (SCoSS) is an independent public body established by the [Social Security \(Scotland\) Act 2018](#) ('the 2018 Act'). It provides expert advice to Scottish Ministers and the Scottish Parliament on devolved social security matters.

The Act sets out the functions of SCoSS which can be summarised as follows—

1. SCoSS must be consulted by the Scottish Government on most regulations about social security assistance made under the 2018 Act. SCoSS scrutinises and reports on draft regulations. The Scottish Government may change its regulations after considering SCoSS's recommendations. When it lays the regulations in the Scottish Parliament, it must publish its response to SCoSS's report at the same time. The Scottish Parliament's Social Justice and Social Security Committee then scrutinises the regulations and may take evidence from SCoSS members when it does so.
2. SCoSS must report, from time to time, to Scottish Ministers and the Scottish Parliament on whether the expectations in the [Scottish Social Security Charter](#) ('Our Charter') are being met and make recommendations for improvement if they are not. It must consider reporting if it receives evidence that the Charter expectations are frequently not being fulfilled.
3. In addition, Scottish Ministers and the Scottish Parliament can ask SCoSS to report on any matter relevant to social security.

In undertaking its statutory duties, SCoSS takes full account of the social security principles contained within the 2018 Act and of relevant human rights obligations as defined by the 2018 Act.

SCoSS Board members are non-executive public appointments made by the Scottish Ministers in line with the Code of Practice for Ministerial Public Appointments in Scotland. The Act allows up to five Commissioners to be appointed. The Co-Chairs are responsible for providing leadership to ensure that the Board delivers its functions efficiently and effectively. The Co-Chairs are accountable to the Scottish Ministers. The role of Board members is to provide direction, support and guidance to ensure that SCoSS delivers its functions effectively and efficiently, in accordance with the 2018 Act. SCoSS members were originally appointed for periods of three or four years. Members may devote up to 36 days a year to perform their functions, apart from the Co-Chairs, who may devote up to 36 days each. SCoSS is supported by a secretariat employed by the Scottish Government.

As noted in last year's annual report, Judith Paterson and Dr Mark Simpson were appointed as Interim Co-Chairs in August 2023. At the same time, a temporary Board Member, Dr Jackie Gulland was appointed to the Board by the Cabinet Secretary for Social Justice. All three appointments were made until 31 March 2024. In order to avoid the recruitment process for a new Chair and permanent Board Member taking place at the same time as a recruitment exercise for a Chair to the Independent Review of Adult Disability Payment (ADP) the terms of these appointments were extended¹, in October 2023, to 31 July 2024. A new Chair, Ed Pybus, and a new Board Member, Adam Bennett, joined the Board on 1 August 2024.² Given that the appointments took place just prior to the formal signing of the annual report and accounts this report refers to the composition of the Board that applied prior to 1 August 2024 and for the entire reporting period of this report.

During the course of the reporting year, SCoSS scrutinised and reported on eight draft regulations and additional scrutiny was also undertaken in response to late Scottish Government amendments to the draft Disability Assistance for Older People (Scotland) Regulations 2024 to reflect technical amendments to the short-term assistance. SCoSS also began scrutiny of whether expectations in the Social Security Charter are being met. In addition, we continued to provide input into the Scottish Government's Charter Research Advisory Group. SCoSS has held eleven Board meetings during the reporting period as well as a number of ad-hoc meetings. Ad-hoc meetings tend to be held to consider draft scrutiny reports or to undertake line-by-line scrutiny of draft regulations in order to ensure that scrutiny deadlines are met.

In 2023-24, all Board meetings were conducted virtually with the exception of the April Board meeting which was held at the Social Security Scotland office in Dundee. To ensure that decision-making and proceedings are transparent, the minutes of all

¹ The extensions to the terms of these appointments was agreed by the Ethical Standards Commissioner and the Cabinet Secretary for Social Justice.

² [Public appointment: Chair and Member appointed to the Scottish Commission on Social Security Board - gov.scot \(www.gov.scot\)](https://www.gov.scot/public-appointments/Chair-and-Member-appointed-to-the-Scottish-Commission-on-Social-Security-Board/)

formal SCoSS Board meetings are published on the SCoSS website. All SCoSS scrutiny reports and corporate documents are also available on the SCoSS website.

SCoSS's vision and strategic objectives

The SCoSS [Business Plan 2023-24](#) set out the vision, strategic objectives and key priorities for the reporting period. The SCoSS Board reviews progress, on a quarterly basis, against the objectives and priorities set out in the Business Plan and this is considered later in this report. The vision set out in the 2023-24 Business Plan was—

“We want a robust, effective, efficient Scottish social security system that meets its full potential to improve outcomes for the people of Scotland. We want to help achieve this by providing independent expert advice”.

Governance

The 2018 Act provides the legislative basis for SCoSS. As an advisory Non-Departmental Public Body (NDPB), the SCoSS Framework Document sets out the broad framework within which SCoSS operates and defines key roles and responsibilities which underpin the relationship between SCoSS and the Scottish Government. SCoSS Standing Orders govern the operation of the Board and the Audit Sub-Committee. SCoSS adheres to best practice principles and relevant guidance regarding corporate governance, primarily as set out in [‘On Board: a guide for members of statutory boards’](#). In 2022-23, the SCoSS Board established an Audit Sub-Committee to provide oversight of SCoSS finances and governance. The work of SCoSS, including the Audit-Sub-Committee, was supported during the reporting period by an Audit Adviser.

SCoSS underwent an external review of the remit and governance of the Commission which reported in January 2023. We began implementing review recommendations during 2023-24. We are currently in the process of reviewing and updating all corporate documentation including the Framework document. In addition the Social Security (Amendment) (Scotland) Bill, which is currently being scrutinised in the Scottish Parliament, contains a range of provisions which will also enable the implementation of review recommendations.

During the course of 2023-24, the Secretariat reduced from six to five members of staff following the retirement of a staff member. The decision to not fill a vacant post was in part due to budgetary pressures which continue into 2024-25.

Throughout 2023-24, the Board received quarterly financial updates detailing SCoSS's expenditure to date and projected for the financial year. In addition, the Audit Sub-Committee meets on a quarterly basis. The minutes of all meetings of the Audit Sub-Committee are available on the SCoSS website.

Overall Performance

During the reporting period, SCoSS reported on all draft regulations that were referred by Scottish Ministers. Therefore, SCoSS performance met expectations over the reporting year. Further information on our performance is detailed below.

Within the reporting period of these accounts, SCoSS produced eight substantive reports on draft regulations. Additional scrutiny was also undertaken in response to late Scottish Government amendments to the Disability Assistance for Older People (Scotland) Regulations 2024 to reflect technical amendments to the short-term assistance.

During 2023-24, SCoSS made 52 recommendations to the Scottish Government. At the time of signing, two reports were submitted to the Scottish Government in late March and responses to these reports are expected later in 2024. In the remaining seven reports which the Scottish Government has responded to in 2023-24, SCoSS made 46 recommendations of which 35 (76%) were accepted, 9 (20%) partially accepted and 2 (4%) rejected. SCoSS made a further 19 observations. SCoSS appeared before the Social Justice and Social Security Committee on two occasions.

Best Value

The principles of best value are firmly embedded across all of our SCoSS operations. Instead of reporting best value against specific projects and initiatives, we look at best value holistically.

2.2 Analysis of SCoSS's performance

The objectives and priorities for the year were set out in the [SCoSS Business Plan 2023-24](#). Performance against the strategic objectives and priorities in the Business Plan is considered below.

Strategic Objectives

Strategic Objective One – We will provide expert, independent and evidence-based scrutiny of draft social security regulations that is driven by the social security principles and human rights.

To date, SCoSS has published eight scrutiny reports and written to Scottish Ministers in response to a further four sets of emergency regulations. The Commission also undertook additional scrutiny in response to late Scottish Government amendments to the draft Disability Assistance for Older People (Scotland) Regulations 2024 to reflect technical amendments to the short-term assistance.

In the course of producing scrutiny reports, the Commission has provided detailed insight and feedback drawn from stakeholder evidence and the expertise provided by Commissioners in interpreting the technicalities of social security legislation at a practical level.

Where appropriate, reports have detailed the relationship between the regulations and existing human rights laws and each scrutiny report sets out a detailed analysis of the relationship of the regulations being scrutinised to the social security principles and how they are being, or could be better, realised.

For example, our initial report on the Disability Assistance for Older People (Scotland) Regulations 2024 recommended that in the longer term the Scottish Government should review Pension Age Disability Payment's aims for consistency with the social security principles, particularly as its aims appear to be descriptive (e.g. help with the extra costs of having a long-term disability or health condition) rather than link to the outcomes it could be expected to achieve for older disabled people. The Scottish Government accepted this recommendation, highlighting its intention to review the benefit over time to make improvements in line with the social security principles.

Meanwhile, our report on the Welfare Foods (Best Start Foods) (Scotland) Amendment Regulations 2024 recommended that the Scottish Government should work with stakeholders, including those engaged in supporting individuals experiencing domestic or financial abuse, to develop an understanding of the potential for abuse by a partner and what additional mitigations may need to be put in place. The Scottish Government accepted this recommendation, highlighting ongoing engagement with stakeholders to ensure that such mitigations work as intended.

Strategic Objective Two - We will provide independent challenge and advice on whether people are getting the service from the social security system that the Social Security Charter says they should expect

Scrutinising whether the principles set out in the Charter are being met informs all SCoSS scrutiny. The charter commitments have been referenced in each scrutiny report published in 2023-24. SCoSS has also contributed to the Scottish Government's Charter Review Advisory Group and in March 2024 held a number of events seeking the views of people with communication needs on their experience of the devolved social security system. The Commission has also agreed the remit and membership of a Charter Sub-Committee which met for the first time in April 2024 and will manage the scrutiny work of the Commission in relation to the Social Security Charter.

Strategic Objective Three - We will work alongside Scottish Ministers, the Scottish Government and the Scottish Parliament as well as other key stakeholders, such as people with lived experience, to ensure our work constructively supports the development of a devolved social security system based on dignity, fairness and respect.

SCoSS has developed external engagement with stakeholders, including people with lived experience, in undertaking scrutiny of draft regulations in 2023-24. SCoSS has sought to develop constructive relationships with Scottish Government officials and sought feedback from officials on the impact of our scrutiny. Commissioners have regularly provided evidence on our scrutiny reports to the Social Justice and Social Security Committee, for example, in giving oral evidence on the Carer's Assistance

(Carer Support Payment) (Scotland) Regulations 2023. In April 2024, the Commission agreed a Stakeholder Engagement Strategy which sets out our approach to stakeholder engagement in 2024-25.

Strategic Objective Four - We will make engagement with people with lived experience of the devolved social security system and other stakeholders central to our scrutiny.

SCoSS has undertaken engagement with relevant external stakeholders and with people with lived experience of the devolved social security system across a range of scrutiny activity in 2023-24, for example, more than 100 carers and organisations contributed to our report on the draft The Carer's Assistance (Carer Support Payment) (Scotland) Regulations 2023 and with the support of Age Scotland SCoSS engaged directly with older people in scrutinising the Disability Assistance for Older People (Scotland) Regulations 2024. It is anticipated that this approach will continue to develop as lessons are learned from undertaking engagement.

In March 2024, the Commission held, in conjunction with RNIB Scotland, two events seeking the views of people with visual impairments and hearing loss. Feedback from these events, and others planned for the next financial year, will be used to inform a future report on people with communication needs experiences of the devolved social security system.

Strategic Objective Five - We will be transparent about how we make our decisions.

The Minutes of all SCoSS Board meetings are published on the SCoSS website and promoted via 'X' (formerly Twitter). All SCoSS scrutiny reports and corporate documents are available online. A newsletter was launched in 2023-24 to promote the work of SCoSS to external stakeholders who have expressed an interest in receiving information about the work of SCoSS. The newsletter, which is provided on a quarterly basis, has 38 external stakeholders signed up to receive it. The work of SCoSS is also promoted via 'X' and we have 758 followers on that platform.

Strategic Objective Six - We will improve the accessibility and inclusivity of our information.

We have taken steps to improve the accessibility of the SCoSS website through adding accessibility tools to our website in 2023-24. In addition, as detailed above, we have sought to actively promote knowledge of the work of SCoSS and our engagement with both external stakeholders and individuals with lived experience of the devolved social security system.

Strategic Objective Seven - We will ensure our remit, governance model, operating structure, processes and resource management are fit for purpose and are systematically reviewed to maximise the effectiveness and efficiency of SCoSS's contribution to the maintenance and development of the devolved social security system.

The purpose of the external review of SCoSS, was to ensure that the remit and governance of SCoSS is robust and fit for purpose. Following the review, an Improvement Plan was agreed between the Commission and Scottish Government detailing the approach to implementation of all the review recommendations. Some of the recommendations require primary legislation and are contained in the Social Security (Amendment) (Scotland) Bill which is currently being scrutinised by the Scottish Parliament. Other recommendations require the recruitment of a new Chair. As noted above, a recruitment exercise to appoint a new Chair and Board Member resulted in appointments being made with effect from 1 August 2024. whilst a full review of all corporate documentation, including the Framework document, is currently underway.

Strategic Objective Eight - We will seek to embed continuous improvement across all our work.

We have started to seek feedback from Scottish Government officials and external stakeholders on the impact of our scrutiny work. As noted above, a stakeholder engagement strategy was agreed in April 2024. More generally, the implementation of the external review recommendations is a key means of embedding continuous improvement.

Priorities

Scrutiny of draft social security regulations

We will undertake expert, independent, evidence-based scrutiny of draft regulations referred to us by the Scottish Government, including—

- **Draft Carer's Assistance (Carer Support Payment) (Scotland) Regulations 2023**
- **Draft Disability Assistance (Miscellaneous Amendments) (Scotland) Regulations 2023**
- **Draft Pension Age Disability Payment regulations**
- **Draft Up-rating regulations**

SCoSS has scrutinised and reported on all draft regulations referred to SCoSS within agreed timescales. The draft regulations scrutinised in 2023-24 were—

- **Draft Carer Assistance (Carer Support Payment) Amendment Regulations 2024**
- **Draft Disability Assistance for Older People (Scotland) Regulations 2024.** Additional scrutiny was also undertaken in response to late Scottish Government amendments to this set of regulations to reflect technical amendments to the short-term assistance.
- **The Social Security (Up-rating) (Miscellaneous Amendments) (Scotland) Regulations 2024**

- The Welfare Foods (Best Start Foods) (Scotland) Amendment Regulations 2024
- The Social Security (Residence and Presence Requirements) (Israel, the West Bank, the Gaza Strip, East Jerusalem, the Golan Heights and Lebanon) (Scotland) Regulations 2023
- The Social Security (Residence Requirements) (Sudan) (Scotland) Regulations 2023
- The Carer's Assistance (Carer Support Payment) (Scotland) Regulations 2023
- The Disability Assistance (Miscellaneous Amendments) (Scotland) Regulations 2023

Social Security Charter

- **We will establish ways to learn directly from stakeholders and people with lived experience on whether people are getting the service that the Social Security Charter says they should expect.**
- **We will produce a report based on evidence gathered on improvements that the Scottish Government could make to better deliver commitments in the Charter.**
- **We will inform the Scottish Government's review of the Social Security Charter.**

Gathering and analysing stakeholder's experiences and views are key to ensuring that SCoSS robustly interrogates the commitments set out in the Social Security Charter. SCoSS has expanded stakeholder engagement to enable this work to be undertaken. In March 2024, two events were held with people with communication needs and with lived experience of the devolved social security system to learn how their experiences of the system match the promises in the Social Security Charter. This activity marks the beginning of work to directly scrutinise whether people are getting the service the Charter says they should expect. In recognition that this will be an expanding area of SCoSS scrutiny, the Commission agreed, in early 2024, to establish a Charter Sub-committee to oversee this work. SCoSS has continued to contribute to the Scottish Government's Charter Review Advisory Group during 2023-24.

The Board also agreed a stakeholder engagement strategy at the April 2024 SCoSS Board meeting, representing its renewed commitment to engage effectively with people who have experience of Social Security Scotland and the Scottish benefit system in both its regulation and charter scrutiny roles. This strategy aims to allow for engagement with people who use social security and representative organisations, including gathering views on how the outcomes of the Social Security Charter are being experienced.

Work alongside Scottish Ministers, the Scottish Government, Scottish Parliament and key stakeholders

- **We will work with Scottish Ministers and the Scottish Parliament to agree a framework for dealing with requests for reports on social security that they may request from us.**
- **We will provide evidence to the Scottish Parliament’s Social Justice and Social Security Committee when requested.**
- **We will hold workshops with Scottish Government and Social Security Scotland staff to improve the shared understanding as to the role and remit of SCoSS.**

The SCoSS Board intends to develop a longer-term work programme now that appointments have been made to the Board on 1 August 2024 and this will provide a context for any requests that may be made.

Commissioners have provided evidence to the Scottish Parliament’s Social Justice and Social Security Committee when requested. In 2023-24, the Committee requested evidence from SCoSS on two occasions which were with regard to—

- Carer’s Assistance (Carer Support Payment) (Scotland) Regulations 2023 (21 September 2023); and
- Scottish Employment Injuries Advisory Council Bill (9 November 2023).

An extension to the SCoSS remit, as proposed in the Glen Shuraig review recommendations, is contained within the provisions of the Social Security (Amendment) (Scotland) Bill. The Commission intends to hold workshops, with Scottish Government and Social Security Scotland staff to improve the shared understanding as to the role and remit of SCoSS, once the legislation has completed its parliamentary passage.

Stakeholder engagement

- **We will review and update the stakeholder engagement strategy, including embedding lived experience within the strategy.**

The Board agreed a stakeholder engagement strategy at the April 2024 SCoSS Board meeting. A copy of the strategy can be accessed at—
[Stakeholder Engagement Strategy 2024-25 - Scottish Commission on Social Security \(socialsecuritycommission.scot\)](https://socialsecuritycommission.scot)

Monitoring impact of scrutiny work

- **We will develop a monitoring framework that will provide a systematic approach to monitoring the impact of SCoSS scrutiny of draft regulations.**

- **We will obtain feedback from Scottish Government, Scottish Parliament and all stakeholders who contribute to SCoSS scrutiny.**
- **We will engage with the wider policy community to obtain feedback on the impact of SCoSS scrutiny work.**

As noted above, SCoSS put in place a range of measures, in 2023-24, to improve monitoring of the impact of SCoSS scrutiny. This has included obtaining feedback from all stakeholders who contribute to SCoSS scrutiny. The Stakeholder Engagement Strategy sets out a more systematic approach, including engagement with the wider policy community, to monitoring the impact of scrutiny which will be taken forward in 2024-25.

Transparency and accessibility

- **We will publish all Minutes of Board meetings, Audit Sub-Committees and scrutiny reports on the SCoSS website.**
- **We will improve the accessibility of the SCoSS website and through publishing documents in an alternative format.**
- **We will regularly utilise social media to promote engagement and awareness of our work.**

The minutes of all Board and Audit Sub-Committee meetings and all scrutiny reports were published on the SCoSS website in 2023-24. As detailed above, measures have been taken to improve the accessibility of the website and documents are provided in HTML and PDF formats and in alternative formats if requested. SCoSS utilises 'X' (formerly Twitter) to promote all minutes of meetings and scrutiny reports. The SCoSS account has 758 followers on that social media platform.

Governance

- **We will deliver on our corporate responsibilities, ensure that we create a sound governance framework and demonstrate value for money through our audited accounts.**
- **We will work with our audit adviser to ensure effective governance, risk management, and the integrity of financial statements and annual report and accounts.**
- **We will review governance, finance, performance and assurance framework and risk register on a quarterly basis at meetings of the Audit Sub-Committee.**
- **We will review our corporate documents.**

- **We will provide induction to new Board members and identify training opportunities for Members to support their role as a Board Member of an advisory NDPB.**
- **We will implement, as appropriate, the recommendations of the independent review of SCoSS.**

SCoSS delivered its corporate responsibilities in 2023-24. During 2023-24, the Audit Adviser provided advice to the Audit Sub-Committee and the SCoSS Board on governance, performance and assurance and risk management. The Audit Adviser also attended bi-monthly meetings between the SCoSS Secretariat and Scottish Government Finance officials.

As noted above, all SCoSS corporate documents are currently in the process of being reviewed. Commissioners who joined SCoSS during 2023-24 attended induction training provided by the Scottish Government's Public Bodies Unit. Once the current Board recruitment exercise has concluded, it is intended to review Board training requirements. Lastly, a number of the review recommendations require the passage of primary legislation which is expected to take place in 2024-25 and as a result of the successful appointment of a new Chair and Board Member on 1 August 2024.

SCoSS scrutiny of draft regulations

In 2023-24, SCoSS produced eight substantive reports on draft regulations. We are pleased that 96% of SCoSS's recommendations were accepted, at least in part, by the Scottish Government (76% of recommendations were agreed to and 20% were partially agreed to). This high rate of acceptance, by the Scottish Government of our recommendations, combined with our provision of oral evidence to the Social Justice and Social Security Committee on two occasions, we consider to be indicative of a high level of impact resulting from our scrutiny work.

In undertaking scrutiny, SCoSS has not just made recommendations on the wording of draft regulations or on direct policy considerations, but has also considered the bigger picture. This reflects the fact that we are obliged to scrutinise draft regulations against the principles in the Act and these span the whole policy cycle from policy design through to continuous improvement. For example, we have consistently called on the Scottish Government to effectively assess the impact of its social security policy changes to provide as much clarity as possible for those receiving or providing advice on benefits. We have also highlighted to Scottish Government officials that we will continue to look for consistency and simplicity across benefits, where possible, as this should help to make the system easier to navigate.

Whilst we recognise that demonstrating scrutiny impact is inevitably complex, implementation of our forthcoming Stakeholder Engagement Strategy is intended to enable us to have a greater understanding of the impact of SCoSS scrutiny.

Risks facing SCoSS

As noted in last year's annual report, the SCoSS Risk Management Framework was updated in 2022-23 and these processes continued to be followed in 2023-24. Risk is considered by the SCoSS Board on a quarterly basis following advice from the Audit Sub-Committee.

The Audit Sub-Committee review the risk register at each meeting. Prior to each meeting of the Sub-Committee in 2023-24, the risk register was reviewed, by the Secretariat and the Audit Adviser, and a paper prepared for the Sub-Committee advising on whether any change to the risk register is required. Following the Audit Sub-Committee, the risk register is considered, including any changes proposed by the Sub-Committee, at the next meeting of the SCoSS Board.

Following the February 2023 meeting of the Audit Sub-Committee and subsequently the SCoSS Board, six risks were identified and are reported upon in the risk register. These remain the risks contained in the risk register and are detailed in the table below.

Risk	Response
Non- compliance with SG-SCoSS Corporate Governance Framework.	There are regular meetings between the Secretariat and Scottish Government at which corporate governance issues are discussed. In addition, the implementation of the recommendations from the Glen Shuraig review are designed to improve the governance of SCoSS. As part of the process of implementing the review recommendations, all corporate documentation which forms the corporate governance framework is in the process of being reviewed.
Loss of Board resource impacts negatively on our delivery of the Corporate Plan or the quality of the services that we deliver.	The composition of the Board was stable throughout 2023-24. As noted earlier in this report the terms of the Interim Co-Chairs and of the temporary Board member were extended, in October 2023, until 31 July 2024. A recruitment exercise took place in 2024-25 and a Chair and Member were appointed and took up their positions on 1 August 2024.
Failure by SCoSS to apply the relevant statutory controls and other controls that prevent fraud or mismanagement, misuse of the Budget.	In 2023-24, the Audit Adviser provided a source of oversight and advice to the SCoSS Board and Audit Sub-Committee with regard to controls, including statutory controls, that prevent fraud, mismanagement and mis-use of

	<p>the Budget. The Audit Adviser also provides advice and challenge to the Secretariat on these issues. In addition, the establishment of the Audit Sub-Committee provided oversight in this regard.</p> <p>The Audit Adviser's contract concluded in March 2024. In 2024-25, the Audit Sub-Committee will continue to provide oversight with regard to these issues. The Secretariat and Scottish Government Finance will also continue to meet on a bi-monthly basis to monitor the financial position of SCoSS.</p> <p>Prior to the conclusion of his contract, the Audit Adviser provided a legacy report which made a range of recommendations which sought to ensure that the loss of his post did not result in a diminution in the governance of SCoSS. The Audit Sub-Committee agreed a plan implementing the legacy report recommendations in May 2024.</p>
<p>Loss of key Secretariat staff would impact on the ability to support and service SCoSS Board.</p>	<p>As of May 2024, the Secretariat consists of five members of staff. One member of the Secretariat staff retired in January 2024. Due to the tight financial position of SCoSS in 2024-25, the Board agreed to maintain the staffing complement at five members of staff. The Board and Secretariat are confident that there is sufficient Secretariat support in place to ensure that the Board can fulfil its functions. The Board and Secretariat monitor this position on an on-going basis.</p>
<p>With the removal of the Audit Adviser's post following the completion of the current Audit Adviser contract in March 2024, there is a potential risk of failure by SCoSS to apply the relevant governance, Audit Committee controls. This could also result in a dilution of experience and knowledge for the Board in such matters and increase pressure on the SCoSS Secretariat.</p>	<p>As noted above, the Audit Adviser's legacy report made a range of recommendations intended to ensure that there is no diminution in the governance of SCoSS arising from the loss of the Audit Adviser position.</p> <p>The Audit Sub-Committee agreed, in May 2024, a plan to implement the legacy report recommendations in 2024-25.</p>

The SCoSS Budget for 2024/25 will be a challenging one with little contingency for unforeseen expenditure increasing the opportunity to over commit the budget.

In recognition of this financial position, the SCoSS Board agreed that the Secretariat and Sponsor Unit should undertake a mid-year financial review of the budgetary position for consideration by the Board. In addition, the Secretariat and SG Finance will meet on a bi-monthly basis to monitor the financial position in order that any unforeseen expenditure is rapidly identified.

Finance report

In 2023-24, SCoSS was delegated a budget of £0.45m by Ian Davidson as the Accountable Officer. This was based on SCoSS's forecasted spending requirements that were projected and reviewed at the beginning of the year. At year end, SCoSS had spent £0.413m, a £0.037m underspend against the budget. This underspend was "re-absorbed" into the overall Scottish Government spend at year end. It is worth noting that staffing costs have, in previous years, tended to account for the vast majority of SCoSS expenditure. This remained the case in 2023-24 when staffing costs accounted for 93.9% of SCoSS expenditure. For a full breakdown of SCoSS expenditure in 2023-24, please refer to Section 5 – Financial Accounts.

Forecast underspends presented to the Board during the reporting period were broadly in line with the end-year position. For example, the SCoSS Board was advised in December 2023 that forecast spend in 2023-24 was £446,597 as opposed to the end year position of £413,180. The level of underspend reflected the impact of a reduction in staff costs arising from a reduction in the number of Secretariat staff from six to five members of staff in the last couple of months of 2023-24. In addition, in light of the challenging overall financial position, the Scottish Government sought collective action to reduce expenditure in the final quarter of 2023-24. Consequently, this had an impact on expenditure incurred in the final quarter of the financial year.

In terms of the variation in the pattern of spend between 2022-23 and 2023-24 were primarily a result of increased staff costs in 2023-24 following the increase in the number of Secretariat staff that in the latter half of 2022-23. These increased costs were due to the increased size of secretariat staffing complement being in place for the entirety of the financial year which was not the case in 2022-23. In addition, the impact of pay awards in 2023-24 also resulted in increased staff costs.

Non-staff cost expenditure increased by just over £6,300 as compared to expenditure in 2022-23. This was due primarily to 'other expenditure' costs increasing as result of the costs associated with holding engagement events to inform SCoSS scrutiny of draft regulations. In addition, there was an increase in costs relating to the IT systems that SCoSS utilises and in the fee for external audit. The travel and subsistence costs incurred in 2023-24 related to holding a SCoSS Board meeting in Dundee in April 2023. Lastly, there were no publication costs

incurred in 2023-24 as a result of all SCoSS publications now being published solely on the Commission's website.

SCoSS has been delegated a budget of £450K in 2024-25. Given the pay awards made in 2023-24 and 2024-25, staffing costs will increase in 2024-25. As of June 2024, forecast expenditure in 2024-25 is forecast to be £470K. The Audit Sub-Committee and Board are actively monitoring this position. As noted above, the Secretariat and Sponsor Unit will undertake a mid-year review of the financial position whilst the Secretariat and Scottish Government finance officials meet on a bi-monthly to monitor the budgetary position.

Projects

No projects were undertaken in 2023-24.

Ian Davidson

Ian Davidson
Accountable Officer (Deputy Director, Social Security Policy)

30 August 2024

3. Accountability Report

3.1 Corporate Governance Report

This section reports on who the Members and Accountable Officer are for SCoSS's governance framework and the Accountable Officer's responsibilities. SCoSS's governance, audit functions and risk management arrangements are discussed in the Performance Report and further expanded upon in the Framework Document.

The Co-Chairs' and Members' Report

The Co-Chairs and Members

The Social Security (Scotland) Act 2018 provides that there shall be a Chair and at least two but no more than four other members. The Interim Co-Chairs and Members have been appointed to SCoSS by Scottish Ministers in line with the Code of Practice for Ministerial Public Appointments in Scotland. As of 31 March 2024 there were four Commissioners: Judith Paterson (Interim Co-Chair), Dr Mark Simpson (Interim Co-Chair), Marilyn Howard and Jackie Gulland (Temporary Board Member).

As noted in last year's annual report, Judith Paterson and Dr Mark Simpson were appointed as Interim Co-Chairs in August 2023. At the same time, a temporary Board Member, Dr Jackie Gulland was appointed to the Board by the Cabinet Secretary for Social Justice. All three appointments were initially made until 31 March 2024. In order to avoid the recruitment process for a new Chair and permanent Board Member taking place at the same time as a recruitment exercise for a Chair to the Independent Review of Adult Disability Payment (ADP) the terms of these appointments were extended³, in October 2023, to 31 July 2024. A recruitment exercise, to appoint a Chair and Board Member, took place in 2024-25. The recruitment exercise resulted in the appointment of a Chair and Member to the Board with the new Chair and Board Member taking up their positions on 1 August 2024.

An Audit Adviser, Graeme Hill, was appointed in 2022-23 in response to a previous external audit recommendation. The role of the Audit Adviser was to provide advice and challenge to the SCoSS Board and Secretariat with regard to audit, finance and governance matters. The Audit Adviser's contract concluded in March 2024. The Audit Adviser produced a legacy report which made a number of recommendations which sought to ensure that there was no diminution in the governance of SCoSS resulting from the loss of the Audit Adviser position. The Audit Sub-Committee, in February 2024, agreed to the recommendations in the report and in May 2024 agreed a plan to implement the legacy report recommendations.

The SCoSS Commissioners register any relevant interests in the SCoSS 'Register of Interests' which is published on the SCoSS website at—

³ The extensions to the terms of these appointments was agreed by the Ethical Standards Commissioner and the Cabinet Secretary for Social Justice.

<https://socialsecuritycommission.scot/publications/corporate-documents/register-of-interests/>

The Accountable Officer for SCoSS is Ian Davidson, Deputy Director, Head of Social Security Policy, Scottish Government.

There were no personal data related incidents formally reported to the Information Commissioner's Office (ICO) during the reporting period (2023-24).

Statement of Accountable Officer's responsibilities

Under Schedule 1, Chapter 4 of the Social Security Act (Scotland) 2018, the Scottish Ministers have directed SCoSS to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of SCoSS and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

In preparing the accounts, the Accountable Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to—

- Observe the accounts direction issued by the Scottish Ministers, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgments and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements;
- Prepare the financial statements on a 'going concern' basis; and
- Confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Permanent Secretary of the Scottish Government, as Principal Accountable Officer for the Scottish Administration, designated that Ian Davidson is the Accountable Officer for the Commission. The responsibilities of an Accountable Officer include responsibility for the propriety and regularity of the public finances for which the Accountable Officer is answerable, for keeping proper records and for safeguarding the Commission's assets, are set out in the Scottish Government Memorandum to Accountable Officers of Other Public Bodies and published within the Scottish Public Finance Manual.

- As Accountable Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the Commission's auditors were aware of that information.
- So far as I am aware, there is no relevant audit information of which the auditors are unaware.
- I confirm that the annual report and accounts as a whole is fair, balanced and understandable and that I take personal responsibility for the annual report

and accounts and the judgments required for determining that it is fair, balanced and understandable.

Governance Statement

As Accountable Officer, I have responsibility for maintaining a sound system of corporate governance and internal control that supports the achievement of SCoSS's policies, aims and objectives, set by Scottish Ministers, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities set out in the "Accountable Officer's Memorandum".

In the discharge of my personal responsibilities, I ensure organisational compliance with the Scottish Public Finance Manual (SPFM). The SPFM is issued by the Scottish Ministers to provide guidance to the Scottish Government and other relevant bodies on the proper handling and reporting of public funds. It sets out the relevant statutory, parliamentary, and administrative requirements, emphasises the need for economy, efficiency, and effectiveness, and promotes good practice and high standards of propriety.

The Framework Document, drawn up by Scottish Government, sets out the broad framework within which SCoSS has agreed to operate. It does not convey any legal powers or responsibilities. The relationship between the SCoSS Board and Scottish Ministers and the SCoSS Board and the Secretariat is outlined in Section 2.1 of this report entitled 'Purpose and Structure'.

Business at the Board and its Committees are governed through the Standing Orders which the Board approves and which are regularly reviewed. In addition, the Minutes of Board meetings are published on the SCoSS website.

The SCoSS Board, in 2023-24, met a total of eleven times during the reporting period with the attendance rate of Board Members detailed below.

Member	Board Meetings attended
Judith Paterson	11
Mark Simpson	10
Jackie Gulland	8
Marilyn Howard	11

In addition to the SCoSS Board, there are two sub-committees, namely the Audit Sub-Committee and the Charter Sub-Committee. The rules governing the operation of the sub-committees are set out in the Standing Orders.

The Board established an Audit Sub-Committee to support it in its responsibilities on risk, governance and assurance.

The Audit Sub-Committee advises the Board and the Accountable Officer on the effectiveness of the internal control system. This includes considering risk matters at each meeting, and scrutinising financial management and the annual report and accounts.

Membership of the Commission can be found in the Co-Chairs' and Members' Report. The Members of the Audit Sub-Committee are Judith Paterson and Dr Mark Simpson.

The Audit Sub-Committee met on a quarterly basis in 2023-24. The minutes of all meetings of the Audit Sub-Committee are published on the SCoSS website.

The Charter Sub-Committee was established to manage the scrutiny work of the Commission in relation to the Social Security Charter. The rules governing the operation of the Charter Sub-Committee were agreed by the SCoSS Board in January 2024 and are set out in the SCoSS Standing Orders. The members of the Charter Sub-Committee are Dr Mark Simpson and Dr Marilyn Howard.

Since the establishment of SCoSS, no written authorities have been provided to the Accountable Officer; there have been no lapses of data security; and no significant risk-related matters have arisen.

Accountability for governance

The governance and accountability framework document, based on a Scottish Government document for use across all NDPBs, sets out the broad framework within which we operate and defines key roles and responsibilities which underpin the relationship between us and the Scottish Government. We are held accountable against this framework through regular accountability meetings with our sponsor department in the Scottish Government.

Financial management

The Scottish Government sets a budget for our administration. We allocate that budget internally based on activity required to deliver our core functions and our strategic priorities. That budget allocation is discussed with and approved by the Board. We carry out regular budget reviews of expenditure and the Board is presented with papers detailing our financial position on a quarterly cycle to enable oversight of our financial performance.

This governance statement relates to SCoSS's governance system as it applied during 2023-24 and up to the date of approval of the annual report and accounts. Scottish Government Internal Audit carry out a programme of reviews across the range of Scottish Government corporate systems which are used by SCoSS. The Audit Adviser also provided advice and challenge, in 2023-24, in relation to SCoSS financial management and audit processes. No issues have been identified as a result of Scottish Government internal audit reviews that would affect SCoSS. The 2023/24 Scottish Government Internal Audit Annual Assurance Report outlined a reasonable assurance opinion and detailed plans to implement Oracle Cloud from October 2024.

The operation of the governing Board is referred to at 'Purpose and Structure' [Section 2.1].

The main features that support regular monitoring, review and assurance are detailed in the Performance Report.

Risk management

We have a risk management framework which was subject to a major review in 2022. The framework sets out how we manage risk, and the different roles and responsibilities in the risk management cycle. The framework includes a corporate risk register which sets out our biggest and cross organisation risks. The framework includes the Board's risk appetite in a number of areas which drives our response to the risks that we face.

A detailed assessment of SCoSS's risk management arrangements is referred to at 'Risks facing SCoSS' [Section 2.2].

An assessment of corporate governance arrangements is provided in the Governance section of the Performance Report [Section 2.1].

An independent, external review of SCoSS governance was commissioned by the Scottish Government. An improvement plan implementing the recommendations of the review was progressed in 2023-24.

External Audit Recommendations: 2022-23

There was one recommendation from Audit Scotland in the 2022-23 audit which is noted below alongside commentary on the corresponding action taken. There were no outstanding recommendations from previous audits which required action.

2022-23 Recommendation One (Financial Sustainability): The SCoSS secretariat should continue to work closely with Scottish Government finance to maintain effective financial monitoring and plan a response to potential budget pressures in future years.

The SCoSS Secretariat has met on a bi-monthly basis throughout 2023-24 with Scottish Government finance officials in order to monitor the SCoSS financial position and ensure that any budget pressures that may arise are effectively responded to. These bi-monthly meetings have continued in 2024-25.

3.2 Remuneration and Staff Report

All secretariat staff working for SCoSS are civil servants employed by the Scottish Government and bound by the Civil Service Code and other civil service requirements as to their conduct, impartiality and confidentiality. Changes to pay and conditions are made in line with wider Scottish Government arrangements. The SCoSS budget is reviewed to reflect any changes to staff remuneration.

Members of SCoSS, including the Co-Chairs, are non-executive appointments made by the Scottish Ministers in line with the Code of Practice for Ministerial Public Appointments in Scotland. The role of Members is to contribute their expertise to the development of high quality reports, provide direction, support and guidance to

ensure the body delivers and is committed to delivering its functions effectively and efficiently and in accordance with the aims, policies and priorities identified within the 2018 Act.

The Co-Chairs and Members have been appointed to SCoSS through a public appointment round that is regulated and monitored by the Ethical Standards Commissioner. As such, their pay and conditions are the responsibility of the Public Appointments branch of the People Directorate within the Scottish Government.

Remuneration (daily fees), allowances and expenses paid to the Co-Chairs and Members must comply with the SG Pay Policy for Senior Appointments and any specific guidance on such matters issued by the Scottish Ministers.

SCoSS Board Member, Staff and Accountable Officer Costs

The analysis of board members costs, staff numbers and costs and accountable officer costs disclosed below, and the fair pay disclosure, form the audited part of the remuneration and staff report.

Member	31 March 2024 £'000	31 March 2023 £'000
Judith Paterson	10-15	5-10
Mark Simpson	5-10	5-10
Jackie Gulland	0-5	-
Marilyn Howard	0-5	0-5
Sally Witcher	-	15-20
Sharon McIntyre	-	0-5

In addition, in 2023-24, the Audit Adviser received remuneration in the range £0 - £5,000 (2022-23: £0 - £5,000).

Accountable Officer

Ian Davidson, Deputy Director, Social Security Policy, is the Accountable Officer for SCoSS during the reporting period. He is a full-time employee of the Scottish Government and his salary was paid directly from the Scottish Government budget. SCoSS did not contribute to his pay, benefits or pension. He also received no bonuses or benefits in kind.

Accountable Officer	31 March 2024 Basic Pay Range £'000	31 March 2024 Bonus Payments £'000	31 March 2024 Benefits in Kind £'000
Ian Davidson	85-90	0	0
Accountable Officer	31 March 2023 Basic Pay Range £'000	31 March 2023 Bonus Payments £'000	31 March 2023 Benefits in Kind £'000
Ian Davidson	85-90	0	0

Remuneration for the Accountable Officer reflects the total amount received in both his roles as Deputy Director of Social Security Policy and no apportionment has been made for his role as Accountable Officer of SCoSS.

In respect of the Accountable Officer's pension benefits, the liability sits with the Scottish Government.

Staff Report

The staff report contains information relating to staff numbers and costs. As of 31 March 2024, SCoSS did not employ any Senior Civil Servants. As noted above, the SCoSS Secretariat are all civil servants, employed by the Scottish Government and on Scottish Government Pay, Terms & Conditions.

FTE	31 March 2024	31 March 2023
Permanent staff	5	5.5
Temporary staff	0	0
Total	5	5.5

Staff costs for SCoSS, in 2023-24, are set out below.

Staff costs	2023-24 £	2022-23 £
Wages and Salaries	255,559	176,267
Social Security Costs	28,765	20,355
Other Pension Costs	70,378	47,909
SCoSS Board Members Fees	30,327	35,127
Interim Manager Costs	0	44,884
Staff Leave Adjustment	2,832	(3,945)
Total	387,861	320,597

Staff Composition & Sickness Absence

Due to the low number of staff working in SCoSS, this data cannot be disclosed without risk of identifying individual members of staff and breaching data security. This has therefore been omitted from the report.

Trade Union Time Disclosure

SCoSS had no employees who were relevant trade union officials during 2023-24.

Trade Union Time Regulations 2017 came into force on 1 April 2017. The regulations place a requirement on public sector employers to publish information relating to facility time taken by union representatives. There are no separate arrangements in place for us to publish information relating to facilities time and the requirements are covered within the main Scottish Government annual report and accounts. As an organisation, SCoSS is part of the Scottish Government main bargaining arrangements.

Exit Packages

There were no exit packages in 2023-24.

Fair Pay Disclosure

The FReM requires bodies to disclose the ratio of the mid-point of the highest paid director's remuneration to the median remuneration of the body's staff. The FReM also requires bodies to disclose the equivalent ratio for the staff member in the lower and upper quartile. In addition, the FReM also requires disclosure of the percentage change from the previous year for salary and allowances, performance pay and bonuses in respect of the highest paid director and the employees of the body taken as a whole.

SCoSS does not employ any staff or have any Board Members that fulfil the role of a Director or have Directorial responsibilities. In addition, the Accountable Officer does not have Directorial responsibilities and his principal role is as a Deputy Director (Social Security Policy) within the Scottish Government. The SCoSS Secretariat are all employed as Scottish Government civil servants. In addition, the staff complement within the SCoSS Secretariat is extremely small. The number of staff employed ranged from six members of staff to five members of staff towards the end of the reporting period. On that basis, it is not considered to be appropriate or proportionate to make a fair pay disclosure given the organisational structure of SCoSS and the small number of individuals employed within SCoSS.

Equal opportunities and diversity

The Social Security Policy Division works in conjunction with SCoSS to ensure that HR policies, practices and systems comply with employment and equality legislation, and standards expected of public sector employers. All SCoSS's permanent staff, as Scottish Government employees, are covered by Scottish Government policies including its Delivering Diversity and Equality policy. Further to this, SCoSS also relies on Scottish Government disability policies, which covers areas such as how we fill posts, monitoring and discussing performance and providing reasonable adjustments.

The Scottish Government is also committed to providing all staff, including the SCoSS Secretariat, with opportunities for learning to help staff understand what valuing diversity means in practice, and how to take action to build an inclusive workplace culture.

The Co-Chairs and Board Members appointees also adhere to the Code of Practice for Ministerial Appointments to Public Bodies in Scotland in which Diversity and Equality remains a core principle and are expected to abide by the Civil Service Code.

They also have a responsibility to make sure that they are familiar with, and that their actions comply with, the provisions contained within the agreed Code of Conduct for Board Members which was approved in June 2022. The current Code of Conduct is

in the process of being reviewed as part of the wider review of all corporate documentation.

3.3 Parliamentary Accountability Report

Contingent liabilities

SCoSS are required to disclose any legally enforceable undertakings given in the form of a guarantee or indemnity which would bind the body into providing the resources in the event of the guarantee or indemnity maturing; or a letter or general statement of comfort which could be considered to impose a moral financial obligation. SCoSS is also required to report any liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of contingent liability under IAS37.

There are no contingent liabilities, or remote contingent liabilities, to report.

Losses and special payments

In accordance with the SPFM, we are required to disclose losses and special payments above £300,000. During 2023-24, there were no losses or special payments within this criteria (2022-23: £nil).

Gifts and Charitable Donations

There were no gifts made during the year (2022-23: nil). There were no charitable donations made during the year (2022-23: nil).

Fees and Charges

The fees and charges guidance in the SPFM require charges at market rates whenever applicable. SCoSS has nothing to report for the period to 31 March 2024 relating to fees and charges.

Ian Davidson

Ian Davidson
Accountable Officer (Deputy Director, Social Security Policy)

30 August 2024

4. Independent Auditor's Report

Independent auditor's report to the members of Scottish Commission on Social Security, the Auditor General for Scotland and the Scottish Parliament

Reporting on the audit of the financial statements

Opinion on financial statements

I have audited the financial statements in the annual report and accounts of Scottish Commission on Social Security for the year ended 31 March 2024 under the Public Finance and Accountability (Scotland) Act 2000. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayer's Equity and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the 2023/24 Government Financial Reporting Manual (the 2023/24 FReM).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of the body's affairs as at 31 March 2024 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2023/24 FReM; and
- have been prepared in accordance with the requirements of the Social Security (Scotland) Act 2018 and directions made thereunder by the Scottish Ministers.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Auditor General for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Auditor General on 2 December 2022. My period of appointment is five years, covering 2022/23 to 2026/27. I am independent of the body in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on the body's current or future financial sustainability. However, I report on the body's arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland website](#).

Risks of material misstatement

I report in my separate Annual Audit Report the most significant assessed risks of material misstatement that I identified and my judgements thereon.

Responsibilities of the Accountable Officer for the financial statements

As explained more fully in the Statement of Accountable Officer's Responsibilities, the Accountable Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accountable Officer is responsible for assessing the body's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue the body's operations.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- using my understanding of the central government sector to identify that the Social Security (Scotland) Act 2018 and directions made

thereunder by the Scottish Ministers are significant in the context of the body;

- inquiring of the Accountable Officer as to other laws or regulations that may be expected to have a fundamental effect on the operations of the body;
- inquiring of the Accountable Officer concerning the body's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among my audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the body's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Reporting on regularity of expenditure and income

Opinion on regularity

In my opinion in all material respects the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

Responsibilities for regularity

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. In addition to my responsibilities in respect of irregularities explained in the audit of the financial statements section of my report, I am responsible for expressing

an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Reporting on other requirements

Opinion prescribed by the Auditor General for Scotland on audited parts of the Remuneration and Staff Report

I have audited the parts of the Remuneration and Staff Report described as audited. In my opinion, the audited parts of the Remuneration and Staff Report have been properly prepared in accordance with the Social Security (Scotland) Act 2018 and directions made thereunder by the Scottish Ministers.

Other information

The Accountable Officer is responsible for the other information in the annual report and accounts. The other information comprises the Performance Report and the Accountability Report excluding the audited parts of the Remuneration and Staff Report.

My responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on the Performance Report and Governance Statement to the extent explicitly stated in the following opinions prescribed by the Auditor General for Scotland.

Opinions prescribed by the Auditor General for Scotland on Performance Report and Governance Statement

In my opinion, based on the work undertaken in the course of the audit:

- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Social Security (Scotland) Act 2018 and directions made thereunder by the Scottish Ministers; and
- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Social Security (Scotland) Act 2018 and directions made thereunder by the Scottish Ministers.

Matters on which I am required to report by exception

I am required by the Auditor General for Scotland to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited parts of the Remuneration and Staff Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to my responsibilities for the annual report and accounts, my conclusions on the wider scope responsibilities specified in the Code of Audit Practice are set out in my Annual Audit Report.

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 108 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Lisa Duthie

Lisa Duthie
Senior Audit Manager

Audit Scotland
8 Nelson Mandela Place
Glasgow
G2 1BT

30 August 2024

5. Financial Accounts

5.1 Introduction

This statement of accounts reports the results of the Scottish Commission on Social Security for the year from 1 April 2023 to 31 March 2024. It has been prepared in accordance with the Accounts Direction given by the Scottish Ministers under section 19(4) of the Public Finance and Accountability Scotland Act 2000. These financial statements were authorised for issue by Ian Davidson as the Accountable Officer, on 30 August 2024

5.2 Statement of Comprehensive Net Expenditure for the year ended 31 March 2024

	Note	2023-24 £	2022-23 £
Staff costs	2	387,861	320,597
Purchase of Goods & Services	3	25,319	19,015
Total Operating Expenditure		413,180	339,612
Net Operating Expenditure		413,180	339,612

No activities were discontinued during the year.

5.3 Statement of Financial Position as at 31 March 2024

	Notes	2023-24 £	2022-23 £
Non-Current Assets		0	0
Current Assets	4	30,034	23,359
Total Assets		30,034	23,359
Current Liabilities			
Trade & Other Payables	5	(30,034)	(23,359)
Total Current Liabilities		(30,034)	(23,359)
Total Assets less Liabilities		0	0
Taxpayers Equity and other reserves			
General Fund	SoCTE	0	0
Total Taxpayers Equity		0	0

Ian Davidson

Ian Davidson
Accountable Officer (Deputy Director, Social Security Policy)

30 August 2024

5.4 Statement of Cash flows for the year ended 31 March 2024

		2023-24
Cash flow from Operating Activities		£
		2023-24
		£
Comprehensive net expenditure for the year	SoCNE	(413,180)
Movements in working capital: Increase/(Decrease) in Payables ⁴	5	6,675
Net Cash flow from Operating Activities		(406,505)
Net Cashflow from Investing Activities		0
Cashflow from Financing Activities		(406,505)
Funding from Scottish Government	SoCTE	383,146
Funding from Scottish Government prior year ⁵	4	23,359
Net Cash Inflow from Financing Activities		406,505
Net Increase /(Decrease) in Cash & Cash Equivalents		0

⁴ Movements in working capital excludes movements in receivables which did not pass through the SoCNE.

⁵ This amount is funding received from the Scottish Government in relation to the prior year. The prior year funding is to cover accruals as SCoSS is funded on a cash basis.

	Note	General Fund
		2022-23 £
Comprehensive net expenditure for the year	SoCNE	(339,612)
Movements in working capital: Increase/(Decrease) in Payables ⁶	5	(13,216)
Net Cash flow from Operating Activities		(352,828)
Net Cashflow from Investing Activities		0
Cashflow from Financing Activities		(352,828)
Funding from Scottish Government	SoCTE	316,253
Funding from Scottish Government prior year ⁷	4	36,575
Net Cash Inflow from Financing Activities		352,828
Net Increase / (Decrease) in Cash & Cash Equivalentents		0

⁶ Movements in working capital excludes movements in receivables which did not pass through the SoCNE.

⁷ This amount is funding received from the Scottish Government in relation to the prior year.

5.5 Statement of Changes in Taxpayer's Equity for the Year Ended 31 March 2024

	Notes	General Fund
Balance at 31 st March 2023		0
Comprehensive net expenditure for the year	SoCNE	(413,180)
Funding Receivable	4	30,034
Net Funding		383,146
Balance at 31st March 2024		0

	Notes	General Fund
Balance at 31 st March 2022		0
Comprehensive net expenditure for the year	SoCNE	(339,612)
Funding Receivable ⁸	4	23,359
Net Funding		316,253
Balance at 31st March 2023		0

⁸ Funding has been accrued in respect of the payables due. This receivable funding has been credited directly to the general fund and does not pass through the SoCNE.

5.6 Notes to the Accounts for the year ended 31 March 2024

1. Statement of accounting policies

In line with Schedule 1, Chapter 4 of the Social Security (Scotland) Act 2018, and in accordance with the accounts direction issued by the Scottish Ministers under section 19(4) of the Public Finance and Accountability (Scotland) Act 2000, these financial statements have been prepared in accordance with the Government Financial Reporting Manual (FReM) 2023-24 issued by HM Treasury.

The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRSs) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be the most appropriate to the particular circumstance for the purpose of giving a true and fair view has been selected. The particular policies adopted by SCoSS are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

In accordance with the FReM these accounts have been prepared on a going concern basis, which provides that the organisation will continue in operational existence for the foreseeable future.

(a) Accounting convention

The accounts are prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment and intangible assets to fair value as determined by the relevant accounting standard.

(b) Value added tax

SCoSS is registered for VAT as part of the Scottish Government VAT group registration which is responsible for recovering VAT on behalf of the Commission. Irrecoverable tax is charged to the relevant expenditure category.

(c) Receivables

The accounts have been prepared on an accruals basis and all material amounts due as at 31 March 2024 have been brought into the account irrespective of when actual payments were received. These can be found below in Note 4.

(d) Payables

The accounts are prepared on an accruals basis and all material amounts outstanding as at 31 March 2024 should be brought into account irrespective of when actual payments were made. These can be found below in Note 5.

(e) Pensions

Pension benefits are provided through the Principal Civil Service Pension Scheme (PCSPS) and the Civil Service and Other Pension Scheme (CSOPS). These are unfunded multiemployer defined benefit schemes in which SCoSS is unable to identify its share of the underlying assets and liabilities of the scheme. Therefore, SCoSS has accounted for the contributions to the scheme as if it was a defined contribution scheme. This is in accordance with FReM requirements.

(f) Short Term Employee Benefits

A liability and an expense are recognised for holiday pay and other short term benefits when employees render their service thereby increasing their entitlement to these benefits. Accruals are recognised for material amounts in respect of these benefits earned but not taken or paid at the date of the Statement of Financial Position.

(g) Going concern

The accounts have been prepared on the going concern basis, which provides that the organisation will continue in operational existence for the foreseeable future. SCoSS has no reason to believe that Scottish Ministers intend to withdraw support to the organisation, and funding for 2024-25 has been confirmed in the Budget Act. It is therefore considered appropriate to prepare the accounts on a going concern basis. An operating budget will be set annually as part of the SG's normal budget process.

(h) Disclosure of new accounting standards

SCoSS has considered the impact of new accounting standards issued but not yet in effect. There is no expected impact on SCoSS.

2. Staff costs

Staff costs in 2023-24 amounted to £387,861 (2022-23 - £320,597). Staff costs include directly-employed staff, interim managers & staff related expenditure. A breakdown of these costs is given in the Remuneration and Staff Report.

3. Purchase of Other Goods & Services

	2023-24 £	2022-23 £
Audit Fee	8,470	7,507
Recruitment	0	75
Publications	0	1,010
Travel & Subsistence	573	0
IT	7,444	5,991
Website Costs	4,276	4,340
Other Expenditure	4,556	92
Total	25,319	19,015

4. Trade Receivables & Other Current Assets

	2023-24 £	2022-23 £
Other Receivables	30,034	23,359
Total Receivables	30,034	23,359

£30,034 (2022-23 - £23,359) other receivables is for cash from Scottish Government Funding that will be used to cover the 2023-24 accruals balance when paid next year.

5. Current Liabilities

	2023-24	2022-23
Audit Fees	5,730	5,329
Staff Flexi Leave Accrual	2,628	2,159
Staff Annual Leave Accrual	14,759	12,396
Other	6,917	3,475
Total Payables	30,034	23,359

6. Depreciation & Impairment Charges

SCoSS does not have any assets and there have been no impairments.

7. Other Operating Expenditure

SCoSS does not have any Other Operating Expenditure.

8. Property, Plant and Equipment

SCoSS did not have any assets or IFRS 16 leases, as at 31 March 2024.

9. Related Party Transactions

SCoSS is an advisory non-departmental public body and it considers that the Scottish Government is a related party within this context. During the year the Commission has had a number of material financial transactions with the Scottish Government including—

- All permanent staff are Scottish Government employees;
- SCoSS uses Scottish Government estates, HR & Financial systems and relies on a number of other Scottish Government services;
- SCoSS ledger is part of the wider SG Core accounts hierarchy;
- All financial transactions are set up, processed and paid via Scottish Government financial systems; and
- Neither the Board Members nor any key managerial staff have undertaken any material transactions with SCoSS during the year.

10. Capital Commitments and contingent liabilities

There are no capital commitments or contingent liabilities.

11. Third Party Assets

SCoSS has no third party assets to report.

12. Events after the reporting period date

There have been no further events after the end of the reporting period to report or which would have a material effect on the accounts.

6. Annex: Accounts Direction

Scottish Commission on Social Security

DIRECTION BY THE SCOTTISH MINISTERS

1. The Scottish Ministers, in accordance with Schedule 1 (Chapter 4(12)) of the Social Security (Scotland) Act 2018 hereby give the following direction.
2. The statement of accounts for the financial period ended 31 March 2021, and subsequent years shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FReM) which is in force for the year for which the statement of accounts are prepared.
3. The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cashflows for the financial year, and of the state of affairs as at the end of the financial year.
4. This direction shall be reproduced as an appendix to the statement of accounts.

Signed by the authority of the Scottish Ministers.

Dated 18 May 2021

Yours sincerely,



Ian Davidson
Deputy Director
Scottish Government
Social Security Directorate