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Directorate for Internal Audit and Assurance

Internal Audit Report

Social Security Scotland 2021-22

Review of Chief Digital Office Transition into Social Security Scotland

(Phase 1 & 2)

Directorate for Internal Audit and Assurance

Issue Date: 3-02-2022

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Report Distribution

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* Final Report only

Contents

1. Introduction	4
1.1. Introduction	Error! Bookmark not defined.
1.2. Audit Scope	Error! Bookmark not defined.
1.3. Recommendations	Error! Bookmark not defined.
2. Management Action Plan	6
2.1. Management Action Plan	6
3. Findings, Good Practice and Improvement Opportunities	15
3.1. Good Practice	15
3.2. Improvement Opportunities	18
Annex A – Terms of Reference	24

1. Introduction

1.1. Introduction

This internal audit review of Chief Digital Office Transition into Social Security Scotland formed part of the Audit Plan agreed by the Accountable Officer and noted by the Audit and Assurance Committee in February 2021. The Accountable Officer for Social Security Scotland is responsible for maintaining a sound system of governance, risk management and system of internal control that support the achievement of the organisations policies, aims and objectives.

1.2. Audit Scope

The scope of this review was to evaluate and report on the controls in place to manage the risks surrounding Social Security Scotland's arrangements for the transition of Chief Digital Office into the organisation. This work took place over two phases from April to December 2021 and consisted of a review of the readiness for transition and reflection post transition.

The agreed Terms of Reference for this review is attached at [Annex B](#).

1.3. Assurance and Recommendations

Assurance Category	Reasonable		
Recommendations Priority	High	Medium	Low
	0	3	2

Our review has identified three medium and two low priority recommendations across phase one and two. A reasonable assurance rating has been provided. Some improvements are required to enhance the adequacy and effectiveness of procedures. There are weaknesses in the risk, governance and/or control procedures in place but not of a significant nature.

The rationale for this is that Chief Digital Office undertook a successful project to transition into Social Security Scotland. However, we found some issues in the ownership and responsibility from Social Security Scotland in the transition as well

as weaknesses in the communications arrangements, finance arrangements and imbedding culture, from the readiness of transition to the reflections post transition.

Findings are summarised against recommendations made in the [Management Action Plan](#).

Full details of our findings, good practice and improvement opportunities can be found [in section 3 below](#).

Please see [Annex A](#) for the standard explanation of our assurance levels and recommendation priorities.

2. Management Action Plan

2.1. Management Action Plan

Our findings are set out in the Management Action Plan below:

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
1	Issue: Oversight of Transition a) Oversight and plans for the transition were mainly established and managed by Chief Digital Office and didn't take into account Social Security Scotland staff. b) Lack of risk management arrangements in the planning of the transition. c) Lack of representation in the implementation and look back at the transition from colleagues in wider Social Security Scotland.	In planning for future transition projects: a) Social Security Scotland should ensure there is sufficient input and evidence of consideration of oversight and plans from Social Security Scotland to ensure there is clear understanding of the impact on stakeholders, interdependencies and action to be taken to support the transition and ensure it is successful.	M	Response: We are content to accept this recommendation. Action: Oversight of plans and assurance that there is a clear understanding of impacts, interdependencies and actions to support future transitions (or equivalent-level changes) will be driven through our annual business planning process. Each year, business plans will be developed via collaborative, cross-Agency working, overseen by the Agency Leadership Team and supported by our Organisational Strategy Team. Built into the process will be the requirement to assess	April 2022

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	Risk: Key stakeholders are not aware of and/or consulted in the transition leading to gaps in the arrangements, a lack of understanding of interdependencies and failure to manage risk resulting in the failure of the process.	b) Evidence of risk management should be embedded to ensure consideration of risks have been taken account of throughout the life of the project. c) Social Security Scotland should ensure they have a voice and representation in future transitions.		<p>individual priority pieces of work proposed for inclusion in the draft Plan on the basis of their cross-organisational benefits and impacts. Final decisions on the Business Plan will be informed by an analysis of Agency risks, input by our Risk Team who will also be involved in the end-to-end process.</p> <p>We are implementing this action already. Although not specifically a staff transfer project, as there are staff implications, we have already engaged with the transition project for services moving from Social Security Directorate Programme to Social Security Scotland. A plan for this is already in place and has been agreed with the Project Steering Group. It is a rolling plan that will be updated as more details around transition become available.</p> <p>Action Owner:</p>	

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
				[Redacted], Head of Strategy and Corporate Support and [Redacted], Internal Communications and Staff Engagement Senior Manager.	
2	<p>Issue: Communications</p> <p>In preparation for the transition, communications for Chief Digital Office colleagues were led by Chief Digital Office. The impact to Social Security Scotland wasn't fully considered by Social Security Scotland communications until the latter stages. Since the transition, Chief Digital Office maintains an internal communications function that engages regularly with corporate communications.</p> <p>Risk:</p>	<p>In lessons learnt to feed into communications for future transition of staff, management should:</p> <p>a) Ensure the impact on Social Security staff is considered and documented via appropriate communication plans</p> <p>b) Take ownership of a Social Security Scotland approach to ensure communication to Social Security Scotland colleagues and those transitioning in is joined up with a full understanding of</p>	M	<p>Response:</p> <p>We recognise this issue and agree with the finding and are happy to accept the recommendations.</p> <p>Action:</p> <p>We will work with People Services colleagues and projects to make sure the communication team is engaged early in any staff transfers into Social Security Scotland. We will allocate a communications account manager to develop an insight based strategic communications and engagement plan. We would intend that Social Security Scotland as the organisation that people are joining should take the lead role in communications. This plan should incorporate communication from Social Security Scotland</p>	Complete

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	Inefficient and ineffective communication and engagement in relation to the transition resulting in key stakeholders being unaware of or not consulted in the transition leading to resistance to change, a lack of understanding of the transition and an inability to complete the process effectively and achieve planned outcomes.	<p>the communication requirements</p> <p>c) Ensure the completion of existing communication plans which exceeded the transition date</p> <p>d) Consider controls in place are working effectively around local communication arrangements.</p>		<p>to colleagues due to join and to keep colleagues within Social Security Scotland up to date. Any plan will be developed with relevant colleagues from both Social Security Scotland and the place people are transferring from. We would aim to have a plan in place a minimum of three months out from a transfer but we would aim to do this further in advance subject to being engaged far in enough in advance and having information we would require available. Plans will be taken through project or other governance routes as appropriate.</p> <p>We would anticipate that People Services should map any specific roles impacted and that communication to these colleagues will not be managed through corporate communications but through support from People Services and line management. We will</p>	

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
				<p>provide key messages in the strategic communication and marketing plan to line managers to support them with one-to-one conversations.</p> <p>Action Owner: [Redacted], Internal Communications and Staff Engagement Senior Manager</p>	
3	<p>Issue: Lessons Learnt and Outstanding Actions</p> <p>a) Some lessons learnt activities have taken place to reflect on the transition. These were internal to the Chief Digital Office division and Social Security Scotland HR Business Partner and not reflect Social Security Scotland as a whole.</p>	<p>a) Lessons learnt should be formally captured while reflections are fresh, this should involve all parties and be wider than project Gotham.</p> <p>b) There should be appropriate arrangements in place to ensure outstanding actions are completed, with processes for tracking and oversight.</p>	L	<p>Response: We recognise these issues and agree with the findings and are happy to accept the recommendations.</p> <p>Action: More formal Lessons Learned sessions are in the process of being set up with the wider pool of stakeholders involved in Project Gotham. A small sub-group tasked with LL and Continuous Improvement has been set up within CDO to handle this, but we will extend invitations to Social Security Scotland staff that were involved in Project Gotham. [Redacted] now sits on the Social</p>	November 2021

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	<p>b) Since the project has been retired, there is no clear route for tracking outstanding tasks to be completed.</p> <p>c) Formal lessons learnt undertaken in December 2021 did not include representatives from the wider organisation out with those involved in project Gotham.</p> <p>Risk: Lack of lessons learnt captured leading to missed opportunity or risk of repeating issues resulting in ineffective processes post transition.</p>	c) Where relevant, colleagues from wider business areas across Social Security Scotland, should participate in lessons learnt activities planned for 2022.		<p>Security Directorate Lessons Learned group to share LL with appropriate Programme colleagues as they discuss wider transition of roles and/or functions to Social Security Scotland.</p> <p>Additionally, the Lessons Learned from the several informal CDO sessions that occurred immediately post Project Gotham will be shared with the new wider group.</p> <p>Action Owners: [Redacted] and [Redacted], Chief Digital Office Business Management Unit.</p>	
4	Issue: Weaknesses in Imbedding Culture	<p>Chief Digital Office should:</p> <p>a) Review all staff objectives to ensure alignment with Social</p>	L	Response: We recognise these issues and agree with the findings and are happy to accept the recommendations.	March 2022

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	<p>a) Staff objectives have not been realigned to incorporate Social Security Scotland's vision and values.</p> <p>b) New Chief Digital Office policies are being developed in Social Security Scotland format, however existing policies are yet to be revised.</p> <p>c) Chief Digital Office job adverts do not refer to the vision and values of Social Security Scotland, in line with other areas of the business.</p> <p>d) Training has not been adapted to meet the needs of Chief Digital Office staff.</p> <p>Risk:</p>	<p>a) Security Scotland standard content and incorporate the organisation's vision and values.</p> <p>b) Review existing policies to realign formatting and ensure the vision and values are reflected.</p> <p>c) Consider review of Chief Digital Office job adverts to include standard wording in line with Social Security Scotland approach for promoting the vision and values.</p> <p>d) Social Security Scotland management should ensure suitable training has been considered in advance of future transitions.</p>		<p>Action:</p> <p>a) Review of all staff objectives will be undertaken to align with Mid-Year and End-Year Review processes.</p> <p>b) Existing policies will be undergoing reviews, this process has been agreed by CDO Senior Management Team</p> <p>c) Work is now underway alongside Social Security Scotland resourcing colleagues to adopt a 'hybrid' approach that allows for technical specificity whilst highlighting the organisation's visions and values.</p> <p>d) Lessons have been learnt and it has been acknowledged that future induction training will be more appropriate tailored for training needs and personnel.</p>	

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	Failure to imbed Social Security Scotland culture and values resulting in an inability to achieve the organisations objectives.			Action Owner: [Redacted], Chief Digital Office Business Management Unit (a,b,c) [Redacted] Corporate Assurance Lead /[Redacted], Head of Corporate Services (d)	
5	Issue: Lack of clarity in Chief Digital Office costs Some Chief Digital Office costs have still to be distinguished and agreed between Chief Digital Office and Social Security Directorate. Risk: Lack of arrangements in place to accurately determine and allocate costs resulting in budgets not being clear leading to an inability to operate Chief Digital Office and deliver for Social Security Scotland.	Chief Digital Office should continue to work with finance colleagues in the Social Security Directorate to ensure all Chief Digital Office costs are clear and arrangements in place to ensure costs are correctly accounted for and are known for the budget setting process..	M	Response: The issue identified reflects the size and complexity of a Digital division that supports both the Agency and demand led activity from the Social Security Programme with some major financial decisions on technology components that are still in delivery and transition stages. Action: Following transition into Social Security Scotland a Chief Digital Office Financial Efficiency and Improvement function has been established that will ensure ongoing collaboration with Social Security Directorate and Social Security Scotland Finance to review the operational budgets for FY 2021-22 and beyond, agreeing ownership of costs as	September 2022

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
				<p>Benefits are delivered and supporting the wider Transition Projects Activity.</p> <p>The Chief Digital Office Financial Efficiency and Improvement function have established and will continue to maintain a working relationship with Social Security Scotland Finance and Social Security Procurement to agree ownership of costs for contract awards and renewals to ensure the effectiveness of Chief Digital Office to support the delivery of Benefits and the requirements of Social Security Scotland.</p> <p>Action Owner: [Redacted]</p>	

3. Findings, Good Practice and Improvement Opportunities

3.1. Good Practice

Readiness for transition Governance

- 3.1.1. We obtained evidence that demonstrated Chief Digital Office led a successful project (Project Gotham) to smoothly transition into Social Security Scotland. Suitable members from Chief Digital Office Business Management Unit, supported by colleagues such as the Technical Platform Owner and Communications Manager, were identified to lead the project and key personnel from Social Security Scotland Human Resources and Finance provided input. Social Security Directorate Finance colleagues were also key to the transition and provided a clear link between Chief Digital Office and the Social Security Directorate. Appropriate oversight of the project was led by the Chief Digital Officer as Senior Responsible Officer. The project plans were taken to Social Security Scotland's Agency Leadership Team in advance of the transition and we evidenced good practice in fortnightly project meetings and a detailed project plan with milestones to track progress.
- 3.1.2. We evidenced suitably realigned governance arrangements from the transition into Social Security Scotland. The Chief Digital Officer had an established role within Social Security Scotland's governance arrangements well in advance of the transition on 1 April 2021 through membership on the Executive Team. Chief Digital Office also continue to have representation at key governance boards within both Social Security Directorate and Social Security Scotland. Examples of this include representation at the Agency Leadership Team, Change Board, Delivery Board and Programme Board. From reflections provided on the transition, it was highlighted that the move has strengthened the governance of the Chief Digital Office, allowing more presence and a weighted Social Security Scotland voice in discussions with the Social Security Directorate.
- 3.1.3. Realignment of governance was also evident at an operational level with Chief Digital Office representation in workforce planning and the Social Security

Scotland Risk Group. Also, as a result of the transition, the procurement function was merged with existing Social Security Scotland team to avoid duplication.

- 3.1.4. As Chief Digital Office became a division within Social Security Scotland there was an opportunity to realign all digital roles within Social Security Scotland to Chief Digital Office. This has resulted in existing roles within other departments being moved into the Chief Digital Office division, providing consistency in digital services.
- 3.1.5. Good practice was found in the step taken to imbed the finances of Chief Digital Office. We evidenced input from the Social Security Directorate and Social Security Scotland Finance colleagues on the lead up to the transition to ensure budget arrangements were transferred. The Chief Digital Office have appropriate budgets and delegated authority responsibilities within Social Security Scotland and good on-going working relations have been established. Similarly, the Chief Digital Office have ensured processes for Human Resources and resourcing were aligned to Social Security Scotland, this has strengthened the support available to Chief Digital Office in recruitment. Social Security Scotland are developing a specialist recruitment team for recruiting specialist roles, such as digital posts, and named Business Partner roles have been established to make ways of working as easy as possible with clear routes for information and support.

Preparation to Transition

- 3.1.6. There was clear evidence of the successful work undertaken by the Chief Digital Office project team to transition systems such as the Active Directory, Saltire, EASEbuy and eRDM Connect in time for the formal transition.
- 3.1.7. Although home working was in place at the time of transition, considerations had been made for accommodation in Social Security Scotland buildings. It is acknowledged that further work may be required to reassess this in due course, however this is part of a wider Social Security Scotland review of future ways of working.

- 3.1.8. Project Gotham provided good practice in scheduled key communications. Chief Digital Office established a robust Communications Plan in preparation for the transition. From review of the communications which were provided through monthly newsletters and all staff calls, we believe these were sufficient to ensure staff understood new processes and impact on them. Chief Digital Office are also now present on Social Security Scotland all staff calls.
- 3.1.9. Chief Digital Office staff concerns were well managed through effective communications at frequent 'Town Hall' events led by Chief Digital Office. Such events have continued since the transition due to their success. A staff frequently asked questions arrangement was established, which was supported by Social Security Scotland Human Resources Business Partner, to ensure accurate communications. Executive Team members also contributed to staff engagement on the lead up to transition.

Reflections and Lessons Learnt

- 3.1.10. Project Gotham shared good practice and lessons learnt with the transition project which has been established to manage and prepare for the ongoing transition of products from Social Security Directorate into Social Security Scotland, to help learn for future transitions. The establishment of this project group will assist in supporting the governance and ownership of future transitions. Chief Digital Office were also approached by the Social Security Operations and Delivery Analysis Team, who also transitioned from Social Security Directorate at the same time, for guidance on the transition.

Communications

- 3.1.11. In reviewing communications from Chief Digital Office post transition, we were able to see the Social Security Scotland branding and links to Social Security Scotland processes imbedded in regular Chief Digital Office communications such as the continued monthly updates from the Chief Digital Officer.

Human Resources and Information Technology

- 3.1.12. As a result of project Gotham, the arrangements for changes to Human Resources and Information Technology went smoothly and there are no outstanding actions post transition to ensure Chief Digital Office processes are realigned with Social Security Scotland in these areas. We also noted appropriate business partners have been assigned to Chief Digital Office for Human Resources, Finance, Procurement and Communications.

Relationship with Social Security Directorate

- 3.1.13. We were advised that the relationship with Social Security Directorate has strengthened as a result of the transition. Roles and responsibilities are now separated and Chief Digital Office now being embedded within Social Security Scotland adds a stronger voice in decision making and input at earlier and key stages of development. Chief Digital Office colleagues also continued attendance at the Delivery Board.

3.2. Improvement Opportunities

Oversight

- 3.2.1. The overall planning of the transition was managed via project Gotham. This project was initially set up as a project internal to Chief Digital Office aimed at ensuring the division was prepared for the transition. However, over time this was extended to take the division through the transition. No wider plans or oversight specific to Social Security Scotland and the activities they must undertake to manage the transition were in place. It was advised that discussions were held in the early stages of planning, where Social Security Scotland considered the arrangements in place through project Gotham, and it was felt these were sufficient. Project Gotham reached out to Social Security Scotland early in the process where they gained representatives from Finance and Human Resource. However Social Security Scotland did not identify a Project Team or Project Lead on their side needed to support the transition and as a result input from Social Security Scotland came later. A separate project plan for Social Security Scotland may not have been required in this situation, however for future transitions, evidence of an overall consideration of planning from Social Security Scotland would be best practice and an assessment of impact on Social Security Scotland staff. Since the transition of the division, the transition project has been established, this is a key control

going forward in future transitions to ensure good governance and ownership, we are aware that Chief Digital Office have been linking in with the transition project to feedback lessons learnt.

- 3.2.2. The risk management arrangements for the transition could have been strengthened. Risk Management colleagues from Chief Digital Office were part of project Gotham and it was advised risks were discussed at Executive Team level, however there was no evidence of a risk assessment of the transition and ongoing review of these risks. For future projects, evidence of risk management should be embedded to ensure consideration of risks have been taken account of and appropriate action taken to manage these.
- 3.2.3. Whilst we were able to evidence consideration of lessons learnt from Chief Digital Office division colleagues, we could see little representation from the wider organisation and this therefore increases the risk that lessons learnt are being missed. For future transitions, Social Security Scotland should ensure they have sufficient representation from relevant divisions across the organisation. ([See recommendation one](#))

Communications

- 3.2.4. In the preparation for the transition Chief Digital Office had a communication plan as part of Project Gotham and this was the main driver of communications with Chief Digital Office staff.
- 3.2.5. Evidence was provided to demonstrate the engagement made by Chief Digital Office to understand Chief Digital Office staff concerns, however there was no evidence that Social Security Scotland's staff concerns had been fully considered in advance of the transition, in line with the Social Security Scotland communications plan. This led to an example of a misunderstanding during an all staff call.
- 3.2.6. We are aware that the Social Security Scotland's communications plan was developed towards the end of the transition and close working arrangements have been established between Chief Digital Office and Social Security Scotland through Communication Business Partners however efficiencies

could have been gained from working jointly and Social Security Scotland taking ownership of the transition to ensure the impact and actions needed from Social Security Scotland were considered.

- 3.2.7. It was also noted that the Social Security Scotland communications plan stretched past the transition date and there are on-going objectives. Social Security Scotland should ensure this is not lost sight of and reflect on whether this could have been done earlier to prevent some examples experienced. Clear dates have not been evidenced on when this work will commence or be completed by.
- 3.2.8. Although the transition has now taken place, Chief Digital Office have continued to independently maintain the internal communications for Chief Digital Office, and work with Social Security Scotland Communications Team where communications impact the wider organisation. Controls are in place to ensure both teams are aligned and a good relationship has been established through the allocation of a Social Security Scotland Communications Business Partner and regular discussions between both as well as a Communications Champion Network. It should be ensured through regular meetings that communications reach all relevant staff across the organisation and consider where collaboration in ways of working could be adapted to avoid separation which could lead to duplication, or lack of alignment in consideration of Social Security Scotland objectives whilst maintaining good practice from current Chief Digital Office communication. This may occur in the transition of other divisions, management should ensure appropriate controls are in place for managing communications effectively for any future movements from the Scottish Government. [\(See recommendation two\)](#)

Lessons Learnt

- 3.2.9. In phase one of this review, we raised risks and a recommendation regarding lessons learnt being informal and not formally documented and shared across key stakeholders. Upon undertaking our fieldwork for phase two, on reflections post transition, we evidence improvements and action to formally reflect on lessons learnt from project Gotham. A series of lessons learnt have been planned, with one already undertaken in December 2021. There is

formal reported output from this session which has been shared across the project which was made up of key business areas within Chief Digital Office, Finance and Human Resources. We have however, raised in findings that there is a lack of representation from wider Social Security Scotland colleagues in current lessons learnt out with project Gotham. It is best practice to ensure lessons learnt are formally captured while reflections are fresh and this should involve all parties and be wider than project Gotham.

- 3.2.10. Whilst the transition has now taken place and project Gotham retired, some transition tasks remain on-going and future work is still to be undertaken out with the project and there was no clear processes established for ensuring the remaining tasks are completed fully and successfully. There should be appropriate arrangements in place to ensure outstanding actions are completed, with processes for tracking and oversight. [\(See recommendation three\)](#)

Reflections and Lessons Learnt

Weaknesses in Imbedding Culture

- 3.2.11. Chief Digital Office have successfully transitioned into Social Security Scotland, there are however some areas which remain outstanding to ensure the culture of the organisation is imbedded.
- 3.2.12. Staff already within Social Security Scotland but undertaking Information Technology roles were moved into the Chief Digital Office division to align roles and avoid duplication. These staff already have existing Social Security Scotland objectives which align with the vision and values, however the objectives of Chief Digital Office staff who transitioned into Social Security Scotland have not yet been reviewed and realigned with the organisations vision and values.
- 3.2.13. We evidenced progress in the development of new policies within Chief Digital Office which have been realigned with Social Security Scotland branding and make reference to the organisation's vision and values. However there are a number of existing policies, procedures and guidance documents which have

not been updated, these should be reviewed and updated to aligned with Social Security Scotland branding and incorporate the vision and values.

- 3.2.14. On review of live job adverts across the organisation, we noted that Social Security Scotland imbed their vision and values within the introduction of all job adverts, this is lacking within adverts for roles in the Chief Digital Office division and therefore not imbedded the vision and values at an early stage. Chief Digital Office have their own Digital Talent Manager for recruiting specialist roles, it is understood why these roles differ due to their specialist nature, however if these roles are being managed locally, Chief Digital Office should ensure processes are aligned and ensure consideration of imbedding culture in recruitment.
- 3.2.15. Chief Digital Office were provided access to existing training when they joined Social Security Scotland, however this was not adapted to the audience and was not useful to staff who already had a knowledge of the organisation. For future transitions training needs should be considered in advance to ensure the culture is understood as well as other needs identified. ([See recommendation four](#))

Finance

- 3.2.16. Through both phases of our review it was highlighted to us that further work is required following the transition of Chief Digital Office into Social Security Scotland to distinguish and agree costs between Social Security Directorate and Chief Digital Office to ensure ownership and responsibilities are clear in areas such as licences and contracted resource, Since the transition, Chief Digital Office have recruited a Head of Financial Efficiency and Improvement who reports directly to the Chief Digital Officer. This role has provided valuable insight to the management of costs between Chief Digital Office and Social Security Directorate as well as action to cost Technical Debt. It was noted that this role differs from the structure for the rest of the organisation, however we have sought assurances that there is no duplication with the roles within central finance, It is recommended that Social Security Scotland continue to work with finance colleagues in the Social Security Directorate to ensure all Chief Digital Office costs are clear and arrangements in place to

ensure costs are correctly accounted for and are known for the budget setting process.. ([See recommendation five](#))

Directorate for Internal Audit and Assurance

Internal Audit Terms of Reference

Social Security Scotland 2021-22

Chief Digital Office Transition into Social Security Scotland

Key Audit Contacts

Audit Year:	2021-22
Client Accountable Officer:	David Wallace, Chief Executive
Client Audit Contact(s):	[Redacted], Head of Chief Digital Office Business Management Unit [Redacted], Head of Corporate Services [Redacted], Chief Digital Office Technical Internal Communications Manager [Redacted], Technical Platform Owner
Head of Internal Audit:	[Redacted]
Internal Audit Manager:	[Redacted]
Internal Auditor	[Redacted]

Estimated Reporting Timescale

Fieldwork Starts:	May 2021 – phase one November 2021 – phase two
Fieldwork Ends:	June 2021 – phase one December 2021 – phase two
Draft Report Issued:	June 2021 – phase one December 2021 – phase two
Final Report Issued:	June 2021 – phase one December 2021 – phase two
Estimated Resource Days:	25

1. Introduction

- 1.1. This review forms part of our planned audit coverage agreed by the Accountable Officer and noted by the Audit and Assurance Committee on 09 February 2021.
- 1.2. The Social Security Scotland Strategic Risk Register includes the following risks related to this review:
 - *IF we are not clear on our requirements to deliver services effectively, efficiently and to budget with its dependants (e.g. Chief Digital Office and the Programme) THEN the Social Security Scotland staff could be underprepared to deliver services RESULTING IN a service that lacks quality, efficiency and economy with financial and reputational impact on Social Security Scotland and Scottish Government.*
 - *IF we fail to articulate, embed and then maintain a positive organisational culture during the substantial growth of our workforce THEN colleague engagement and morale may deteriorate RESULTING IN higher absenteeism, increased colleague turnover and ultimately poorer standards of service being delivered to our clients.*
- 1.3. We held a planning meeting on 29th April 2021 with [Redacted] and [Redacted] to discuss relevant risks and agree the scope of this review.
- 1.4. Our key risks below have been developed through these discussions and our knowledge of Social Security Scotland and its objectives.

2. Scope

2.1. To evaluate and report on the controls in place to manage the risks surrounding Social Security Scotland arrangements for the transition of Chief Digital Office into the organisation.

2.2. Remit Item 1 – **Phase One - Governance**

Review of the Governance arrangements in place to manage and deliver the transition of Chief Digital Office into Social Security Scotland.

Key Risks:

- Lack of an appropriate project team and oversight with appropriate members from Chief Digital Office and Social Security Scotland involved to manage the transition effectively;
- Key stakeholders are not aware of and/or consulted in the transition leading to gaps in the arrangements, a lack of understanding of interdependencies and failure to manage risk resulting in the failure of the process.
- Failure to arrange appropriate governance structures to allow effective lines for reporting, accountability and decision making and imbed Chief Digital Office leading to an inability to operate effectively.
- Lack of alignment in objectives and strategies leading to an inability to deliver services effectively.
- An inability for Chief Digital Office to continue to work effectively with colleagues in Social Security Directorate, resulting in an inability to contribute to delivery of future products leading to an inability for Social Security Scotland to achieve its strategic objectives.

2.3. Remit Item 2 – **Phase One - Preparation of Transition**

Review of project plans, risk registers and other relevant documentation and discussions with key stakeholders involved in the transition process to determine the arrangements for transition of Chief Digital Office into Social Security Scotland.

Key Risks:

- Lack of appropriate preparation of arrangements such as budgets and shared services (human resources, procurement) to ensure staffing and business services are in place in a timely manner leading to unsuitable arrangements to smoothly transition resulting in an inability to continue to operate Chief Digital Office and deliver for Social Security Scotland;
- Lack of physical arrangements, for example, accommodation, security and equipment in place in time which aligns with Social Security Scotland's policy and procedures;
- Inefficient and ineffective communication and engagement in relation to the transition resulting in key stakeholders being unaware of or not consulted in the transition leading to resistance to change, a lack of understanding of the transition and an inability to complete the process effectively and achieve planned outcomes. Lack of clear plans, timescales, risks and documented milestones through project planning leading to potential gaps resulting in an ineffective transition.

2.4. Remit Item 3 – **Phase Two - Reflection and Lessons Learnt**

Key Risks:

- Lack of lessons learnt exercise to assess the success, or otherwise of the transition project and identify and rectify any issues which haven't been implemented from the transition leading to staffing or process issues.
- Failure to imbed Social Security Scotland culture and values resulting in an inability to achieve the organisations objectives.
- Failure to implement formal arrangements to transition staff such as Human Resources and Information Technology.
- An inability to learn from the transition process and ensure both good practice and weaknesses are identified to inform the process for future transitions.

- Working relations between Social Security Directorate and Chief Digital Office are detrimentally affected due to change in governance and operational activities impacting on future delivery of products and leading to an inability to achieve strategic objectives.

3. Approach

- 3.1. We will undertake the audit in compliance with the Internal Audit Charter and Memorandum of Understanding agreed between Internal Audit and Social Security Scotland.
- 3.2. We will undertake this review over two phases. Initially we will review the preparation and arrangements in place now, following the recent transition of the Chief Digital Office into Social Security Scotland. Later in the year our review will then reflect on the effectiveness of the transition process, how well Chief Digital Office have become embedded in Social Security Scotland and confirm whether lessons from the process have been identified and being taken forward for future transitions.
- 3.3. Due to current Scottish Government remote working requirements, this review will utilise eRDM Connect for sharing documents and screen sharing technology as necessary. Methods of undertaking fieldwork will be amended as appropriate.
- 3.4. Social Security Scotland is reminded of our need for timely access to all systems and teams involved in the delivery of benefits and responsiveness to information requests, to enable the reporting timetable to be met.