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Directorate for Internal Audit and Assurance

Internal Audit Report

Social Security Scotland 2021-22

Child Disability Payment In-Depth Review

Directorate for Internal Audit and Assurance

Issue Date: 27-04-2022

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* Final Report only

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1. Introduction

1.1. Introduction

This internal audit review of Child Disability Payment formed part of the Audit Plan agreed by the Accountable Officer and noted by the Audit and Assurance Committee on 09 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 supports the achievement of the organisations policies, aims and objectives.

To aide understanding it is important to clearly set out the relationship between Social Security Scotland and the Social Security Directorate (Programme). Social Security Directorate is responsible for developing the policies and designing and building the new Scottish social security services and is delivering the components on an incremental day to day basis through an agile environment. Minimal Viable Products are designed by the Social Security Directorate, in collaboration with Social Security Scotland from early discovery through to transition when Social Security Scotland will be supported to develop these as necessary.

1.2. Audit Scope

To evaluate and report on the controls in place to manage the risk surrounding Social Security Scotland's delivery of the Child Disability Payment.

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

1.3. Assurance and Recommendations

Assurance Category	Limited		
Recommendations Priority	High	Medium	Low
	4	1	0

Our review has identified four high and one medium priority recommendations. A limited assurance rating has been provided [Redacted].

The rationale for our limited assurance is that a significant number of weaknesses were highlighted during our review. We acknowledge that there is work ongoing in relation to a number of these issues. However, in our opinion the risks of delays with making determinations on applications and, as a result, payments to clients and the resulting reputational damage is increased. This is due to the current systems and processes in place for the administration and delivery of Child Disability Payment. [Redacted]

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	<u>Management Information</u> Issue: In general, there were insufficient Management Information tools available to enable management to make appropriate decisions, manage staff and benefit workloads and effectively prioritise work. Failure to consider management information requirements and embed them as part of the design process to allow appropriate solutions to be implemented for launch	Management should review current arrangements for obtaining and collating management information and ensure where possible the most efficient and effective methods, through automated tools and functionality, are implemented. Management Information requirements should be clearly stated and	H	Response: Management accept that there are a number of gaps in available management information and that in some areas, where information is provide, it is insufficient to allow Social Security Scotland to efficiently prioritise workloads and deliver continuous improvements. In addition [Redacted] is an inefficient and inaccurate method. These have been implemented to monitor client journeys and decision making. It is accepted that solutions to replace these controls should be reviewed. Work has previously been undertaken with Social Security Directorate colleagues, to establish requirements and to provide input to design stories. It is understood that this	

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	<p>may have contributed to a lack of sufficient management information. Insufficient management information also minimises Social Security Scotland's ability to achieve continuous improvement as there is no viable data to use as a baseline and assist with identifying areas of weaknesses.</p> <p>[Redacted]</p> <p>Risk: Inability to monitor activity, take remedial action where necessary and administer Child Disability Payment efficiently and effectively.</p>	<p>communicated to Social Security Directorate to enable the design of the required reporting. For future benefits, this should be undertaken at an early stage of the design process to enable appropriate solutions to be available for launch.</p>		<p>has been captured within work currently in scope by Social Security Directorate.</p> <p>Action:</p> <ol style="list-style-type: none"> 1. Management will conduct a full review [Redacted] and seek advice on data protection issues from Directorate and Agency data protection colleagues. This review will establish what management information could be provided to [Redacted] monitoring of activity. 2. Conduct a comprehensive review of management information available to Social Security Scotland for Child Disability Payment. Work with Social Security Directorate Product Owner to ensure a full understanding of the data provided. 3. Establish any requirements, not previously articulated to Social Security Directorate colleagues and any future requirements. Ensure there is a clear understanding of 	<p>Dec 22</p> <p>Dec 22</p> <p>Dec 22</p>

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
				<p>what reports have been prioritised as part of any development work currently being undertaken.</p> <p>4. Work with Social Security Directorate and Agency colleagues to conduct additional training on the effective use of management information tools currently available, [Redacted].</p> <p>5. Management will identify a lead, within the Child Disability Benefit operational team, to take this work forward and ensure there is a collaborative approach to delivering an improvement in available management information.</p> <p>Action Owners: [Redacted] - Head of Operations Glasgow [Redacted] - Head of Data, Social Security Directorate [Redacted]- Product Owner Child Disability Payment</p>	<p>Dec 22</p> <p>May 22</p>
2	<u>Policy and Guidance</u>	Client Services Delivery to liaise with relevant	M	Response:	

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	<p>Issue: We understand and support the policy position to support applicants to gather information, so that they do not experience barriers to making applications. Social Security Scotland's obligation to complete the evidencing process if the applicant is unable to provide all relevant evidence is adding significantly to the workload and delaying the decision making process.</p> <p>Risk: Inability to administer Child Disability Payment effectively, leading to financial hardship of clients and reputational damage.</p>	<p>colleagues in Social Security Directorate to identify ways to minimise the risk of delays with decision making due to delays in obtaining required evidence from third party organisations. This could include advising the applicant of the evidence that is needed or improvements to the guidance and application form wording to ensure applicants are aware of the implications should Social Security Scotland need to obtain evidence on their behalf and to encourage applicants to provide as</p>		<p>Management acknowledge there is a natural tension between encouraging applicants to provide information, not unduly placing effort of gathering information on them and preventing delays to the decision making process.</p> <p>As set out, it is Social Security Scotland's policy position to support applicants to gather information, to reduce barriers to making applications and encourage applicants to continue with the process.</p> <p>Social Security Scotland are currently using a tactical solution in relation to forms and gathering applicant information. Management accept that work should continue to understand how applicants can be encouraged to provide additional information and reduce delays in the process, whilst adhering to policy principles.</p> <p>A number of opportunities have been identified on the post release iteration and within the mini-discovery session recently held. These include changing the wording within</p>	

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
		much evidence as they can.		<p>the application document, on some headings and reducing differences between paper and digital forms.</p> <p>Management will continue to work with Social Security Directorate colleagues to further refine this process.</p> <p>Action:</p> <p>1. Management will establish a working group with Social Security Directorate colleagues, to further review all types application forms to establish opportunities to strengthen guidance for applicants providing supporting information. Where possible wording will be adjusted encouraging applicants to provide information, whilst maintaining the policy intent.</p> <p>2. Management will schedule a review meeting with Social Security Directorate colleagues, colleagues working within Child Disability and the external communication team to explore future iterations of application forms and guidance.</p> <p>Action Owners:</p>	<p>Dec 22</p> <p>Dec 22</p>

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
				[Redacted] - Head of Operations Glasgow [Redacted] - Product Owner Child Disability Payment	
3	<p><u>Processes</u></p> <p>Issue: Various process for the administration and delivery of Child Disability Payment are [Redacted] Please see paragraphs 3.2.15 to 3.2.16 for a detailed breakdown of the issues identified.</p> <p>Risk: Applications progress through to approval that are incomplete, inaccurate or inaccurately recorded.</p>	<p>Management must ensure that suitable processes to address highlighted issues are assessed, updated, created and tested. This should be supported by relevant guidance and training on any new or updated processes put in place.</p> <p>Alongside the above action management should ensure there is sufficient quality assurance checks in place in order to identify any areas of non-</p>	H	<p>Response:</p> <p>Management accept that there are a number of areas of improvement required in relation to the administration of Child Disability Payment.</p> <p>In addition Management acknowledge that there may be various causes for the issues identified within these processes. These include design, understanding of system capability and colleague error.</p> <p>Management will continue to work with Social Security Directorate colleagues to make improvements in relation to issues identified in paragraphs 3.2.15 & 3.2.16.</p> <p>Action:</p> <p>1. A full review of each of the issues highlighted, in particular, manual notes, automated task and work queue</p>	Dec 22

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
		compliance or lack of progress due to gaps in processes and guidance.		<p>management, will be conducted with Social Security Directorate Product Owner to establish the cause of the issues and ensure a detailed action plan is created to resolve them.</p> <p>2. Management will communicate guidance or conduct further training, if required, to colleagues once the review has been conducted. This will help to ensure compliance with any improvements to processes introduced.</p> <p>3. In the absence of a Social Security Scotland Quality Assurance Framework, a compliance checking process will be implemented. This will focus on providing quality assurance in terms of compliance and visibility to areas where there are gaps in guidance or further training required and continuous improvements.</p> <p>Action Owners: [Redacted] - Head of Operations Glasgow [Redacted] - Product Owner Child Disability Payment</p>	<p>Feb 23</p> <p>Dec 22</p>

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
4	<p>System Capabilities</p> <p>Issue: A number of weaknesses have been identified in relation to the systems in use for the administration of Child Disability Payment including Social Programme Management (SPM) and Insight. See paragraphs 3.2.17 to 3.2.19 for a detailed breakdown of the issues identified.</p> <p>Risk: Insufficient or ineffective systems capability leading to increased workloads and manual workarounds which can result in inconsistent working practices, incorrect</p>	<p>Social Security Scotland to liaise with Social Security Directorate in order to conduct root cause analysis of the issues, find suitable solutions and establish meaningful controls to ensure processes and systems in place are efficient and effective and aid compliance.</p>	H	<p>Response:</p> <p>Management accept that there are a number of weakness in relation to systems and have worked collaboratively with colleagues from Social Security Directorate to make improvements.</p> <p>Work has already taken place in relation to aspects highlighted within the insights system highlighted within this review.</p> <p>Whilst regular discovery work is conducted to capture issues or improvements, it is clear that further work is required, in collaboration with Social Security Directorate and Live Service colleagues, to review the detailed findings held within paragraphs 3.2.17 to 3.2.19. A clear understanding of the points highlighted must be established to move forward.</p> <p>Action:</p>	Dec 22

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	decision making ultimately impacting on delivery and client experience and could result in financial hardship of clients and reputational damage.			<p>1. Conduct a detailed review of all points raised between 3.2.17 to 3.2.19 with product owners from both Directorate and Live Services. Document findings and actions, where relevant, specific to these points.</p> <p>2. Provide training and learning, if required, to support colleagues understanding of how systems are designed in relation to points raised within paragraph 3.2.17 to 3.2.19.</p> <p>Action Owners: [Redacted] – Head of Operations Glasgow [Redacted] - Product Owner [Redacted] - Product Owner</p>	Dec 22
5	<p><u>Data Protection</u></p> <p>Issue: We were advised that there were 19 data protection breaches where Child Disability Payment decision letters were sent to incorrect addresses and/or addressees.</p>	Management must ensure sensitive data is stored securely and with compliance to regulations and procedures.	H	<p>Response:</p> <p>Management understand that sensitive data should be stored securely and with compliance to regulations and procedures.</p>	

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	<p>This was due to an update to SPM in relation to Low Income Benefits, which then had an unanticipated impact on Child Disability Payment.</p> <p>It was also noted that word documents, outwith SPM, are being used by Case Managers to write up the case decisions, review of evidence and determinations. However, there was limited guidance and controls in place in relation to [Redacted].</p> <p>Risk: Sensitive data is stored or shared in a manner that access is given to unsuitable individuals / organisations (unnecessary or unapproved),</p>	<p>System changes prior to being introduced should be subject to appropriate testing, including consideration of impact on other live benefits, to ensure future data protection breach risks are reduced to the minimum.</p>		<p>Of the data incidents 14 related to systems faults. System fixes were deployed in January and February 2022 to resolve issues relating to 7 incidents.</p> <p>A manual workaround has been deployed in relation to the further highlighted issues.</p> <p>4 incidents related to human error as part of the process and corrective action was taken. All incidents were managed in line with Social Security Scotland procedures.</p> <p>Social Security Directorate and Chief Digital Office colleagues are aware of these incidents and accept the importance of testing and impacting system changes on all benefit products.</p> <p>Action:</p> <p>1. Work with colleagues in the Chief Digital Office and Social Programme Management to ensure a technical</p>	Dec 22

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	resulting in failure to meet regulatory requirements.			<p>solution is deployed allowing the removal of the current manual workaround in relation to the data incident.</p> <p>2. Management will continue to work with the Product Owner to review guidance in relation to the control of case management word documents. Management will ensure that any solutions or updates will be assessed and recorded in the Child Disability Payment data protection impact assessment to guidance with colleagues from Programme Information Governance.</p> <p>Action Owner: [Redacted], Head of Operations Glasgow</p>	Dec 22

3. Findings, Good Practice and Improvement Opportunities

3.1. Good Practice

- 3.1.1. There is a documented National Engagement strategy and delivery plan in relation to Child Disability Payment. There was a comprehensive information campaign prior to the benefit launch and ongoing relationships maintained with external stakeholders by the National Engagement Team. Key external stakeholders across Health Boards, Local Authorities and other key partner organisations were notified of the key points of the benefit launch.
- 3.1.2. Staff guidance, legislation and relevant websites are aligned in terms of information provided for basic eligibility criteria.
- 3.1.3. All Child Disability Payment award approvals are currently subject to 100% approval checks, with at least three-sided segregation of duties designed in the benefit process, whilst experience in administering Child Disability Payment matures.
- 3.1.4. Considerations were given and a plan developed for International Payments prior to the benefit launch. A defined and established process for the manual payments is in place to mitigate risks associated with this matter.
- 3.1.5. From our substantive testing we were able to confirm that for all approved cases in our sample the correct payment determinations had been made and there were no issues with over or under payments.
- 3.1.6. There were clear processes in place for capturing lessons learnt and continuous improvement, managed through Trello boards. This involved relevant colleagues across Social Security Scotland and also enabled feedback to Social Security Directorate. Another lessons learnt activity was recently launched for Case Managers and Decision Team Managers with aim of discussing and finding better ways of processing non-standards cases.

3.2. Improvement Opportunities

Management Information

3.2.1. Current management information tools available for Child Disability Payment are:

- Daily and Weekly Dashboards which are available to Performance Managers/Decision Team Managers and above and provide high level information on case numbers and outcomes; and
- Currums Operational Insight Tool (COIT) available to Client Advisors and Team Managers which enables users to view their own and their respective team's workload. However, it must be highlighted that these reports are very high level with very little detail and require users to access each case in SPM to see in detail what stage it is at and what issues are causing the delays.

3.2.2. Work is ongoing to add more management information functionality to SPM (Social Programme Management) in the form of the Business Intelligence Reporting Tool (BIRT) with some reports available following the interim release in February, but more are still to follow.

3.2.3. Due to lack of management information [Redacted]

3.2.4. Failure to consider management information requirements and embed them as part of the design process to allow appropriate solutions to be implemented for launch may have contributed to a lack of sufficient management information.

3.2.5. We acknowledge that due to agile ways of working not all the reports would have gone live for the Pilot or the National benefit launch. However, all the BIRT tools mentioned above were designed to address perceived gaps/risks in the early stages of the benefit launch and were not functional due to the various issues with the system (complexity, discovery work taking longer than anticipated, various bugs) and as a result not mitigated until the interim release in February. This release has not addressed all the issues and further system enhancements are required and are being worked on.

3.2.6. Management Information inefficiency has a crucial impact on Client Service Delivery affecting their decision making and ability to effectively prioritise work and minimises their ability to achieve continuous improvement as there is no viable data to use as a baseline to identify areas of weaknesses. [\(Please see Recommendation 1\).](#)

Policy and Guidance for Applicants

- 3.2.7. Robust policies and guidance for applicants were developed for Child Disability Payment, which were aligned with legislation and set out a clear policy intent. One element of this is in relation to the provision of evidence to support an application. The policy and guidance sets out that where an applicant is unable to provide the necessary evidence Social Security Scotland will seek this from relevant bodies on their behalf.
- 3.2.8. During our fieldwork we noted significant delays were encountered in relation to obtaining the third party evidence which, in turn results in delays in decision making and, where an award is made, delays in payment to the client. Whilst the approach is positive in assisting clients with their applications, supporting them with obtaining the relevant evidence and ensuring the requirement to provide evidence does not create a barrier to making applications., delays could be minimised if the application form and the process is changed.
- 3.2.9. We noted from our review of the application form that it does state that Social Security Scotland asks for one piece of evidence, if possible, to support the case. However, it does not highlight potential implications of delays in processing the application whilst Social Security Scotland awaits the provision of evidence sought from third parties. In our opinion, the application form and/or guidance could be changed to ensure applicants are informed that if they provide the relevant supporting external evidence it is likely that the outcome will be determined quicker in order to encourage them to do so.
- 3.2.10. Keeping the applicant informed about the evidence which is being sought on their behalf and about any delays concerning third party evidence requests may also reduce the delays. The applicant may be inclined to reach out directly to the third party or provide such evidence themselves if they have the information to do this.
- 3.2.11. Technical issues associated with third party evidence requests also impacts on receipt of evidence from third party's however we have provided further detail on this in paragraph 3.2.16 in this report. [\(Please see Recommendation 2\)](#)

Staff Guidance

- 3.2.12. As highlighted in previous Internal Audit reviews, guidance for staff was not always available in time. This impacted the Learning and Development teams ability to design training and also meant staff did not have access to all guidance to support the administration and processing of the applications.

- 3.2.13. We have also previously highlighted that guidance on the Knowledge Management Hub, the repository where Social Security Scotland staff guidance is held, is not always easily navigated to find the relevant material and is often fragmented and unclear. Examples from our review include guidance for [Redacted].
- 3.2.14. Recommendations to address all the above issues with staff guidance have been made in previous reviews and will be followed up in due course and as a result won't be duplicated in this report. Also we have been assured by Social Security Directorate colleagues that there is work ongoing to address the guidance issues on the Knowledge Management Hub with the Service Design team involved.

Processes

- 3.2.15. During our fieldwork we identified a number of issues relating to the application administration processes which were either insufficient, inefficient or not yet in place. [\(Please see Recommendation 3\)](#)
- 3.2.16. The issues identified include:
- During walkthroughs with colleagues in Client Services Delivery we were advised that a number of manual tasks have to be created in SPM to progress each case. As an example a Client Advisor is expected to leave manual note on SPM to inform the Case Manager that the case is ready to be assessed for part two. However, it was also highlighted to us by the Child Disability Payment Product Owner that these manual tasks are being created unnecessarily when similar system-automated tasks have already been generated. Instead these automated tasks are being closed or ignored. It was also highlighted that the “deferred task” functionality is also not being utilised. From discussion with Client Service Delivery it was advised that operational decisions were made to introduce these workarounds as there was no clarity on what all the tasks and work queues that relate to Child Disability Payment were and what they meant. There was also insufficient guidance on how to deal with each of the tasks and not all tasks are easily identified, often having to be manually located and “pulled” from different work queues to work on and as such are not fit for purpose. The current ways of working are not efficient, the processes are creating backlogs of tasks within generic work queues on SPM, of which only the first 200 can be seen at any time, and

removes the visibility of the case progress as workflow and management information capabilities don't include ability to report on open or closed tasks and a task once completed can no longer be viewed.

- Another issue highlighted during the sampling and walkthroughs was inconsistency in leaving notes in SPM. Notes should be left to explain actions taken and decisions made. This is especially important for the more challenging, non-standard cases and the lack of notes relates to both Client Advisors and Case Managers. Such notes are helpful for those involved in any future work in relation to a case, such as re-determinations, appeals, reviews or change of circumstances. From our review of the guidance we note that it was not very clear on what notes should be left and when. We would like to acknowledge that this is a known issue and a sub-group of the Continuous Improvement Group has been setup to address this, however until this is remedied the risk remains.
- [Redacted] We have been made aware that work is ongoing to address this with a Product Owner now appointed and workshops already undertaken to help to shape the process. Also, this matter is being considered by the Operational Policy Forum[Redacted].
- Automated Identification and Verification checks completed by SPM once applications are submitted are often [Redacted]. This requirement is adding significantly to the Local Delivery Teams' workload and delaying the applications' progress. Work is required to mitigate this issue or closer analysis of such referrals especially with Adult Disability Payment benefit due which undoubtedly will add further to the workload once launched. Whilst it is imperative that as part of the assessment process the identity of all applicants is verified, other solutions should be sought to minimise the number of checks without compromising the legal element of the identity checks for benefit eligibility. A review is needed to understand what actually ends up as a referral and whether there is any opportunity for "quick tactical wins" if small changes to the system are undertaken and security of the process is not compromised.
 - [Redacted]
 - Secondly, during our sample testing we acknowledged that the Case Questionnaire within SPM serves as a record of justification of the Case Manager's assessment. [Redacted]. We are aware that a checklist is

being developed which is aimed at minimising this risk. This Checklist and an associated Tracker are due to be launched at the end of March and as such were not assessed during this review.

- During our sampling we also identified:
 - one case where an individual was denied the benefit on the basis of being outwith the age eligibility criteria. Whilst this was a correct decision, the denial letter did not signpost the applicant to the Department for Work and Pensions despite Policy stating that it would do so; and
 - a Special Rules for Terminal Illness case which had an award decision made and Product Delivery Case created was not submitted for approval to the Decision Team Managers and was left in the Case Manager's work queue for two weeks. As such there was a delay in making payment for this award. This issue was not noticed until we undertook our sample testing for this review. This highlights that current reporting does not identify cases which are not being progressed timeously and as expected increasing the risk that applications may not be processed efficiently and effectively and impacting the client which may lead to financial hardship.

System Capabilities

3.2.17. [Redacted]

3.2.18. We also noted the below system issues which range from lack of functionality, poor system performance to workarounds in place. [\(Please see Recommendation 4\).](#)

3.2.19. The issues identified were:

- Insight benefit interest check carried out on the Outsystems platform (Not SPM) for each case does not always populate results in the first instance and often takes longer to complete, without any indication that the check is still running. This issue was highlighted during the sample testing and the risk is that potential benefit interests will be missed out if the check window is closed too early. This problem is now known and was communicated in Daily Bulletins to all staff to minimise the risk of this issue and root cause analysis is ongoing in order to identify a solution.

- No escalation process for delays in completing the external evidence requests which is creating long delays in processing applications. This issue also applies to the Special Rules for Terminal Illness cases where verbal BASRiS (Benefits Assessment for Special Rules in Scotland) form is provided but the written one is not supplied for months. (This does not directly affect the award as the decision is made on the basis of the verbal BASRiS).
- There are workarounds in place for communicating with external third parties, such as General Practitioners and Local Authorities, to obtain evidence necessary to assess an application. We are aware that work is ongoing on the SCI Gateway system (for General Practitioners) and a separate platform will be created for Health Boards and Local Authorities, with creation and utilisation of Front Door Teams as a liaison. In terms of BASRiS, work is ongoing to create digital BASRiS form functionality. However, until these are in place the workarounds will need to continue.
- From discussions with colleagues and walkthrough of processes it was unclear if manual removal of the ownership of a case is required, which increases the risk of cases being left unattended and not progressed. Change of circumstances and case review points could be affected by this if not identified and picked up timeously from the generic work queue. We are aware that work is ongoing in designing Business Intelligence Reporting Tool (BIRT) management reports as noted in paragraph 3.2.2 which should address this risk also.
- Risk of unassigned cases being missed in SPM is also a known issue, where there is a possibility, although very low, that once a case is unassigned by the user it may not end up in the generic work queue destination but somewhere in-between and it would not show on any of the existing reports available. This risk is now being mitigated by Unassigned Cases Report within BIRT tool on SPM as explained in section 3.2.2 however relies on regular review of the relevant report and requires manual processes to retrieve such cases and allocate to the appropriate work queue.
- Linked with the above point, whilst staff are required to remove themselves as Case Owner once they have completed their element of the assessment,

we identified through our sample testing a number of examples of closed cases where the case was still held in personal work queues.

- Noted over 800 new tasks in the “Change of Circumstances work” queue in SPM. The majority of the tasks concerning address changes however from review it was noted that often the task was not related to a Child Disability Payment case. These tasks could be associated with the Interim release in February, but further review is required to ensure genuine Change of Circumstances cases are not left unattended and buried in this work queue.
- Lack of automations in relation to the Cold Weather Spell check which Client Services Delivery colleagues must complete. Payments for this benefit are administered by the Department of Work and Pensions. The process requires manual checks and notes to be left in SPM if certain criteria are met. From our testing we noted that this is not always followed and from the discussions there appears to be a general lack of understanding of what this is and what actions should be undertaken
- As part of our fieldwork we aimed to select a sample of cases where there had been a change of circumstances so we could review and assess whether the processes and controls for processing changes of circumstances were effective and complied with. However, we were unable to identify, and as a result pick a sample of completed change of circumstances cases, as these are not differentiated in management information or the manual spreadsheet tracker. Although a separate work queue exists for change of circumstances (issues associated with this particular work queue raised above in paragraph 3.2.16) in SPM, completed cases do not remain in this work queue once the required action has been taken.
- We also identified the following system-related issues during the sample testing:
 - Decision letters for Special Rules for Terminal Illness cases do not contain information advising that the mobility element for the award will be automatically added once client reaches the eligible age. Requirements for this were written in the Policy and guidance but the system generated letter does not provide this information and changes to the template should be made as required;

- Withdrawal letters are not always being created and issued, as guidance requires and those that have been are documented and saved in word format which is not best practice; and
- We also noted a case of Client Advisor showing in the SPM system in a Case Manager role, we were advised that during the pilot all Client Advisors were set up as a Case Managers but there is a risk these roles have not been reviewed.

Data Protection

- 3.2.20. We were advised that there were 19 data protection breaches reported, where letters had been sent to incorrect addresses and/or addressees[Redacted]
Testing is outside of the scope for this review but considerations should be given to any SPM system changes concerning any benefits in order to identify how the change will affect the processes for other benefits.
- 3.2.21. Another issue in relation to data protection concerned usage of [Redacted]

Annex A Definition of Assurance and Recommendation Categories

Assurance Levels

Substantial Assurance Controls are robust and well managed	Risk, governance and control procedures are effective in supporting the delivery of any related objectives. Any exposure to potential weakness is low and the materiality of any consequent risk is negligible.
Reasonable Assurance Controls are adequate but require improvement	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.
Limited Assurance Controls are developing but weak	There are weaknesses in the current risk, governance and/or control procedures that either do, or could, affect the delivery of any related objectives. Exposure to the weaknesses identified is moderate and being mitigated.
Insufficient Assurance Controls are not acceptable and have notable weaknesses	There are significant weaknesses in the current risk, governance and/or control procedures, to the extent that the delivery of objectives is at risk. Exposure to the weaknesses identified is sizeable and requires urgent mitigating action.

Recommendation Priority

High	Serious risk exposure or weakness requiring urgent consideration.
Medium	Moderate risk exposure or weakness with need to improve related controls.
Low	Relatively minor or housekeeping issue.

Annex B – Terms of Reference



Directorate for Internal Audit and Assurance

Internal Audit Terms of Reference

Social Security Scotland 2021-22

Child Disability Payment: In-Depth Review

Key Audit Contacts

Audit Year:	2021-22
Client Accountable Officer:	David Wallace, Chief Executive
Client Senor Responsible Officer:	[Redacted], Head of Client Services Operations
Client Audit Contact(s):	[Redacted], Operational Lead [Redacted], Operations Support Lead [Redacted], Head of Local Delivery [Redacted], Senior Lead for Disability and Carers Benefits [Redacted], Deputy Head of Local Delivery - Central Scotland [Redacted], Operations Lead [Redacted], Operational Lead [Redacted], Operations Manager [Redacted], Operations Manager [Redacted], Operations Manager [Redacted], Operations Manager [Redacted], Operations Manager [Redacted], Operations Manager
Head of Internal Audit:	[Redacted], Lead Senior Internal Audit Manager
Internal Audit Manager:	[Redacted], Internal Audit Manager
Internal Auditor	[Redacted], Internal Auditor

Estimated Reporting Timescale

Fieldwork Starts:	February 2022
Fieldwork Ends:	February 2022

Draft Report Issued:	March 2022
Final Report Issued:	March 2022
Estimated Resource Days:	25 days

1. Introduction

1.1. This internal audit review forms parts 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:

IF we are not clear on our requirements to deliver services effectively, efficiently and to budget with its dependants (e.g. Chief Digital Officer and the Programme) THEN the Agency staff could be underprepared to deliver services RESULTING IN a service that lacks quality, efficiency and economy with financial and reputational impact on the Agency and Scottish Government.

If Social Security Scotland do not have sufficiently developed processes to enable effective maintenance of ongoing benefit awards THEN this will lead to inaccurate client records being held, awards being paid incorrectly and an inability to recognise, account for, and correct associated underpayments and overpayments RESULTING IN financial loss through increased fraud and error, non-compliance with Data Protection statutory obligations, poor client service offering and associated reputational damage.

1.3. To aide understanding it is important to clearly set out the relationship between Social Security Scotland and the Social Security Directorate (Programme). Social Security Directorate is responsible for developing the policies and designing and building the new Scottish social security services and is delivering the components on an incremental day to day basis through an agile environment. Minimal Viable Products are designed by the Social Security Directorate, in collaboration with Social Security Scotland from early discovery through to transition when Social Security Scotland will be supported to develop these as necessary.

1.4. This audit will provide an in-depth focus on the end to end arrangements for delivery of Child Disability Payment (National), which was launched in November 2021. The review will assess the processes and controls in place for the delivery of Child Disability Payment, with the overall aim to provide assurance on the efficiency and effectiveness of these.

1.5. We met with colleagues from Client Services Delivery to discuss relevant risks and agree the details of this review.

1.6. Our key risks below have been developed through these discussions and our knowledge of Social Security Scotland and its objectives.

2. Scope

To evaluate and report on the controls in place to manage the risk surrounding Social Security Scotland's delivery of the Child Disability Payment.

2.1. Remit Item 1 – Governance and directive policies, procedures and guidance

To review the governance and directive policies, procedures and guidance in relation to delivery of Child Disability Payment, this will include: risk management, process documents, training, delegation of authority, MI and reporting, and data handling (when out with centrally controlled processes).

Key Risks:

- The benefit is not administered in a timely, effective, consistent and compliant manner as managers are unaware of risks or operational issues and/or process documentation and training is insufficient, and so fail to implement appropriate controls.
- Potential eligible applicants are unaware of the benefit or the guidance for applicants is either not available or is overly complex, resulting in potentially eligible applicants not applying.
- Applications, queries, appeals and changes in circumstance are processed, approved or rejected by inappropriate persons.
- Sensitive data is stored or shared in a manner that access is given to unsuitable individuals / organisations (unnecessary or unapproved), resulting in failure to meet regulatory requirements.

2.2. Remit Item 2 – Application processing: basic eligibility

To review the controls and processes in place to manage the risk of incorrect or inappropriate application processing, specifically concerning application processing and basic eligibility

Key Risks:

- Applications progress through to approval that are incomplete, inaccurate or inaccurately recorded.
- Applications are processed incorrectly, resulting in incorrect approval of applications or incorrect rejection of applications.

2.3. Remit Item 3 – Application processing: award assessment

To review the controls and processes in place to manage the risk of incorrect or inappropriate application processing, specifically concerning decisions around levels of award, which may be subjective.

Key Risks:

- Applications are granted an award at a higher or lower level or are rejected incorrectly.

2.4. Remit Item 4 – Change in circumstances

To review the controls and processes in place to manage the risks associated with processing changes in circumstance.

Key Risks:

- Applicants do not notify of a change to circumstances as they are unaware they are required to do so.
- Changes in circumstances are incorrectly processed, resulting in incorrectly granting an award, an award at a higher level, an award at a lower level or rejection.

2.5. Remit Item 5 – Payments

To review the controls and processes in place to manage the risks around payments that specifically sit with the benefit management team (not the payments or finance team).

Key Risks:

- Payment values do not match to the approved award value, resulting in incorrect payments.

2.6. Items outside of remit

The below elements are outside of the scope of the audit and so will not be reviewed:

- Reassessments and appeals
- Centrally controlled data governance
- IT General Controls and system access
- Anti-Fraud and Conflict of Interest measures
- Banking and payment mechanisms (that sit out with the benefit management team)
- Debt and recoveries

- Accounting and reporting
- Any other scope areas or remit items not stated above

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. At the conclusion of the audit a customer satisfaction questionnaire will be issued to the main client audit contact. Internal Audit appreciate feedback and to facilitate continuous improvement, we would be grateful if you could complete and return the questionnaire.
- 3.3. Client is reminded of our need for timely access to people and responsiveness to information requests, to enable the reporting timetable to be met.