



Social Security Scotland
Tèarainteachd Shòisealta Alba

Annual Report and Accounts

for the year ended
31 March 2022

Laid before the Scottish Parliament
by the Scottish Ministers under Public
Finance and Accountability (Scotland)
Act 2000 s22(5) on 7 November 2022.
Reference SG/2022/72

Dignity, fairness, respect.



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Performance Report

Chief Executive's Foreword

Our Annual Report and Accounts details our activities from 1 April 2021 to 31 March 2022. This reporting period started with a sense of optimism with vaccines being rolled out at pace. COVID-19 restrictions had a major impact on the way we work, although we were able to deliver a high standard of service throughout the pandemic. The removal of restrictions provided opportunities for us to deliver more flexibly – just in time for the introduction of important new benefits like Child Disability Payment and Adult Disability Payment.

Although COVID-19 continued to be a challenge as new variants emerged, we continued to deliver our service based on dignity, fairness and respect for people across Scotland. I am proud of the way we worked with colleagues in the Scottish Government to ensure we delivered our plans.

A significant achievement was the introduction of Child Disability Payment – after a successful pilot, we opened for applications nationally in November 2021. We also took our first applications for Adult Disability Payment as part of a pilot in Dundee, Perth and the Western Isles from March 2022.

We showed how we are doing things differently by introducing support through our Local Delivery service – providing people with the opportunity to get face-to-face assistance in their community or at home.

We introduced all of this while continuing to deliver the 10 benefits already in place at the start of this reporting period. Making sure we maintain a great service across these benefits is as important as the work to introduce new ones.

Over the last 12 months, the number of Social Security Scotland colleagues more than doubled to 2,611 members of staff. This is a remarkable rate of growth and presented us with a huge challenge to ensure new colleagues had a positive experience when joining us while receiving the learning and development required to do their jobs well and deliver an excellent service.

In April 2021, our Chief Digital Office transferred from the Scottish Government to become part of Social Security Scotland. We also continued to build our in-house Health and Social Care team who will support delivery of our new disability benefits.

This past year has been challenging for everyone in Scotland and we know our year ahead will continue to test us. We have worked hard to be ready for what is next as we continue to deliver a social security service people can be proud of. I am proud to say that we have received some excellent feedback on our service. A stand out for me is that 94% of our Client Survey respondents say that we treat them with kindness – just one of the encouraging results from our Client Survey.

As we enter our fourth full operational year, we will continue to focus on the people who use our service, understanding what they need and continuously improving so we can sustain the high satisfaction levels you will read about through this report.



David Wallace

Chief Executive and Accountable Officer
20 October 2022



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Performance Report Overview

Our Performance Report covers our achievements between 1 April 2021 and 31 March 2022. It outlines how we met the strategic objectives set out in our [Corporate Plan 2020-23](#) and the business objectives from our [Business Plan for 2021-22](#), with our key findings identified within the Performance Analysis section on page 12.

We have included some insights from our clients, staff and external partners, where appropriate. This provides feedback from people who had experience of our services during the reporting year, using their own words. Details of all of the insights and feedback gathered are from our [2021-22 Charter Measurement Framework and its accompanying 2021-22 Charter Research report](#).

During this period we continued to deliver 10 benefits which increased to 12 by the end of the financial year following the successful rollout of Child Disability Payment, which was introduced nationally from November 2021 and the Adult Disability Payment pilot in March 2022.

We launched our Local Delivery service which allows our clients to book an appointment with specially trained advisers in their local community, at their home or via video or telephone call.

To support delivery of our existing benefits and planned service growth – including the transfer of cases from the Department for Work and Pensions and the launch of our most complex benefit yet, Adult Disability Payment – we increased our headcount welcoming 1,300 colleagues to Social Security Scotland. This includes our Chief Digital Office colleagues who transferred to us from the Scottish Government and recruitment of our in-house Health and Social Care team to deliver disability benefits.

The results of our 2021 People Survey show we continue to have a motivated workforce with a high engagement score of 79%. This is the same score as last year and makes us second-highest ranked out of all 101 UK civil service organisations in the United Kingdom.

We supported clients to claim their benefits. Our clients continue to be treated with kindness, in line with our values. 94% of recent 2021-22 Client Survey respondents who had been in contact with staff ‘agreed’ or ‘strongly agreed’ that they were treated with kindness. 90% of Client Survey respondents who had applied for a benefit ‘agreed’ or ‘strongly agreed’ that the application process was clear.

We have laid strong foundations and this is an excellent starting point for our greater challenges ahead. We are ready to maintain our current high standard of service while planning for future growth. We are not complacent and recognise that we still need to improve upon certain areas. We are monitoring feedback and using the analysis to continuously improve.

Who we are

We were established in September 2018 and are part of the Scottish Government Director General Communities portfolio.

The [Framework document](#) explains the detailed accountability and governance for our organisation, and the context for our relationship with Scottish Ministers and Scottish Government Directorates. For a full description of our organisational structure, please refer to the [Accountability Report](#).

We do not make the rules about who can be paid benefits or how much money they should receive as these are Ministerial matters. We are here to manage the Scottish social security system in line with the principles laid down in the [Social Security \(Scotland\) Act 2018](#).



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Our Executive Team

David Wallace	Chief Executive	Janet Richardson	Deputy Director, Client Services Delivery
James Wallace	Deputy Director, Finance and Corporate Services	Andy McClintock	Chief Digital Officer
Miriam Craven	Deputy Director, Strategy, Change, Data and Engagement	Professor Paul Knight Marie Farrell	Joint Chief Officers, Health and Social Care Operations

Further information on the Executive Team's roles and responsibilities can be found within the Accountability Report on Page 42.

How social security supports National Outcomes

Social Security Scotland supports the delivery of the National Outcomes within the [National Performance Framework](#).

National Outcome	How we support this
We tackle poverty by sharing opportunities, wealth and power more equally	We provide access to a number of low-income support payments designed by the Scottish Government to tackle poverty. We promote these benefits so people know what they are entitled to and can apply for them. We process applications in a timely manner and make payments to those eligible.
We live in communities that are inclusive, empowered, resilient and safe	We provide access to disability payments designed by the Scottish Government to enable people to live as fully and independently as possible. We promote these benefits so people know what they are entitled to and can apply. We process applications in a timely manner and make payments to those eligible.
We have thriving and innovative business, with quality jobs and fair work for everyone	We create job opportunities and provide community benefits through our spending on goods and services. We also provide access to Job Start Payment designed by the Scottish Government to help young people who have been unemployed pay for costs incurred when they start a new job.
We are healthy and active	We provide access to disability payments designed by the Scottish Government to enable people to live as fully and independently as possible. We also provide access to Best Start Foods, a payment designed by the Scottish Government to help parents and carers of children under 3 to buy healthy food.
We respect, protect and fulfil human rights and live free from discrimination	The Scottish Government considers social security to be a human right. We ensure that people are aware of this and that they know about the support they may be entitled to and can apply for benefits.

Our Charter

The **Social Security (Scotland) Act 2018** principles are reflected in **Our Charter**, which was created in partnership with people who have lived experience of the social security system. The purpose of Our Charter is to clearly set out what people should expect from the Scottish social security system. It explains how we uphold the Principles in the Act, making sure that we take a human rights-based approach to what we do and how we demonstrate dignity, fairness and respect in all of our actions.

Our Corporate Plan and Business Plan

We publish our three-year **Corporate Plan** to share our strategic direction with colleagues and the people of Scotland. This plan incorporates our obligations under the National Outcomes Framework and **Our Charter**.

Every year, we publish our **Business Plan**, which shows our activity for the year ahead and how it will help us meet the objectives in our Corporate Plan.

What we set out to deliver

Corporate Plan Theme	Helping to deliver a social security system with dignity, fairness and respect	Supporting people in Scotland to access devolved benefits that they are entitled to	Running our service in a responsible way
2021/22 Business Plan Objectives	<ul style="list-style-type: none"> Support our people and their wellbeing Adapt, progress and learn from the effect COVID-19 has had on our organisation Develop a Health and Social Care Division Develop our plan for the future Build our diverse workforce Continue to request and act on feedback we receive Work to deliver new and future benefits. 	<ul style="list-style-type: none"> Make sure that colleagues benefit from clients' feedback and insights Roll out a face-to-face service Build on our work to lead and encourage our approach to inclusive communications Maintain and develop relationships with a wide range of national and local stakeholders. 	<ul style="list-style-type: none"> Further develop strong internal financial controls, rules, procedures and methods Publish key reports and strategies Provide accessible buildings that can be used flexibly Improve our digital systems. Introducing new digital methods.

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Performance Summary

This section of the report provides an at-a-glance summary of Social Security Scotland's performance based on our Business Plan objectives under each of our Corporate Plan themes. This has been a successful operational year for us. We have delivered strong outcomes meeting all the objectives we set ourselves.

More detailed information on our performance can be found within the [Performance Analysis](#) section.

Helping to deliver a social security system with dignity, fairness and respect

- 92% of our colleagues who responded to our 2021-22 Charter Research Survey said they had 'good' or 'very good' support from their line manager.
- In July 2021 we launched the Our Ways of Working project to understand how we could adopt hybrid working, while maintaining our high standards of client service and offering value for money. We engaged extensively with colleagues using surveys, equality impact assessments, focus groups and roadshows. We acknowledge there is more work to do to ensure colleagues with additional needs are fully supported for hybrid working.

- We have recruited over 80 in-house Health and Social Care professionals who will contribute expert advice to ensure decisions about disability benefits are consistent, the need for expensive third-party assessments and supporting delivery of Child Disability Payment and Adult Disability Payment.
- We significantly grew our workforce planning capability to support and manage the organisational growth required to deliver disability benefits. Using statistical modelling benchmarked to service delivery requirements, we have delivered affordable headcount plans to inform our recruitment strategies.
- We developed a marketing campaign to attract people to join Social Security Scotland. The campaign was tested with people from diverse ethnic and socio-economic backgrounds as well as with disability organisations to ensure we reached a wide range of people that reflect modern Scotland.
- We gathered colleague feedback through our People Survey, ways of working surveys and all colleague calls and focussed on colleague achievements via our Client Compliments Scheme and Colleague Recognition Awards.



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Supporting people in Scotland to access devolved benefits

- Feedback from clients, colleagues and partners, including complaints, has led to positive change such as improvements to our internal processes, accessibility of our service and amendments to our application forms. We have also continued to work in partnership with the Department for Work and Pensions and policy and legal teams when considering benefit eligibility.
- We continued to promote all of our benefits, investing in proactive marketing. This included launching a new Five Family Payments campaign to promote Scottish Child Payment, our three Best Start Grant payments and Best Start Foods through a single campaign in April 2021.
- We are a national organisation with a presence in all of Scotland's 32 Local Authority areas. The Place Project, launched this year, focused on identifying locations for Local Delivery colleagues and putting in place an appropriate travel and transport solution which provides convenience, value for money and sustainability.
- We have taken action to deliver on the commitments in Our Charter to treat everyone equally, fairly and without discrimination by adapting our ways of communicating to meet our clients' needs and completed a full review of Social Security Scotland's progress towards implementation of inclusive communications – a legal requirement.
- Partner participants were mostly positive about their relationship with us and mentioned good experiences of partnership working. They highlighted enthusiastic attitude of staff; our willingness to engage and receive feedback and they appreciate our regular progress updates.

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Running our service in a responsible way

- We have a strong programme of internal audit, helping us to test our approach and response to recommendations on improvement, scrutiny and constructive challenge from the Audit and Assurance Committee.
- £3.48 billion was paid out in benefits by Social Security Scotland and under Agency Agreements with the Department for Work and Pensions.
- In June, we published our first Equality Strategy to help us to meet our responsibilities under the Equality Act 2010, both as a service provider and an employer. Alongside our strategy, we also published our first set of Equality Outcomes. These measurable outcomes were based on information set out in our Mainstreaming Equality Report and were informed by our stakeholders.
- We have ensured environmental considerations are at the heart of our commitment to sustainable procurement and considered the environmental impact when developing our procurement strategies.
- We publish a **full range** of statistics about the benefits we deliver; diversity and equality information about our clients, and information about our workforce as well as any research we undertake.
- Throughout the course of this reporting year we have established Agnes Husband House in Dundee as our Head Office, part of a campus of three buildings across the city. We have worked closely with Local Authorities, public sector and third-sector partners to provide base locations for our staff across Scotland, reducing our travel requirements substantially.
- We have built additional capacity to analyse and respond to error and fraud risks, including recovery of associated debt. We have worked collaboratively with the Scottish Government's Social Security Programme to procure new software to allow capture of data relating to fraud.

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Our achievements in 2021/22 at a glance



£3.48 billion paid out in benefits
by Social Security Scotland and under agency agreements with Department for Work and Pensions¹

¹ Breakdown of all benefit expenditure is within Financial Statements



93% of staff said they are confident to deliver a human rights based service as set out in Our Charter



Adult Disability Payment pilot launched in 3 Local Authority areas March 2022



1 new benefit introduced with Child Disability Payment launching on 22 November 2021



More than 1,300 new people joined our organisation



89% of Client Survey respondents rated their experience with Social Security Scotland as 'very good' or 'good'



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Risks impacting the delivery of our objectives

During 2021/22 we actively managed risks around four key themes

- Having the capacity, resource and organisational resilience to sustain delivery of a complex programme of benefit rollouts to clients that meets our statutory obligations and the values of [Our Charter](#).
- Maturing and developing our systems and processes to manage an increasing caseload, including improving management and performance information and our fraud and error controls.
- Managing key relationships and dependencies to ensure that digital services meet clients' needs and we minimise the impact of technical debt and impacts to our change management function.
- Dealing with economic uncertainty and the impact on forecasting future benefit expenditure and our consequent workforce planning.

The risk landscape has remained complex due to the continuing impact of COVID-19 on our operating environment and the need to redeploy staff to support work on the Ukraine crisis. We have continued to adapt quickly to anticipate, identify and manage risks to our organisational recovery and our ability to meet our strategic objectives. During the financial year, the risk themes identified here have not changed fundamentally although targeted action had a positive effect on residual risk levels across all of the themes. We have seen residual risk levels falling particularly in relation to Resourcing Policy and Operational Readiness. This was in large part due to successful recruitment at scale to support the delivery of new benefits.

There has been a slight increase in financial risk largely due to macro-economic factors, including COVID-19 impacts. These were actively managed over the year in partnership with Scottish Government.

Information on our approach to risk management over the year can be found in the governance statement on page 45 including the consideration of strategic risks.

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Helping to deliver
a social security
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Support our people and their wellbeing through the uncertainty of recovering from the pandemic and the growth of our organisation.

In January 2022 we introduced a new Health and Wellbeing Plan, including measures to support managers to deal with COVID-19 absences in their teams and introducing wellbeing partners to deliver in-house counselling services. Support from our wellbeing partners includes a confidential space to talk about issues, general wellbeing guidance, and signposting to appropriate resources and counselling support.

Our colleagues have told us that they have felt supported by their line manager over the last year. 92% of colleagues who responded to our 2021-22 Charter Research Survey said they had 'good' or 'very good' support from their line manager.

Health and Social Care Alliance Scotland have supported us to deliver 68 Intelligent Kindness sessions to around 1,800 colleagues. This is about making sure that we think about how our actions may impact on others and how it may make them feel whether that's our colleagues, clients or stakeholders. Intelligent Kindness has its origins in the healthcare arena but feedback from colleagues shows that this is a practical way of bringing our values of dignity, fairness and respect to life.

93% of colleagues who responded to our 2021-22 Charter Research Survey said they felt 'confident' or 'very confident' to deliver a service that reflects the values of a human rights-based system as set out in Our Charter.

We have also developed a Safeguarding team to support staff who are in contact with clients who are vulnerable to harm from themselves or others.

Adapt, progress and learn from the effect COVID-19 has had on our organisation

COVID-19 has continued to have an impact on our operations but we have been able to protect our staff by observing Scottish Government guidance and responding flexibly to meet the needs of our clients. To better support colleagues working from home with additional needs we put in place a specialist equipment contract and additional training for managers. Various support sessions have been delivered throughout the year including Carer cafés, Dementia Awareness, and Coping with Stress sessions to ensure Line Managers are equipped to support the needs of their teams.

We also introduced further support for new colleagues delivered by our onboarding team. We also focus on early identification of any additional support or reasonable adjustments colleagues may need.

Working within pandemic restrictions, we provided access to buildings for teams and individuals who needed to work in our offices. This included for training and development and wellbeing reasons. Colleagues from our digital team and accommodations team continued their essential work in our buildings throughout the pandemic.

"This is the first place I have worked since becoming disabled. They have supported me throughout this journey to find reasonable adjustments that work for me and have enabled me to have some ownership over this part of my working life."

Case Manager, Social Security Scotland

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In July 2021 we launched our Ways of Working project to understand how we could adopt hybrid working while maintaining our high standards of client service and offering value for money.

The project engaged extensively with colleagues using surveys, equality impact assessments, focus groups and roadshows. We acknowledge there is more work to do to ensure colleagues with additional needs are fully supported for hybrid working.

Client research gave us insight into their opinions about where our staff work. Survey respondents were asked whether they would prefer to speak to colleagues working at home or in an office for a range of purposes. Most respondents said they didn't mind where colleagues were working. However, some respondents said they would prefer or strongly prefer to speak to colleagues who were in an office.

Among respondents aged 60 and over, a third or more said they would prefer to talk to colleagues based in an office in the majority of scenarios. Respondents with a disability or long-term health condition, were more likely to prefer speaking to colleagues working in an office.

Hybrid working, and having colleagues in locations across Scotland, allows us to meet our clients' contact preferences.

An evaluation framework has been developed to allow us to measure the success of the project and allow evidenced longer-term decisions to be made.

Establishing a Health and Social Care Division that will contribute expert advice to make sure decisions about disability benefits are consistent.

We have recruited over 80 in-house Health and Social Care professionals who will contribute expert advice to ensure decisions about disability benefits are consistent removing the need for expensive third-party assessments and supporting delivery of Child Disability Payment and Adult Disability Payment. Having our Health and Social Care team in-house is proving to be important in supporting decision making, helping our Case Managers reach informed decisions.

Trials were carried out in Adult Disability Payment where Case Managers had a two-week support period after training, with all their cases discussed with a Health and Social Care professional. This new approach demonstrated more efficient and effective decision making. A similar approach was trialled for re-determinations in Child Disability Payment and provided a similar positive outcome.

"The case was quite complex as the client had about six conditions including a very rare one. The support helped me to confidently make my decisions and make a determination on the case."

Feedback from a Case Manager



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Develop our plan for the future, setting out how we will grow as an organisation to meet all of our responsibilities.

During 2021 we significantly grew our workforce planning capability to support and manage the organisational growth required to deliver disability benefits and to be ready for future growth. Using statistical modelling benchmarked to service delivery requirements, we have delivered affordable headcount plans to inform our recruitment strategies.

We have implemented robust forecasting controls that also support financial oversight of staff costs.

Our strategic resourcing and capability development functions provide high-quality, accessible services across the respective employee and customer journeys. Our operating model is based on sustainable partnerships with internal and external stakeholders to ensure that the principles set out in our Charter are met.

We have introduced innovations in our Learning and Development:

- Improved internal resource planning to increase the Learning and Development team's ability to support business delivery
- Using virtual learning platforms to actively promote the use of hybrid training environments
- Launched Leadership Training programmes
- Developed Learning Plans with inbuilt monitoring and evaluation.

Building a diverse and inclusive workforce

In preparation for large-scale recruitment over the course of this year, we implemented a new Applicant Tracking System, allowing us to modernise our recruitment practices and improve the candidate experience while building a diverse and inclusive workforce.

We developed a communication and marketing campaign to attract people to join Social Security Scotland. The campaign was tested with people from diverse ethnic and socio-economic backgrounds to ensure we reached a wide range of people that reflect modern Scotland. The campaign ran from October 2021 to March 2022 and included radio, print, digital and outdoor advertising. Some of the highlights of the campaign included:

- Delivered virtual and face-to-face information sessions for over 6,000 candidates
- Shared recorded candidate workshops with more than 12,000 views
- Received over 21,000 applications for client service delivery roles
- Conducted more than 6,000 video interviews
- 58 Modern Apprentices were successfully recruited
- We offered 48 Fair Start Placements.

We attended careers fairs across Scotland including Dundee and Abertay Universities and Job Centres. A new stakeholder partnership has been built with the Discover Work team from Dundee City Council. We have also teamed up with Glasgow City Council and Clyde Gateway to engage candidates in west central Scotland as well as engaging with work skills academies.

Further information on diversity and inclusion is available in our Remuneration and Staff Report.

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We continued to establish our Dundee campus, including accessible fit-out of our Head Office at Agnes Husband House and choosing Enterprise House in Dundee to support training and offer secure work space for specialist teams.

Continue to request and act on feedback we receive.

We gathered colleague feedback through our People Survey, ways of working surveys and all colleague calls to inform our hybrid working trials.

Over the last year, we have focused on recognising our colleagues' achievements. We developed two separate, but connected ways of recognising our colleagues:

- **Client Compliments Scheme** – where we recognise great service provided to our clients
- **Colleague Recognition Awards** – where we say thanks to teams and individuals doing great work demonstrating our corporate values of dignity, fairness and respect.

Complaints, compliments and suggestions²

We welcome and encourage feedback from everyone who engages with us and use feedback to continuously improve our service.

"I'd like to thank you for how lovely you have been on this call. You've made this seem like an easy, straightforward process and have taken all the difficulty away. I thought this would be another nightmare to go through but you've listened to everything I've said and been so nice."

Client compliment

"I would like to thank Glen and Arthur for their empathy and their knowledge of the Funeral Support Payment is excellent. They treated me with respect, dignity and understanding of the current situation with my mum passing away. They were kind, caring and their customer care standards were excellent."

Client compliment

² Social Security Scotland Feedback statistics to 31 March 2022

Complaints

Table 1 – Feedback received year on year

Type of feedback	Year	Number Received
Complaints	2018-19	75
	2019-20	185
	2020-21	230
	2021-22	400
Compliments	2018-19	60
	2019-20	75
	2020-21	55
	2021-22	45
Suggestions	2018-19	5
	2019-20	55
	2020-21	15
	2021-22	25

Feedback by financial year

A Stage One complaint allows us five days to resolve an issue to the client's satisfaction. If the client remains unhappy, this may progress to Stage Two, where a full investigation is carried out and we have 20 working days to provide a formal response. There can be occasions when a complaint is lodged at Stage Two immediately if the issue is serious, complex, or risks reputational damage.

In 2021/22, 16% of complaints reached Stage 2, which was lower than the previous year when 18% of complaints reached Stage 2. Three complaints went directly to Stage 2.

Table 2 – Number of Stage One and Stage Two Complaints by year

Complaint Type	Year	Number Received
Stage One Complaints	2018-19	75
	2019-20	185
	2020-21	230
	2021-22	400
Stage Two Complaints	2018-19	15
	2019-20	25
	2020-21	40
	2021-22	65

The year 2021/22 was the first full financial year following the launch of Scottish Child Payment. This year also included the launch of Child Disability Payment, and the pilot for Adult Disability Payment went live at the end of 2021/22 financial year. Complaint numbers remain low compared to the number of people receiving payments or making applications.

As a result of complaints from clients, we have improved our external communications. We have used social media to manage expectations around processing times and any arising issues with our service to keep our clients updated in real time.

As a direct result of complaints relating to clients being given conflicting messages, we have issued standardised lines for our client advisers to use to ensure consistent messaging.

Complaints by outcome

Complaint outcomes are counted separately for Stage 1 and 2, therefore a complaint that progressed from Stage 1 to Stage 2 will have two outcomes. Complaint outcomes are reported against the year when the complaint was closed, rather than the year in which the complaint was received.

At the end of the 2021/22 reporting year, there were still five Stage 1 complaints and 15 Stage 2 complaints outstanding, waiting to be closed. These are not included in the table below.

Table 3 - Outcome of Stage One and Stage Two complaints

Stage	Outcome	2018/19	2019/20	2020/21	2021/22
Stage 1	Total	75	185	220	400
	Upheld	35	135	150	145
	Partially upheld	0	15	25	25
	Not upheld	40	30	35	30
	Resolved	0	0	0	190
	Withdrawn	0	10	5	5
Stage 2	Total	10	30	40	50
	Upheld	5	25	30	40
	Partially upheld	5	5	5	5
	Not upheld	5	0	5	0
	Resolved	0	0	0	0
	Withdrawn	0	0	0	0

* Figures are rounded and may not sum.

The outcome 'resolved' was introduced from 12 April 2021³. In 2021/22, 48% of Stage 1 complaints had this outcome, and the proportion of Stage 1 complaints that were upheld (37%), partially upheld (6%) or not upheld (8%) all decreased as a result of this change in reporting options compared to the previous reporting year.

In 2021/22, the majority (75%) Stage 2 complaints had the outcome of upheld with a further 14% being partially upheld.

Compliments – Why people said thank you

In 2021/22, 45 compliments were received, with 15 for Child Disability Payment and ten or fewer for Carer Allowance Supplement, Best Start Grant and Best Start Foods, Funeral Support Payment and Scottish Child Payment. This is less than the previous year where 55 compliments were received.

Overall in 2021-22, the most common reason for compliments has been 'Thank you for being so helpful', accounting for 65% of compliments, with 20% of compliments being 'Thank you for getting it right'.

We are delivering a more complex service now than we were during 2020/21. We have also noted clients have an increased awareness of our services. We continue to note client and stakeholder feedback to ensure we continuously improve our service.

Compliments to our staff are shared with line managers and they also receive a personal thank you email from the Head of Client Experience.

We share compliments across the organisation and with colleagues in the Scottish Government's Social Security Programme. Insights are shared with communications and design colleagues to monitor positive client responses.

3 The category of 'resolved' was introduced for when a client has made a complaint, and the complaint is resolved without the need to look further into why something went wrong, or to mark it as upheld or not upheld.

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Suggestions

Across all benefits, we received a total of 25 suggestions, mostly in relation to Child Disability and Best Start Grant. Some examples of ways in which we have specifically responded to feedback can be found on page 22.

Delivering new and future benefits

To measure our performance, we collated information directly from our Client Survey. Information for this was collected across three rounds of fieldwork, which ran between 10 November and 17 December 2021, 7 February and 20 March 2022, and 9 May and 5 June 2022.

We received a total of 7,534 responses for the 2021/2022 Social Security Scotland Client Survey which equates to around 6% of the 126,276 invites sent.

The survey was open to everyone who had received a decision on an application for at least one of: Best Start Grant and/or Best Start Foods, Funeral Support Payment, Young Carer Grant, Scottish Child Payment, Job Start Payment, or Child Disability Payment between 1 April 2021 and 31 March 2022. A survey invite was also sent to anyone who had received Carer Allowance Supplement or Child Winter Heating Assistance for the first time, or who had completed a Child Disability Payment Case Transfer during this time.

How did we do in relation to helping to deliver a social security system with dignity, fairness and respect?

Overall Client Experience* (of all 2021-22 Client Survey respondents)

- 89% rated their experience with Social Security Scotland overall as 'good' or 'very good'.

Contact with staff (of Client Survey respondents who had been in contact with Social Security Scotland staff)

- 93% rated their experience with Social Security Scotland's staff as 'good' or 'very good'
- 94% 'agreed' or 'strongly agreed' that they were treated with kindness
- 88% 'agreed' or 'strongly agreed' that they felt trusted by staff
- 92% 'agreed' or 'strongly agreed' that staff listened to them
- 91% 'agreed' or 'strongly agreed' that staff made them feel comfortable.

* It is not possible to provide historic trend data due to differences in methodology with previous surveys

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Your application decision

- 89% of Client Survey respondents who had applied for a benefit said they agreed with the decision made on their application(s).

Discrimination

- 93% of Client Survey respondents said they did not feel discriminated against at any point throughout their experience with Social Security Scotland.

“What I really did like about it, to be honest, as much as it was addressed to me it spoke about [my son]. It said [my son]’s payments will, and [my son]’s award is for, so it was very personal. I knew that it was about my child. It wasn’t generic... it was about my pride and joy... There wasn’t jargon. I didn’t need to look up a thesaurus to work out what that word means. It was all very easy reading, and I was pleased with how the decision was made.”

Client participant in the 2021-22 Charter Research



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Make sure that feedback is used to improve the service

Feedback from clients, colleagues and partners, including complaints, has led to positive change.

Some colleagues in our 2021-22 Charter Research for the Charter Measurement Framework provided clear instances of times when feedback led to an improvement. A common theme was improvements to internal processes in response to feedback, for example about how work is organised and tracked. There were also examples about improvements to communications within and between teams.

Other examples led to improvements in the client experience. These were: improvements to application forms; working in partnership with the Department for Work and Pensions; and working with policy and legal teams to consider benefit eligibility.

External partners who took part in the research gave some examples of providing feedback that led to improvements. One participant gave an example of how Social Security Scotland had listened to their feedback and used it to improve information for older clients. Another gave an example related to issues of accessibility for clients who use British Sign Language.

“While taking a call from a client in Case Transfer the information they received from Department and Work and Pensions was not correct and my responsibility was to advise the client of this and get them to call back the Department for Work and Pensions. By the time I took the call two hours of phone calls had been made. I realised asking client to call back Department for Work and Pensions would upset them more, I therefore took the client’s details and said I would check and call him back.

...My manager escalated the mis-communications and this lead to the Department for Work and Pensions realising a system error at their end, which was quickly rectified and saved many of their clients receiving wrong information... The client was so relieved and thanked me for delivering what I said I would.”

Staff participant in 2021-22 Charter Research



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How we have promoted our benefits

We continued to invest in proactive marketing for all of our benefits. This included launching a new Five Family Payments campaign to promote Scottish Child Payment, our three Best Start Grant payments and Best Start Foods through a single campaign in April 2021. This campaign was designed to broaden awareness of the full financial support package available to low-income families in a cost-effective way. We carried out an evaluation of this campaign in November 2021 with favourable results. Applying Scottish Government measures of campaign awareness, clarity of message and likelihood of people taking action, this campaign achieved an 87% engagement score. The highest-ever score for any Scottish Government integrated communications and marketing campaign.

We have continued to pro-actively promote all of our benefits: including 15 campaign pushes across 10 benefits. This is a reduction on the number of separate campaigns on the previous year as we combined the promotion of Scottish Child Payment, Best Start Grant and Best Start Foods into a single Five Family Payments campaign.

We are mindful of being as inclusive as possible across all of our marketing so we include offline advertising in print and radio. This was the first year we used TV advertising, a top channel in our Five Family Payments campaign evaluation.

Social media is an important space to promote our benefits and provide general information. We responded to a total of 1,967 direct messages from clients through social media. Where required, we ensured our clients were put in touch with a client advisor through our webchat, phonenumber or our Local Delivery service.

We designed social media communication plans to reach a wider audience and specifically target different demographics. This included using LinkedIn to support our recruitment efforts and raise awareness of benefits including Job Start Payment to employers. We also used Instagram to reach a younger age group to promote benefits including Young Carer Grant and Job Start Payment.

“There were a number of film clips and there was an English person signing British Sign Language... They’ve made improvements. They’re now using Scottish people doing British Sign Language. It’s like a dialect, like the difference between Glasgow and Edinburgh. We want to make sure people in Scotland understand British Sign Language.”

Partner participant in Charter Research

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Achievement by social media platform

Total engagements across our social media channels 847,344

Platform	Total engagements
Facebook	793,288
Instagram	516
Twitter	43,267
LinkedIn	10,273

Social media engagements (including reactions, comments, and shares) have increased year on year. Particular attention was paid this year to making social media content as accessible as possible, as well as trialling different types of content including more use of video. Our audience has also increased, in part due to new benefits being launched, and existing clients looking for information quickly via social media. As part of our ongoing evaluation of our social media channels, we made a decision to proactively design content specifically for Instagram. This has led to richer, more focused engagement with this channel.

Spotlight on Child Disability Payment, following national rollout in November 2021

Child Disability Payment provides families with support for extra costs that a disabled child might have. This was the first disability benefit in the UK offering online application. People can also apply by phone, post or face-to-face.

Child Disability Payment replaces Disability Living Allowance for children, which is delivered by the Department for Work and Pensions and is the first of three complex disability benefits that we will introduce including Adult Disability Payment, followed by Pension Age Disability Payment. People already receiving Disability Living Allowance for children do not need to apply to us. There are approximately 52,000 current cases that we will automatically transfer in phases from the Department for Work and Pensions to our system.

From 26 July 2021, new applications were taken for Child Disability Payment for children under 16 that lived in the pilot areas of Dundee City, Perth and Kinross and the Western Isles. On 22 November 2021, Child Disability Payment launched nationwide to all new applicants living in Scotland.

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Child Disability Payment statistics⁴

- From 26 July to the 31 March 2022, 9,570 part 1 applications⁵ were received for Child Disability Payment. There were also 5,375 part 2 applications registered in this period
- 3,565 applications were processed with a decision made by 31 March 2022. Of these, 77% of the applications were authorised, 15% were denied and an additional 8% were withdrawn
- We estimate 3,050 children were in receipt of Child Disability Payment. as at 31 March 2022. Of those in receipt, 2,500 children were new applicants and 555 were children who had their award transferred to Child Disability Payment
- Between 26 July and 31 March 2022, the total value of Child Disability Payment paid was £3.25 million⁶. Of this total, £3.0 million was paid to new applicants and a further £0.25 million to clients who have transferred to Child Disability Payment from the Department for Work and Pensions.

⁴ Child Disability Payment Statistics up to 31 March 2022

⁵ Child Disability Payment applications consist of two parts. In Part 1 we request information about the child's identify for verification purposes. In Part 2, we request information about the child's condition, care, mobility needs, and the help and support they need. Applicants applying for a terminally ill child only need to submit one form.

Re-determinations and appeals: performance across all of our benefits⁷

Applicants can ask us to reconsider our decision if their application is denied, or if they think the amount they are going to be paid is wrong. This is known as a redetermination and we have 16 working days to make a new determination. A request for a redetermination should be made within 31 calendar days of receiving a decision. This can be extended up to one year if there is a good reason.

For disability payments, a request for a redetermination should be made within 42 calendar days of being notified of the determination. Social Security Scotland then has 56 calendar days to make a redetermination.

Applicants have the right to appeal to a Tribunal if they do not agree with Social Security Scotland's redetermination, or if Social Security Scotland is not able to make a redetermination within the required timescales. Appeals are heard by the Social Security Chamber, First-tier for Scotland which is independent from Social Security Scotland.

Job Start Payment and Best Start Foods do not have a redetermination process. Instead, there is an internal review process, which means that applicants can request that their decision be looked at again. In total, 1,600 redeterminations were received between April 2021 and March 2022 across all benefits.

^{6 & 7} Within our statistical reporting, key dates are used to assign applications received, applications processed and payments issued to time periods. This is a different methodology to that used in financial reporting and as a result there may be differences in the values reported for a given time period

Table 4 – Number of re-determinations received (1 April 2021 – 31 March 2022)*

Benefit	2018/19	2019/20	2020/21	2021/22
Child Disability Payment	-	-	-	150
Child Winter Heating Assistance	-	-	-	40
Scottish Child Payment	-	-	100	455
Job Start Payment	-	-	90	165
Best Start Grant	345	1,110	1,150	515
Young Carer Grant	-	10	75	85
Funeral Support Payment	-	135	240	190
Total	345	1,255	1,655	1,600

* Figures presented for re-determinations received exclude any invalid requests.

* Figures are rounded and may not sum.

* Re-determination outcome data is presented by month of decision rather than month the re-determination was received

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Table 5 – Number of re-determinations processed (1 April 2021 – 31 March 2022)*

Benefit	Outcome	2018/19	2019/20	2020/21	2021/22
Child Disability Payment	Allowed or Partially Allowed	-	-	-	60
	Disallowed	-	-	-	10
	Withdrawn	-	-	-	[c]
Child Winter Heating Assistance	Upheld	-	-	-	0
	Not upheld	-	-	-	25
	Withdrawn	-	-	-	15
Scottish Child Payment	Allowed or Partially Allowed	-	-	15	225
	Disallowed	-	-	15	135
	Withdrawn	-	-	30	100
Job Start Payment	Allowed	-	-	10	30
	Disallowed	-	-	55	95
	Withdrawn	-	-	5	5
Best Start Grant	Allowed or Partially Allowed	120	300	205	105
	Disallowed	150	625	425	265
	Withdrawn	30	210	505	155
Young Carer Grant	Allowed or Partially Allowed	-	0	35	45
	Disallowed	-	0	20	25
	Withdrawn	-	0	0	5
Funeral Support Payment	Allowed or Partially Allowed	-	135	240	190
	Disallowed	-	60	110	65
	Withdrawn	-	60	110	110

* Figures are rounded and may not sum

* [c] Numbers between 1-4 are suppressed for disclosure reasons

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Appeals

In 2021-22, 20 appeals were received for Scottish Child Payment, 15 appeals were received for Best Start Grant and 10 appeals were received for Funeral Support Payment. Further to this, a small number of appeals (fewer than five) were received for each of Young Carer Grant and Child Disability Payment. These numbers have not been published to prevent the disclosure of small cohorts.

Roll out a local face-to-face service

We are a national organisation with a presence in all of Scotland's 32 Local Authority areas. The Place Project, launched this year, focused on identifying locations for Local Delivery colleagues and putting in place an appropriate travel and transport solution which provides convenience, value for money and sustainability. We provide options for clients depending on their needs and circumstances including:

- Face-to-face visits at home
- Face-to-face appointments in a community venue
- Video appointments
- Telephone appointments
- Prison and hospital visits.

We consider places our clients currently visit when choosing community venues. To support the Scottish Government's commitment to tackling child poverty, we worked closely with schools to raise awareness of our family benefits to people who may be entitled to them.

We continue to make new stakeholder partnerships across Scotland. In Dundee, we are a partner in the Child Poverty Pathfinder collaborative project with the Department for Work and Pensions, Dundee City Council and third-sector organisations. This project focuses on working with local families to sustainably support them out of poverty through holistic person-centred support.

Develop inclusive communications

We have taken the following actions to deliver on the commitments in Our Charter to treat everyone equally, fairly and without discrimination by adapting our ways of communicating to meet our clients' needs. We have completed a full review of Social Security Scotland's progress towards implementation of its legal requirement to communicate inclusively.

- We have inclusive communications champions across the organisation. They help ensure inclusive communication principles are understood across Social Security Scotland
- We advised colleagues on how to make letters about benefits clearer and more inclusive
- We shared ways to make our online, phone and in person communications more inclusive
- Our Communications Team introduced an icon and photo bank with supporting guidance for colleagues to make their communications more inclusive by using imagery to aid interpretation
- We have rolled out unclusive communication training, with more than 700 staff attending.

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Positives

The majority (88%) of staff participants in 2021-22 Charter Research said they felt confident or very confident to deliver a service based on inclusive communication. They said a culture of inclusiveness was embedded in the organisation in examples such as branding and not using acronyms.

"She asked if I had any issues filling in forms. I'm actually dyslexic, so she then said well that's fine, I'll send you out the form but I can schedule someone to phone you, so somebody phoned me and he filled out the form for me. That was really helpful, getting someone else to fill it in... It was a video call and it was an hour. He was on his computer and he was speaking to me as well as typing it all in for me. That was really good."

Client participant in 2021-22 Charter Research

"The web chat is a great function. From an autism mum who does it on the sly. ... being able to do web chat, and I didn't have to be on the phone, was brilliant. Got the answer I needed."

Client participant in 2021-22 Charter Research

Challenges

5% of 2021-22 Client Survey respondents said they could not communicate with Social Security Scotland when they wanted to, whilst 3% could not communicate how they wanted to⁸.

37% of respondents who faced at least one of these communication barriers told Social Security Scotland about the barriers they experienced. 47% of this group who told Social Security Scotland about barriers they faced strongly agreed or agreed that Social Security Scotland supported them to overcome them.

"We work with some of the most vulnerable client groups who have various complex needs. It has been very difficult for us to act on their behalf due to actually having to be with them to go through security which they can't always get through due to their complexities. This means that it has been made very difficult to access the correct benefits and actually get issues sorted for the client base we work with"

External Partner participant in 2021-22 Charter Research

"A client I spoke with could not follow the instructions to upload a document that we required on-screen. The client requested written instructions to enable her to up load the birth certificate we required, and requested these instructions either by email or letter...this is something I believe we should have to make our service more fully inclusive"

Client participant in 2021-22 Charter Research

⁸ These respondents could have also experienced other barriers.

Maintain and develop stakeholder relationships

Stakeholders continue to provide valuable feedback and practical input on a range of different issues through our key stakeholder groups:

- Operational Reference Group
- External Equalities Network
- Inclusive Communications Stakeholder Group.

External Partner participants in the 2021-22 Charter Research Survey were asked about their experience of working with us. Around two thirds (64%) of partners agreed or strongly agreed that Social Security Scotland had worked well with their organisation. Nearly one in five (19%) disagreed or strongly disagreed and 14% selected 'neither'. The remaining respondents selected 'not applicable'.

Partner participants were mostly positive about their relationship with us and mentioned good experiences of partnership working. They highlighted enthusiastic attitude of staff; our willingness to engage and receive feedback; and they appreciate our regular progress updates. They identified partnership collaborative discussions as an area for future improvement.

"Social Security Scotland is clearly committed to best practice in providing accessible communication and is doing well to keep partner organisations updated on progress e.g. rollout of benefits. A very positive experience in regard to partnership working."

Partner participant

Two thirds of partner participants (66%) said they agreed or strongly agreed that Social Security Scotland is open to feedback.

"Social Security Scotland have always been open to feedback. They've been very proactive, reaching out to stakeholders. Regular meetings with us. They've been good and in the last year especially. Kind of rate it very positively."

Partner participant

The Charter Research Survey of partners asked people who worked with us or directly with clients to rate the service. 57% of partner survey participants said they rated the overall service as good or very good, while 18% said it was poor or very poor.

Partners we interviewed praised our values and ethos. They felt we have built the service in a way that puts clients first and praised us for taking lived experience and partner feedback into account when delivering our service. A few partners mentioned they were pleased about how we actively align our work with our Charter commitments.

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Overall	<ul style="list-style-type: none"> 90% of Client Survey respondents rated their experience of applying for Social Security Scotland benefits as 'good' or 'very good' 86% of Client Survey respondents said we did not waste their time
Getting information and advice	<ul style="list-style-type: none"> 80% of all Client Survey respondents 'agreed' or 'strongly agreed' they had enough choice about how we communicated with them Of Client Survey respondents who tried to contact Social Security Scotland at some point since 1 April 2021: <ul style="list-style-type: none"> 85% 'agreed' or 'strongly agreed' they had enough choice about how they communicated with us 81% of clients 'agreed' or 'strongly agreed' that it was easy to contact Social Security Scotland
Contact with staff	<ul style="list-style-type: none"> 89% of Client Survey respondents who had been in contact with our staff 'agreed' or 'strongly agreed' that staff were knowledgeable about our benefits
Applying for Social Security Scotland benefits	<p>Of Client Survey respondents who had applied for a benefit:</p> <ul style="list-style-type: none"> 90% 'agreed' or 'strongly agreed' the application process was clear 90% 'agreed' or 'strongly agreed' that the application asked only relevant questions 87% 'agreed' or 'strongly agreed' that their application was handled within a reasonable time-frame 70% 'agreed' or 'strongly agreed' they got enough updates on the progress of their application
Receiving payments from Social Security Scotland	<p>Of Client Survey respondents who had received a payment from us:</p> <ul style="list-style-type: none"> 96% said they were paid when we said they would be paid 97% said they got the right amount first time 93% said they got the right amount every time
Your application decision	<p>Of Client Survey respondents who had applied for a benefit:</p> <ul style="list-style-type: none"> 87% 'agreed' or 'strongly agreed' that their application decision was clearly explained 88% said they understood the decision

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“They were very friendly and knowledgeable about what I had to do. They didn’t have to go ‘well I don’t know’ and go and ask somebody else. They knew what they were speaking about.”

Client participant in 2021-22 Charter Research

“The website was clear and explained things. The application process, which I was really dreading... the questions were really easy to understand, and gave you prompts. It wasn’t repetitive, some other benefits that I’ve looked at before for other people, it was repetitive, and almost feels like trick questions... But it wasn’t like that, [it was] really straightforward... I was pleasantly surprised.”

Client participant in 2021-22 Charter Research

“[The letter] was clear and precise, it told me exactly how much and when it was paid, and that was it. It said this is the Social Security Scotland Carer Allowance Supplement payment your daughter is entitled to, you will receive it twice a year if you receive Carer Allowance with a disability within the higher rate, and that’s what it was.”

Client participant in 2021-22 Charter Research



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Running our service in a responsible way

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Financial Performance - make every penny count

The Accountability report shows our outturn of spend against our budget. It also provides information on fraud, debt and error.

It cost £195 million to run our organisation in 2021/22 (£130 million in 2020/21). The following table shows the main categories of spend:

Table 6 – Operating costs by expenditure category

Expenditure Type	2021-22	2020-21
Staff	£91.7 million	£42.3 million
Accommodation	£4.6 million	£3.8 million
Other Operating Costs	£13.1 million	£6.3 million
Scottish Government shared service recharges	£4.0 million	£2.3 million
IT Systems	£5.0 million	£0.2 million
Formal agreements with the Department for Work and Pensions	£76.5 million	£75.4 million

Staff costs have increased from 2020/21 following the transfer of the Chief Digital Office from the Scottish Government on 1 April 2021, along with our planned growth to enable the administration of more benefits.

Non-current assets of £34.9 million (£11.5 million in 2020/21) reflects investment in our buildings and Information Technology systems. Further details on our non-current assets is provided in Notes 5 to 7. Current assets are £43.7 million which have reduced from the 2020/21 position (£70.6 million) due to lower bank balances being held. Further information on our current assets is provided in Notes 7 and 8 to the financial statements.

Trade and other payables at £285.5 million have decreased from the end of March 2021 (£333.3 million) reflecting the timing of benefit payments. More information is provided in Note 10 to the financial statements.

We have a strong programme of internal audit, helping us to test our approach and respond to recommendations on improvement, scrutiny and constructive challenge from the Audit and Assurance Committee. This has helped ensure we are following up on recommendations from Internal Audit.

We have continued to meet our obligations under information access and data protection regulations. We responded to 24 Freedom of Information requests this reporting year with one request for review. All requests – including the single request for review – were responded to within the statutory deadline. It took on average 16 days to issue a response to applicants. Personal data incidents have been reported on separately within this report under the accountability statement section.



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We delivered £3,483.9 billion in payments across the following benefits:

Benefit expenditure	Year to 31 March 2022 £million	Year to 31 March 2021 £million
Delivered through Agency Agreements with the Department for Work and Pensions		
Carer Allowance	293.6	296.0
Attendance Allowance	515.4	527.6
Disability Living Allowance	686.1	722.4
Personal Independence Payment	1,738.9	1,626.2
Severe Disablement Allowance	6.6	7.4
Industrial Injuries Disablement Benefit	80.2	82.5
	3,320.3	3,262.1
Delivered by Social Security Scotland		
Carer Allowance Supplement	57.6	58.6
Best Start Grant – Pregnancy and Baby	6.1	6.4
Best Start Grant – Early years	3.7	5.6
Best Start Grant – School Age Payment	4.5	5.8
Best Start Foods	13.8	0.0
Funeral Support Payment	10.3	11.0
Young Carer Grant	0.8	0.7
Job Start Payment	0.9	0.3
Scottish Child Payment	55.9	6.1
Child Winter Heating Assistance	4.9	2.8
Child Disability Payment	5.2	0.0
Adult Disability Payment	0.0	0.0
	163.6	97.3
Total	3,483.9	3,359.4



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Key risks

The various risks we are exposed to are tracked within the Strategic Risk Register. We manage risk as set out in our Risk Management Framework. This draws upon The Scottish Public Finance Manual⁹ and Her Majesty's Treasury – The Orange Book¹⁰.

In 2021-22 our Risk Review Group, chaired by the Deputy Director Finance and Corporate Services, continued its work in the oversight and analysis of our risk landscape. Focusing specifically on the organisation's Strategic Risk Register, they approve any new risks and changes to risk scores and provide challenge on all risks identified. Risk appetite and tolerance are reviewed annually, and risk horizon scanning is an established, standing item on the agenda.

As a result of an external review in the previous year, a number of recommended changes to the Risk Management process have been implemented throughout this year, including the expansion of the Risk Management team and the maturation of the risk register and risk assessment process. The main focus this year is the development of the long-term principal risks to the strategic objectives.

Information on our risk management function and processes are set out in our Governance Statement.

Publish the following key reports and strategies

Our statistical publications

Currently our statistics are being published as experimental official statistics. Experimental statistics are defined in the Code of Practice for Statistics as “new official statistics undergoing evaluation. They are published in order to involve users and stakeholders in their development and as a means to build in quality at an early stage”. We publish a **full range** of statistics about the benefits we deliver, diversity and equality information about our clients, and information about our workforce.

Our social research

In 2021-22, we carried out a number of **Client Panel research projects** on subjects including:

COVID-19 and Communication Preferences, Spring 2021

The research explored how the COVID-19 pandemic affected how people prefer to communicate with organisations like us. We asked questions about the different ways people like to get in touch and how this may have changed during the pandemic.

Main Buildings in Dundee and Glasgow, Summer 2021

Panel members who live in or around Dundee and Glasgow were invited to take part in a survey about our main buildings in those cities. We asked questions about travelling to and entering the buildings, as well as potential staff uniforms and how they expect our staff to treat them.

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⁹ Scottish Public Finance Manual – gov.scot (www.gov.scot)

¹⁰ Orange Book – gov.uk – GOV.UK (www.gov.uk)

Working location of staff, Winter 2021

This was carried out with both **Client Panels and Experience Panels**. We asked if it is important to know whether staff are working in an office or at home. The research explored views about speaking to and sharing personal information with staff working at home and in an office.

Opening Hours, Winter 2021

As part of the staff location project, we also asked Client Panel and Experience Panel members for feedback about our opening hours. We asked how often, if ever, they might need to get in touch at different days and times.

Provide accessible buildings

Throughout the course of this reporting year we have taken on new buildings within our estate most notably our new Head Office in Dundee. We have worked with our facilities partners to ensure they are managed in a sustainable way including robust recycling processes. Our office buildings have been fitted out with a range of accessible adjustments to meet clients' and colleagues' needs, including rise/ fall desks and kitchen workspaces.

We have worked closely with Local Authorities, public sector and third-sector partners to provide base locations for our staff across Scotland, reducing our travel requirements substantially. We have also implemented agreements to use space within partner buildings to facilitate delivery of our key face-to-face client services on an 'as needed' basis. This approach offers both flexibility and value for money, as well as the opportunity to provide clients with multiple services under one roof thereby delivering convenience and reducing associated travel.

Improve our digital systems to detect fraud

We have built additional capacity to analyse and respond to error and fraud risks, including recovery of associated debt.

We have built additional capacity to analyse and respond to error and fraud risks, including recovery of associated debt. We have worked collaboratively with the Scottish Government's Social Security Programme to procure new software to allow capture of data relating to fraud. The software is used widely by law enforcement organisations across the UK including Police Scotland and HMRC for internet investigations and helps provide open source information in either an intelligence or evidential format which is acceptable to Crown Office and Procurator Fiscals Service (COPFS) in court proceedings.

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We have identified requirements for an Intelligence Management database to ensure compliance with legislation, law enforcement guidance and practices. The ongoing procurement has identified a system which meets our requirements and will allow the collation, assessment, development and dissemination of fraud intelligence to the same standard as existing law enforcement agencies. Further information on fraud and error is available within the annual accounts section

Equality

On 22 June 2021, we published our first **Equality Strategy** to help us to meet our responsibilities under the Equality Act 2010, both as a service provider and an employer. Alongside our strategy, we also published our first set of **Equality Outcomes**. These measurable outcomes were based on information set out in our **Mainstreaming Equality Report** and were informed by our stakeholders. Each has a general statement and a specific focus aimed at bringing about positive change in the areas of: our workforce, our culture and service improvement.

To support the delivery of our Equality Strategy and Outcomes, we have published an action plan that outlines the work being delivered across the organisation.

Sustainable procurement

We have ensured environmental considerations are at the heart of our commitment to sustainable procurement and considered the environmental impact when developing our procurement strategies. We have ensured that specifications for services contribute to the Scottish Government's overall commitment to reducing Scotland's environmental impact (the effect our actions have on the environment) and creating a cleaner, greener and healthier country. As an example, our electricity is 100% backed by the Renewable Energy Guarantees of Origin (REGO) for our sites in Glasgow and Dundee.

The Procurement (Reform) Scotland Act 2014 obliges us to ensure we consider how our procurement activity can improve the social, environmental and economic wellbeing of Scotland.

Fair Work First guidance is included in our tender process to ensure our suppliers have fair working practices. Fair Work Criterion are included in 82.5% of our contracts and 93.3% of our unique suppliers who were awarded a regulated contract, i.e. a contract valued at over £50K ex vat, have confirmed that they pay the Living Wage to people involved in the delivery of the contract.

We have considered community benefits in all procurement activity. As a result, we have secured a number of Modern Apprenticeship positions through a number of contracts awarded in 2021/22 and in doing so have obliged our suppliers to target their recruitment for these roles at 10% in the most economically deprived areas in Scotland.



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We work with contractors to encourage small to medium-sized enterprises, third-sector organisations and Supported Businesses (who help people who are excluded from employment to secure a job) to be a part of our supply chain. Social Security Scotland has had significant spend in Scotland with Supported Businesses and have enabled these contractors to retain staff and increase employment and training opportunities for disabled people and people excluded from employment.

Reduce the effect our work has on the environment

Despite the organisation continuing to grow over the past year, there has been a significant reduction on our environmental impact both in buildings and in particular around travel due to the pandemic. We are committed to helping the Scottish Government achieve its commitment to Scotland being a net zero country by 2045. To support this, we submitted our first **Climate Change report** which has provided the foundation to progress our sustainability work.

In March 2022, we began a three-year lease on three electric vehicles, which will result in our fleet being fully electric. These vehicles will provide our staff with a sustainable alternative if they are unable to use public transport. This fleet of ultra-low emission vehicles will contribute towards the sustainability targets outlined within the Scottish Government's Sustainable Travel Strategy.

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Forward Look for 2022-23

The following is a projection of what we plan to administer in the coming year, based on our Business Plan.



By the end of this financial year, we will administer

13 benefits

including Adult Disability Payment



We are forecast to provide more than
£3.9 billion
in benefit payments



We will provide support to over
1 million
people in Scotland



We will employ more than

3,500 staff*

*Full-time equivalent



We will have

4 buildings

across Dundee and Glasgow



A network of

400 colleagues

supporting clients across 32 Local Authorities



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2022-23 will be our fourth full financial and operational year and we plan to introduce more complex disability benefits and extend eligibility for our game-changing Scottish Child Payment. This will make a fundamental difference to families on low incomes and support key outcomes in the [Scottish Government's Tackling Child Poverty Delivery Plan 2022-26](#).

Social Security Scotland will continue to expand both in size and in the service we offer to clients. To put this in context, Social Security Scotland will employ more than 3,500 staff by the end of financial year 2022-23, when we will manage a caseload of around one million clients. These public sector jobs will directly support around £290 million in gross value added (GVA) to the economy.

We have started to administer Adult Disability Payment across Scotland and begun the process of transferring clients from the Department for Work and Pensions to Social Security Scotland. We are building on 11 successful benefit launches that came before Adult Disability Payment, including Child Disability Payment.

Our Places and People

Our Head Office in Dundee allows us to contribute towards ongoing regeneration of the city and enhance our workforce while offering opportunities for secure employment to the local labour market. We have staff in all 32 Local Authorities across Scotland, reaching people across the country.

We will continue to focus on diversity and inclusion at all levels of our organisation by reducing barriers to employment and ensuring colleagues with additional needs are fully supported to carry out their roles.

The development of our people is a key principle of our Charter – to create a Learning System. We already invest in our colleagues through professional development, external training and a variety of learning methods. These include work-based qualifications for our Modern Apprentices and learning opportunities created through the Scottish Government.



David Wallace

Chief Executive and Accountable Officer
20 October 2022



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Our Executive Team



David Wallace
Chief Executive

As our Chief Executive, David is leading one of Scotland's most significant new public services since devolution. He is accountable to the Scottish Ministers who are responsible to the Scottish Parliament for our work. He leads the Executive Team and Executive Advisory Body, who support him in his responsibilities.



James Wallace
Deputy Director Finance and Corporate Services

James Wallace is the Deputy Director Finance and Corporate Services. The Finance and Corporate Services division is responsible for people services, accommodation, finance, shared services, travel and transport, and fraud and error management. It provides financial advice and support, making sure that we have the right people in place to deliver our service and that they get the training they need. The Division also makes sure that we have the right buildings in the right places, both in our Dundee Headquarters, Glasgow and across local communities.



Miriam Craven
Deputy Director Strategy, Change, Data and Engagement

Miriam Craven is the Deputy Director Strategy, Change, Data and Engagement. The Division is responsible for governance, strategy, management information, continuous improvement, analysis and insights, communications and managing the relationship with our stakeholders. It also supports the Executive Advisory Body and Audit and Assurance Committee. The division supports our clients to claim what they are entitled to and works to improve our service based on feedback, including our redeterminations and appeals process.



Janet Richardson
Deputy Director Client Services Delivery

Janet Richardson is the Deputy Director Client Services Delivery. The Client Services Division is responsible for delivering our services to clients and applicants. It delivers our live service, providing online, telephone and face-to-face enquiry services and handling applications for the people of Scotland, through its teams in Dundee and Glasgow and in our local communities.



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Andy McClintock
Chief Digital Officer

The Chief Digital Office Division is responsible for making sure fit-for-purpose systems are available to support us across all locations in Scotland. The division is responsible for all digital systems, technology and infrastructure that support the service we provide.



Professor Paul Knight
Marie Farrell

Joint Chief Officers,
Health and Social Care Operations

The joint role of Head of Health and Social Care Operations is responsible for leading our work with colleagues in the Scottish Government on the most effective and efficient ways of using expertise and information. This will be important in deciding whether people are eligible for disability benefits, while at the same time aiming to improve their experience of claiming benefits.

The following are or have been Non-Executive members of our Executive Advisory Body and/or the Audit and Assurance Committee this year:

Chris Creegan	Executive Advisory Body Chair	Elaine Noad	Executive Advisory Body and Audit and Assurance Committee Member
Laura Brennan Whitefield	Executive Advisory Body Member	Naghat Ahmed¹²	Executive Advisory Body and Audit and Assurance Committee Member
Ewan Gurr¹¹	Executive Advisory Body Member	Barry Matheson¹²	Executive Advisory Body and Audit and Assurance Committee Member
Jessica Burns¹¹	Executive Advisory Body and Audit and Assurance Committee Member	Russell Frith¹²	Executive Advisory Body and Audit and Assurance Committee Member
Douglas Hutchens¹¹	Executive Advisory Body and Audit and Assurance Committee Member		

A **register of interests** is maintained for all members and, at meetings, attendees are required to disclose any conflict of interest.

11 Ewan Gurr, Jessica Burns and Douglas Hutchens came to the end of their terms of appointment in September 2021

12. Naghat Ahmed, Barry Matheson and Russell Frith were appointed and took up post as Non-Executives in September 2021

Data security incidents

Our colleagues have a responsibility to report any personal data incidents, real or suspected, as soon as they are identified. Each report is assessed and investigated immediately and a lessons learned exercise undertaken on any findings in order to seek to reduce the likelihood of re-occurrence. In 2021/2022, 100 incidents were reported to the Data Protection Team for investigation. 57 incidents were assessed to have led to, or have had the potential to lead to, a personal data breach. Following investigation, no breaches were assessed as requiring to be notified to the Information Commissioner's Office.

Table 7 – Personal data breaches

Incident Type	Number of incidents
Mail sent to incorrect recipient	33
Email sent to incorrect recipient	9
Process failure	9
Failure to redact data	4
Unauthorised access to data	1
Verbal disclosure of data	1
Total	57

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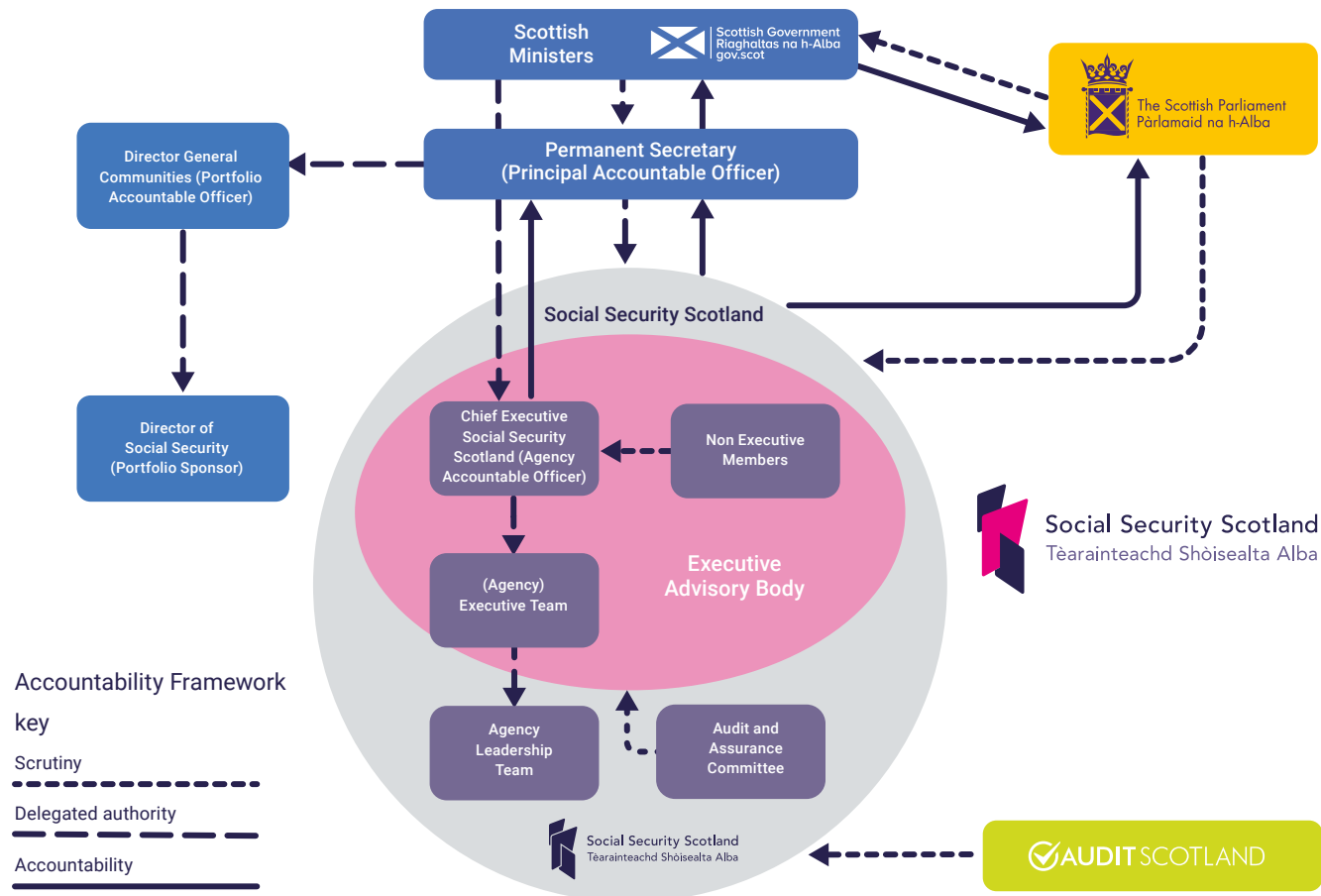
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Governance Statement

This Governance Statement outlines our approach to corporate governance, setting out our internal control structure and risk management processes between 1 April 2021 and 31 March 2022.

Social Security Scotland Governance Framework

Social Security Scotland is an Executive Agency of the Scottish Government and is responsible for the administration of devolved social security benefits for people in Scotland. Our Framework Document sets out the detailed accountability and governance framework for the organisation, and the context for our relationship with Scottish Ministers and the Scottish Government, including the Social Security Directorate. The diagram below sets out these relationships.



Our systems of internal control and assurance are in line with the [Scottish Public Finance Manual](#) and seek to identify the principal risks to the achievement of our aims and objectives.

As Chief Executive, I met regularly with the Cabinet Secretary for Social Justice, Housing and Local Government and the Minister for Social Security and Local Government. I held monthly meetings with our Minister both on a one-to-one basis and alongside our Executive Team as well as joint bi-monthly meetings alongside the Scottish Government Director for Social Security, Stephen Kerr. At these meetings I provided an update on Social Security Scotland's performance, key developments and the progress we have made in delivering our services. I also gave evidence to the Social Justice and Social Security Committee. This included attending Parliament in December 2021 to provide the Committee with evidence on the work Social Security Scotland undertakes and our progress with this to date. We have also hosted informal sessions with the Scottish Parliament's Social Justice and Social Security Committee members at our Head Office in Agnes Husband House, Dundee.

Our Framework Document sets out clear lines of accountability between me as the Accountable Officer of Social Security Scotland, through our Portfolio Sponsor and Portfolio Accountable Officer, up to the Principal Accountable Officer for Scottish Government, Scottish Ministers and Parliament.

Key information about our governance groups

There were occasions throughout the year where members could not attend meetings due to annual leave or other commitments.

Portfolio Sponsor Overview

The Portfolio Sponsor meeting is one of the ways we make sure we are kept up to date on Scottish Government's policies and priorities. Social Security Scotland forms part of the Director General Communities family within Scottish Government. As Chief Executive, I sit on the Director General Communities Leadership Team which meets on a weekly basis and ensures the effective flow of information and that our views are effectively communicated.

The Director General Communities, Paul Johnston, delegates certain functions to the Scottish Government Director for Social Security, Stephen Kerr, to act as Social Security Scotland's Portfolio Sponsor. Stephen has responsibility for social security policy and the wider Social Security Programme and he chairs our regular six-weekly Portfolio Sponsor meetings with my Executive Team.

The meeting allows Stephen and the Executive Team to update each other on key business including risk management, performance against our Business Plan, finance, people and audit activity. Papers are also shared with Paul Johnston as Portfolio Accountable Officer. Portfolio Sponsor Meeting minutes are available on the [Social Security Scotland website](#).

Highlights

A key focus for discussion this year has been on improving the way in which we report on performance, joint working and the budget settlement for 2022-23.



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Miriam Craven

Deputy Director Health and Social Care Operations

Paul Knight

Deputy Director of Client Services Delivery

Janet Richardson

Chief Digital Officer

Andy McClintock

Deputy Director of Finance and Corporate Services,

James Wallace

Head of Corporate Services

Ally MacPhail

*Non-Executive members

Members' names and attendance^{13, 14}

Member	Executive Advisory Body Meetings eligible to attend	Meetings attended
David Wallace	7	7
Miriam Craven	7	6
Paul Knight	7	5
Janet Richardson	7	5
James Wallace	7	5
Andy McClintock	7	5
Ally MacPhail	7	5
*Jessica Burns (until September 2021)	4	2
*Chris Creegan	7	6
*Ewan Gurr (until September 2021)	4	2
*Douglas Hutchens (until September 2021)	4	1
*Elaine Noad	7	6
*Laura Brennan Whitefield	7	6
*Russell Frith (from September 2021)	3	3
*Naghat Ahmed (from September 2021)	3	3
*Barry Matheson (from September 2021)	3	3

¹³ The number of meetings attended differentiates where a member's term ended or began within the reporting period

¹⁴ Some attendance at meetings is affected by annual leave/personal commitments

Overview

Our Executive Advisory Body met virtually 7 times this year and additionally met twice for 'deep dive' discovery sessions, to broaden understanding on particular subject areas. There were occasions throughout the year where members were unable to attend due to annual leave or other prior commitments. Our Executive Advisory Body is made up of our seven Executive team members and six Non Executives. The Executive Advisory Body considers the overarching strategy, direction and governance of Social Security Scotland and acts as a critical friend by providing me, as Accountable Officer, with constructive challenge and advice.

I have delegated Chairing of Executive Advisory Body meetings to Chris Creegan to allow me to engage fully in discussions.

To support succession planning and ensuring we continue to have the skills and experience we need, two members joined us in September 2021 – Naghat Ahmed and Barry Matheson, following a successful recruitment campaign. Russell Frith also joined the Executive Advisory Body from his role as Chair of the Audit and Assurance Committee. Russell was an independent non-executive during 2020/21. Naghat, Barry and Russell bring valuable public and private-sector experience to complement the overall skills and composition of the Executive Advisory Body.

Barry Matheson commented on his appointment: "I am very proud to have this opportunity to play a part in Social Security Scotland's ambitious, values-led plan to support the people of Scotland. I will strive to ensure that my experience in employee engagement and customer experience delivery adds a valuable perspective to the Executive Advisory Body."

Naghat Ahmed said: "I think joining the Executive Advisory Body is a rewarding opportunity which can make a difference to people's lives."

We thank Douglas Hutchens, Jessica Burns and Ewan Gurr who stepped down in September 2021 and who have helped guide and shape the culture and values of Social Security Scotland since its inception.

At all meetings, two colleagues can attend as observers. All papers, including the agenda, minutes and action tracker of all meetings are publicly available on our website demonstrating openness and transparency.

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Highlights

Over the year, the Executive Advisory Body considered a comprehensive range of activities within its terms of reference including

- Our approach to implementing hybrid working arrangements
- Annual Report and Accounts
- Quarterly Performance Reports.

The Executive Advisory Body has had a strong focus on Child Disability Payment readiness, leading to the successful national launch on 22 November 2021 and latterly supported Adult Disability Payment readiness pilot launched in March 2022, both of which highlight remarkable milestones for Social Security Scotland. The Executive Advisory Body has ensured that the focus of senior leaders has remained not just on the wider, societal impacts of COVID-19 but looking at the practical impact on colleagues, their resilience, our ways of working and the wider culture of the organisation.

The Executive Advisory have also broadened their understanding of Agency operations through briefings on the re-determinations and appeals process and to look at the detailed findings of the 2021 People Survey.

Audit and Assurance Committee

Membership	Russell Frith	Non-Executive member (Chair)
	Barry Matheson	Non-Executive member
	Elaine Noad	Non-Executive member
	Naghat Ahmed	Non-Executive member

Overview

Our Audit and Assurance Committee is chaired by Russell Frith, our Independent Non-Executive Chair and includes three Non-Executive Members of the Executive Advisory Body. During this period the Audit and Assurance committee saw the appointment of two new Non-Executive Committee members – Barry Matheson and Naghat Ahmed – from September 2021 onwards.

The committee provides Social Security Scotland with independent scrutiny of our strategic approach to risk, control and governance, accounting policies, annual report and accounts, and audit plans and audit reports.

As Accountable Officer, I attend the Audit and Assurance Committee with other key personnel. Internal and external auditors also attend and are able to offer opinions on the adequacy of our risk management, control and governance processes.

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The Committee provides advice and assurance to the Executive Advisory Body and Chief Executive as Accountable Officer on the

- Strategic processes for risk, control, and governance and the governance statement
- Accounting policies, the accounts, and the annual report of Social Security Scotland, including the process for review of the accounts before submission for audit, levels of error identified, and management's letter of representation to the external auditors
- Planned activity and results of both internal and external audit
- The adequacy of management response to issues identified by audit activity
- The effectiveness of the internal control environment
- Assurances relating to the corporate governance requirements for the organisation, including on the overall framework for planning, monitoring and reporting on performance and corporate information governance
- Proposals for the tendering of either internal or external audit services or for purchase of non-audit services from contractors who provide audit services and
- Anti-fraud policies, whistle-blowing processes, and arrangements for special investigations.

All papers, including the agenda, minutes and action tracker of all meetings are publicly available on our website demonstrating openness and transparency. In some cases redactions will be applied where exemptions under the Freedom of Information Act apply.

Highlights

The committee met five times virtually during the reporting period, and considered regular reports on Fraud, Error and Debt, Finance, Risk and Audit reporting outcomes. The committee has also considered and made comment on Audit Scotland and Internal Audit Annual Audit Plans for the year.

Executive Team

Overview

I am supported by an Executive Team which is made up of:

- Deputy Director, Finance and Corporate Services
- Deputy Director, Client Services Delivery
- Deputy Director, Strategy, Change, Data & Engagement
- Chief Officer, Health and Social Care Operations
- Chief Digital Officer.

Owing to COVID-19 restrictions, the majority of these weekly Executive Team meetings have been held virtually to enable us to continue to deliver and meet our strategic objectives but we have been able to meet face-to-face on a number of key occasions during the year.

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The Executive Team remains the organisation's strategic forum with a focus on:

- considering and approving our strategic policies, plans and processes,
- considering and collectively approving significant outputs from the Scottish Government Programme – taking into consideration impact on our capacity, finance and client service levels and
- ensuring the visibility of key developments across the work of Social Security Scotland.

A summary of each meeting is provided to staff on a weekly basis via our intranet.

Highlights

The priority of the Executive Team has been on continuing to adapt to the challenges posed by the pandemic and continuing with the majority of our staff working from home, whilst delivering a service to our clients. The Executive Team have been continuing to adapt and learn from the effect COVID-19 has had on our organisation, while still delivering our full range of live services. We have set up an 'Our Ways of Working' project which is exploring ways to give our colleagues more flexibility in how they do their jobs while still meeting our obligations and client expectations.

We have added new benefits to our live systems and in November 2021, we successfully launched our 11th benefit, Child Disability Payment and rolled out of our 12th benefit, Adult Disability Payment, in phases which commenced in March 2022.

In order to establish and deliver our new and existing benefits, we've needed to be able to recruit at scale. We want to ensure Social Security Scotland can attract a diverse range of people to apply for roles in our organisation so we have been making changes to our recruitment processes – including creating approaches more suited to specialist roles and putting systems in place to make the process smoother for colleagues and those joining us.

The Executive Team continue to focus on the objectives set out in our [Corporate Plan](#) and model the behaviours and culture required to deliver a social security system with dignity, fairness and respect. We are supporting our people and their wellbeing through the uncertainty of recovering from the pandemic and the growth of our organisation by reviewing our approach to employee engagement and ensuring we have the communication mechanisms in place to keep all colleagues up to date.



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Agency Leadership Team

Overview

Directly supporting the Executive Team is the Agency Leadership Team. As a collective, they:

- Provide leadership for Social Security Scotland with a focus on day-to-day business management and operational issues affecting performance
- Scrutinise, challenge and approve policies and procedures with a view to ensuring that the delivery of benefits meets our legal obligations and is in line with [Our Charter](#) as well as our [Corporate Plan](#) and [Business Plan](#)
- Provide assurance to the Executive Team on the effective and efficient day-to-day running of Social Security Scotland
- Oversee and commission work from a number of functional sub groups.

Given the scale of the continued growth of the organisation, we undertook an internal review of our governance in early 2021, and made some changes to the membership and remit of this group which took effect from April 2021. These meetings have also been running virtually on a weekly basis and a summary of each meeting is provided to staff on a weekly basis via our intranet. We have established a number of governance sub-groups whose areas of interest include insights and engagement, people and places, performance and change delivery.

Highlights

The Agency Leadership Team's key focus has been ensuring that all activities are correctly aligned within Social Security Scotland to deliver the best possible service and ensuring the organisation has the current and future capacity and capabilities it needs to deliver our service. The Agency Leadership Team ensures there is a clear focus on the needs and experience of our clients, holding the organisation to account in relation to mainstreaming of equalities, inclusive communications and Our Charter. Their focus over the past year has included items such as business planning and project prioritisation, finance and workforce planning, risk and audit plans and various digital initiatives.

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Scottish Government Programme and Project Management Governance

We are following the Project Management Centre approach to ensure the implementation of projects delivered by Social Security Scotland and also the implementation of new Social Security Benefits, IT systems and processes by working closely with our colleagues in Social Security Directorate.

This is achieved through close collaboration and interaction across all areas of governance. In 2021/22 these included:

- The introduction of Child Disability Payment
- Doubling of Scottish Child Payment
- The introduction of Tackling Child Poverty Plan which has increased the value of 8 other payments by 6%, including the Best Start Grants and Carer Allowance Supplement
- The pilot of Adult Disability Payment in Perth and Kinross, Dundee City and the Western Isles in March 2022, with national rollout scheduled for August 2022.

No additional benefits were devolved to Scotland in 2021/22, and existing arrangements remain in place for previously devolved benefits.

The Scottish Government's Social Security Programme Board ensures the successful delivery of the Programme and provides necessary scrutiny and challenge, while promoting alignment with current and emerging government policies. This board meets every two months with a focus on items such as business case approvals, service strategy documents and Go/No Go decisions. Social Security Scotland is fully represented on all Social Security Programme Governance forums and, likewise, we have senior colleagues from Social Security Programme on our forums where appropriate.

Governance during COVID-19

In addition to the established governance mechanisms, a COVID-19 Recovery Group was established to support Agency Leadership Team oversee the workstreams necessary for the recovery phase of operations. This group was formally stood down in September 2021 as the key activities around hybrid working transitioned into the Ways of Working project. Key learning was captured from this group as part of its closure to support future business resilience activity. Internal Audit carried out a review of the risks and controls around our COVID-19 recovery governance arrangements in September 2021 and the audit report provided substantial assurance as well as good practice recommendations for the future.

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A main priority for us has been the start of hybrid working trials, a key deliverable of our Ways of Working project which will allow our colleagues to start trialling a mix of home and office working. Our original timeline was impacted as a result of COVID-19 restrictions in December 2021, but we were able to commence trials from March 2022 onwards. During these trials, we continued to follow the Scottish Government guidance to ensure our colleagues' safety whilst in any of our buildings, and maximise the opportunities and benefits of hybrid working, which include face-to-face interaction and improved collaboration. We will be gathering feedback throughout these trials to test what does and does not work in order to balance our people and organisational needs for the future.

Even during the restrictions that were in place in 2021-2022, we were still able to put arrangements in place to recruit and train over 1,000 new colleagues virtually which has been fundamental in our growth as an organisation, building our capacity and supporting new and existing benefit delivery.

Review of the Effectiveness of Internal control

Taking into account the range of assurance activity undertaken across the organisation and themes that have been highlighted from these, below are the areas of notable interest that I would highlight:

Development of internal controls

Internal control as it relates to benefit delivery is a combination of manual controls and automated control through our core digital platform Social Programme Management (SPM). SPM is not yet a fully completed platform but functional releases continue in line with additional benefits.

The Social Security Programme continue to develop controls within the SPM system, following the Agile methodology, and Social Security Scotland continue to develop tactical solutions until these are in place. The overall control environment for the generation of benefit-related financial transactions is developing and we continue to engage with the Social Security Programme to improve controls informed by the recommendations from Internal Audit.

For the financial year 2021-22, progress continues to be made improving colleague compliance with operational guidance within Low Income Benefits.

A structure for compliance checking is currently being established within Child Disability Payment, to reduce the risk of incorrect decisions being made impacting clients' financial awards.

The overall control environment for the generation of benefit related financial transactions are developing.



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Management information from our Social Programme Management system (SPM)

There have been a number of improvements in delivering real time management information from the SPM system, however these are at an early stage of development. As a consequence, there are still significant control weaknesses through an inability to extract information on client data including the number of applications, length of processing wait times and cases accessed, across both the Client Services Delivery and Health & Social Care function. This potentially leads to financial loss to both our clients and Social Security Scotland, potential hardship for clients, and possible reputational damage. To reduce this risk, tactical solutions including the manual checking of applications continues to be in place.

In addition, SPM does not yet generate robust, automated management information in relation to overpayments and underpayments. As such, while care has been taken to reconcile and double check manually created records, a manual system of collating information may not be as robust as a tested and assured system-generated report. This has the effect of reducing the efficiency of some of the tactical manual controls in place pending further system development.

We continue to work collaboratively with the Social Security Programme to improve the management information available.

Fraud and Error

Controls to respond to fraud and error risk are developing within SPM. The developing nature of preventative and detective controls increases the risk of error and both internal and external fraud attempts. Manual controls are in place where possible to account for the development timelines for automated controls.

Quality Assurance

We are still in the early stages of the development of a Quality Assurance Framework. For the financial year 2021-22, there has been an absence of a formal Quality Assurance Framework. This has resulted in a continuation of our reactive approach to identifying improvements on application processing. Localised compliance checking and quality checking has continued and evolved to include trend analysis, which allows improvements to be made when issues are identified. Progress is in its infancy to introduce formal and automated processes to reduce the risk of inefficiencies and potential financial loss.

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Assessment of corporate governance arrangements

In common with last year's Annual report and Accounts, this has been a year of significant growth for our organisation both in terms in the growth in our staff and in the number and complexity of the benefits that we are delivering.

This has all taken place against the ongoing challenges society has faced as a result of the ongoing COVID-19 pandemic. Over the last twelve months, we have been able to adapt our services to make sure our benefits were paid, and that we were supporting efforts to suppress the virus and importantly keeping our people safe. We are learning from the changes we put in place as a consequence of the pandemic and thinking about what we need to do to meet changing expectations and needs and future challenges.

Therefore we have spent some time this year looking at improvements to our governance arrangements. We operate in a complex environment, in which we have a strong inter-dependency on the governance arrangements within the Social Security Directorate, which has responsibility for delivery of social security policy and the operational systems we use to deliver benefits. Social Security Scotland is well-represented on Scottish Government programme structures and we recognise the key importance of this relationship on the delivery of services to clients.

Improvements to our overall governance arrangements this year include:

- Clarifying the role, remit and membership of our Agency Leadership Team
- Increased emphasis on leadership development
- The development of subgroups to support the Agency Leadership Team across the broad business themes of insights and engagement, change delivery, data governance and people and place
- Recruitment into the governance team to increase the level of secretariat support available for key governance groups
- A programme of work to improve awareness and understanding of how and where decisions are made within Social Security Scotland
- Developing the flow of information across key governance groups and driving up the quality, standards and consistency of papers going to senior leaders for decision.

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As Accountable Officer, I have responsibility for reviewing the effectiveness of Social Security Scotland's governance framework, including the system of internal control. The system is designed to manage, rather than eliminate the risk of failure to achieve our policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness.

This has been assessed through the following:

- regular review and discussion of internal controls at the Executive Team, Executive Advisory Body and Audit and Assurance Committee meetings
- formal assurances from each member of the Executive Team and the Accountable Officer for the Department for Work and Pensions
- the work of the Internal Audit Directorate
- information from our Risk Management and Fraud, Error and Debt Functions
- assurances provided by the Audit and Assurance Committee and
- external auditors assessment.

Formal assurance from the Department for Work and Pensions

We have a range of agreements in place with the Department for Work and Pensions. These agreements help to ensure that people continue to receive the right payments at the right time, whilst we, along with the Social Security Directorate Programme, undertake the work required to develop our new system in a safe and steady way. These agreements cover the Department for Work and Pensions' administration of benefits for which the Scottish Government is responsible but are not yet being administered as well as supporting services provided by the Department for Work and Pensions to support Social Security Scotland in administering our benefits.

The Department for Work and Pensions has provided us with assurances on the services provided during this reporting period and has highlighted the monetary value of fraud and error (this means the total estimated monetary value of overpayments and underpayments made by the Department) as the main risk to which they are exposed, as their accounts continue to be qualified for regularity by the UK Comptroller and Auditor General. Over 2021-22 risks to the administering of Attendance Allowance, Disability Living Allowance, Carer Allowance, Personal Independence Payment, Severe Disablement Allowance, Industrial Injuries Disablement Benefit were reviewed and managed within the Department for Work and Pensions in line with their other benefits.

During 2021-22, the Department for Work and Pensions published their Fraud Plan – '**Fighting Fraud in the Welfare System**' which sets out their plans to prevent, deter and detect losses going forward.

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The work of the Internal Audit Directorate

Internal Audit provides independent assurance on the adequacy and effectiveness of the systems of governance, controls and financial management. Each year we undertake a substantial Internal Audit Plan. I was pleased to receive an overall reasonable assurance opinion for the year, which reflects the current stage of the organisation where areas are continuing to develop systems and controls.

Corporate Assurance Function	Confidence Level
COVID-19	Substantial
Learning and Development	Substantial
Client Experience	Reasonable
Budget Setting	Reasonable
Internal Controls	Reasonable
Recruitment	Reasonable
Equality and Diversity	Reasonable
Client Services Delivery Compliance	Reasonable
Residency	Reasonable
Scottish Child Payment In-depth	Reasonable
Chief Digital office Transition	Reasonable
Disability Benefits Readiness	Reasonable
Workforce Planning	Reasonable
Child Disability Payment	Limited
SPM	Limited
Productivity and Efficiency	Limited

Our Corporate Assurance Function manage the implementation of recommendations resulting from each of the reviews and progress is reviewed at every Audit and Assurance Committee.

Limited assurance has been provided for three reviews. A limited assurance means that controls are developing but weak. We have agreed management actions in all areas to address these concerns. We routinely make internal audit reports available through our website, although on occasion these may contain exemptions under the Freedom of Information (Scotland) Act.

Child Disability Payment: This review made recommendations relating to management information, policy and guidance, processes and system capabilities.

Social Programme Management (SPM): This review made recommendations on the risk, governance and/ or control procedures in place.

Productivity and Efficiency: This review made recommendations on the risk, governance and/or control procedures in place.

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Information on what the different levels mean is shown in the table below:

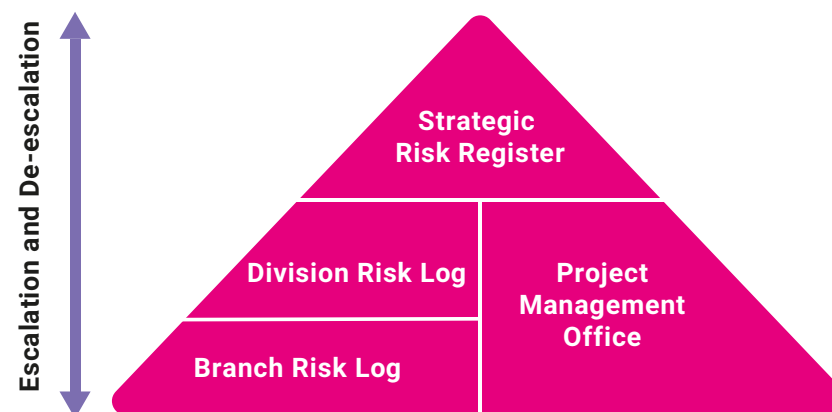
Confidence Level	Description
Substantial	Controls are robust and well managed
Reasonable	Controls are adequate but require improvement
Limited	Controls are developing but weak
Insufficient	Controls are not acceptable and have notable weaknesses

Risk Management within Social Security Scotland

All bodies to which the Scottish Public Finance Manual is directly applicable must operate a risk management strategy in accordance with relevant guidance. We have a Risk Management Strategy which sets out our approach to managing risk across our organisation and helps us to ensure that we achieve our objectives. Within the Performance Report we reflect on risk management performance for the year, and this section within the transferred further outlines our approach.

We maintain a Strategic Risk Register which records internal and external risks that we are exposed to and identifies mitigating actions to reduce the threat of these risks occurring and minimised their impact should they materialise. Particular focus has been given to the clear identification of mitigating controls.

Each Division within Social Security Scotland maintains a risk log, owned by the Deputy Director for that Division. Risk management forms part of the key decision-making processes within each Division, with the risk management function providing support in the identification and assessment of risk. Clear lines of escalation and de-escalation have been established and are embedded across each of our Divisions. Overall we continue to grow a positive culture with risk management embedded across all levels of the organisation. A comprehensive foundation course in risk management is available to all staff through Pathways eLearning.



In 2021 our Risk Review Group, chaired by the Deputy Director Finance and Corporate Services, continued its work in the oversight and analysis of Social Security Scotland's risk landscape. Focusing specifically on the organisation's Strategic Risk Register they approve any new risks and changes to risk scores and provide challenge on all risks identified. Risk appetite and tolerance are reviewed annually, and risk horizon scanning is an established, standing item on the agenda.

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As a result of an external review in the previous year, a number of recommended changes to the Risk Management process have been implemented including the expansion of the Risk Management team and the maturation of the risk register and risk assessment process. The main focus this year is the development of the long-term principal risks to the strategic objectives.

We continue to build on the strong links established with the Social Security Programme and Chief Digital Office, to manage risks which are cross-cutting. Project risks are managed by our Project Management Office and these are being aligned with the Strategic Risk Register to improve assurance that risk is being managed holistically.

Counter Fraud, Error Control and Debt Management

During the year we have built additional capacity and capabilities to analyse and respond to error and fraud risks, including recovery of associated debt.

Counter Fraud Activity

During 2021/2022 the Counter Fraud Branch has grown, developed and enhanced its processes and capacity to address the risk of fraud, progressing its ability to respond to suspected fraudulent activity. The structure of the branch has changed and now consists of five distinct teams. The addition of these teams supports the overall counter-fraud response, providing a demarcation of tasks undertaken by staff with specialist experience or training.

Debt Management

Following analysis of a number of reports measuring the impact of the pandemic on the finances of low-income families, we paused all proactive debt recovery activity in April 2020, and this remained the case until 10 February 2022. The Debt Management Team have since commenced a gradual restart of proactive debt recovery work.

Building capacity for the future

There has been a focus on building working relationships with other organisations where there is either a common operational aim or mutual benefits. These relationships will allow us to work towards greater sharing of intelligence, best practice in fraud investigation and supporting each other where appropriate. Discussions are underway on Memoranda of Understanding/Information Sharing Agreements to ensure compliance with legislation and guidance.

Further details on our activity here is shown in the [Parliamentary Accountability Report](#).

External auditors' assessment

The financial statements for 2021-22 are audited by auditors appointed by the Auditor General for Scotland. Audit Scotland carried out this audit and the fee for this service was £412,620 (2020-21: £404,390) which related solely to the provision of the statutory audit service. There were no payments made for non-audit work in the year.

A fee of £70,000 (2020-21: £80,000) for audit services provided by the National Audit Office is included within the costs of Formal Agreements with the Department for Work and Pensions. This is part of the audit arrangements with the Department for Work and Pensions.

Audit Scotland continues to report on progress on delivery of the devolved benefits and published [a report](#) on this in May 2022.



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Statement of Accountable Officer's Responsibilities

In accordance with section 19(4) of the Public Finance and Accountability (Scotland) Act 2000, the Scottish Ministers have directed Social Security Scotland to prepare a statement of accounts for each financial year in the form and on the basis set out in the Accounts Direction.

The Accounts Direction is reproduced at Annex A to the financial statements. The accounts are prepared on an accruals basis and must show a true and fair view of Social Security Scotland's state of affairs at the year end and of its income and expenditure, changes in taxpayers' equity and cash flows for the 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 judgements and estimates on a reasonable basis
- state where applicable accounting standards have been followed and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that Social Security Scotland will continue in operation.

The Principal Accountable Officer for the Scottish Administration has designated the Chief Executive of Social Security Scotland as the Accountable Officer for Social Security Scotland. The Accountable Officer's relevant responsibilities include the propriety and regularity of the public finances for which he is accountable, keeping proper records and safeguarding our assets, as set out in the Memorandum to Accountable Officers issued by the Scottish Government.

The Accountable Officer has taken all the necessary steps to make himself aware of any relevant audit information and to establish that the body's auditors are aware of that information. There is no relevant audit information of which the body's auditors are unaware. The annual report and accounts as a whole are fair, balanced and understandable and the Accountable Officer takes personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

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Remuneration and Staff Report

The salaries of all our staff, except the Executive Team who are Senior Civil Servants (pay band 1 and 2) and two seconded members, are determined by Scottish Government pay policy which is informed by UK Government pay policy, public sector spending controls and the need to recruit, retain and motivate staff.

The Scottish Government's Remuneration Group¹⁵ makes recommendations to Scottish Ministers on Senior Civil Servants' annual pay and guidelines for increases to non-executive board members' fees.

The Chief Executive, who is the Accountable Officer, is supported by an Executive Team whose annual salaries and pension details¹⁶ are as follows (no bonus payments or benefits in kind have been made).

¹⁵ Some attendance at meetings is affected by annual leave/personal commitments

¹⁶ More information on the pension disclosures is shown at <https://www.civilservicepensionscheme.org.uk/employers/employer-pension-guide/resource-accounts-disclosure-2018-19>

Table 8 – Executive Team members’ salary and pension details (Information subject to audit)

Single total figure of remuneration	Salary (£000)		Pension Benefits ¹⁷ (£000)		Total (£000)	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
David Wallace Chief Executive	95-100	100-105 ¹⁸	28	52	125-130	150-155
Miriam Craven Deputy Director: Strategy, Change, Data and Engagement	80-85	80-85	25	48	105-110	130-135
Janet Richardson Deputy Director: Client Services Delivery	75-80	75-80	16	106	90-95	180-185
James Wallace Deputy Director: Finance and Corporate Services	75-80	75-80	27	44	100-105	120-125
Andy McClintock Chief Digital Officer	95-100	95-100	25	43	120-125	140-145
Paul Knight Joint Chief Officer Health and Social Care Operations ¹⁹	45-50	55-60	N/A	N/A	45-50	55-60
Marie Farrell Joint Chief Officer, Health and Social Care Operations	55-60	5-10 ²⁰	N/A	N/A	55-60	5-10
Ally MacPhail Head of Corporate Services	75-80	N/A	31	N/A	105-110	N/A ²¹

¹⁷ Pension benefit is in line with the rules of the type of scheme that the Director is enrolled in. It is not a realisable benefit. The Civil Service pension scheme is unfunded and so there is not an agreed amount of the fund that relates to a member. The Government Actuary calculates what they think is needed to fund future pension payments (a cash equivalent transfer value). This is quite a complicated calculation affected by many things that can change from year to year. A change in salary, particularly a promotion, can have a significant impact on this calculation and show a very high increase in that particular year.

¹⁸ David Wallace received a backdated pay amount in 2020-21, therefore his salary reported in the prior financial year is higher than in 2021-22.

¹⁹ Paul Knight has been seconded to the organisation part-time and shares this role with Marie Farrell, therefore remuneration only is disclosed.

²⁰ Marie Farrell joined Social Security Scotland as a contractor in March 2021, therefore remuneration only is disclosed.

²¹ Ally MacPhail was not part of the Executive Team in 2020-21, therefore no prior year comparative to report.

Table 9 – Executive Team Members' pension details

(Information subject to audit)

Pension Benefits	Accrued pension at pension age as at 31 March 2022 and related lump sum	Real Increase in pension and related lump sum at pension age	Cash Equivalent Transfer Value		
			At 31 March 2022	At 31 March 2021	Real increase
	£'000	£'000	£'000	£'000	£'000
David Wallace Chief Executive	40 – 45 plus a lump sum of 80 - 85	0 – 2.5	727	673	13
Miriam Craven Deputy Director: Strategy, Change, Data and Engagement	25 – 30	0 – 2.5	352	321	10
Janet Richardson Deputy Director: Client Services Delivery	40 – 45 plus a lump sum of 85 – 90	0 – 2.5	823	772	6
James Wallace Deputy Director: Finance and Corporate Services	25 – 30	0 – 2.5	263	239	9
Andy McClintock Chief Digital Officer	25 – 30	0 – 2.5	515	471	12
Ally MacPhail Head of Corporate Services	25 – 30	0 – 2.5	359	325	12

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There were changes to the Non-Executive Members during the year. The Non-Executive Members of the Executive Advisory Body and Audit and Assurance Committee and Independent Non Executive of the Audit and Assurance Committee were paid the following fees which are non-pensionable:

Table 10 – Non Executive Members’ Fees

(Information subject to audit)

Member	Committees	2021-22 £'000	2020-21 £'000
Jessica Burns (until October 2021)	Executive Advisory Body and Audit and Assurance Committee	0-5	5-10
Chris Creegan	Executive Advisory Body	0-5	0-5
Ewan Gurr (until September 2021)	Executive Advisory Body	0-5	0-5
Douglas Hutchens (until October 2021)	Executive Advisory Body and Audit and Assurance Committee	0-5	0-5
Elaine Noad	Executive Advisory Body and Audit and Assurance Committee	0-5	0-5
Laura Brennan Whitefield	Executive Advisory Body	0-5	5-10
Russell Frith	Executive Advisory Body and Audit and Assurance Committee	0-5	0-5
Naghat Ahmed (from September 2021)	Executive Advisory Body	0	0
Barry Matheson (from September 2021)	Executive Advisory Body	0-5	0

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Fair Pay Disclosure

(Information subject to audit)

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in the organisation and the median remuneration of the organisation's workforce.

The remuneration of the Chief Executive was in the range £95,000 to £100,000 (2020-21: £100,000 to £105,000); a 4.88% reduction on the prior year. This is 3.58 times (2020-21: 3.78 times) the median remuneration of the workforce, which was £27,231 (2020-21: £27,150, a 0.27% increase on the prior year). The 2021-22 financial year is the first year disclosures in respect of the 25th percentile pay ratio and 75th percentile pay ratio are required. We have detailed the pay ratios in the table below:

	25th Percentile	Median pay	75th Percentile
Pay Ratio	4.20:1	3.58:1	3.09:1
Salary	£23,233	£27,150	£31,542

The median pay does not include the cost of contractors secured through Recruitment Agencies. Contractors are not employees of the Scottish Government and since 1 April 2017, all contractor staff have to pass the IR35 HRMC test to ensure they should not be included in the Payroll. For 2021-22, the daily rates for contractors ranged from £161 to £1,190 per day for 171 contractors across the financial year. The total cost of contractors for financial year 2021-22 was £15.2 million. The 20% irrecoverable VAT is included in this calculation, as are the respective agency fees which vary from agency to agency.

Civil Service and other Compensation Scheme (Exit Packages)

(Information subject to Audit)

Most officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme. There were no departures under the Civil Service Compensation Scheme rules in the reporting year.

No members of staff retired on ill health grounds in the reporting year.

There were no exit packages to disclose for 2021-22.

Further information on the details of the Civil Service pension arrangements is available at: www.civilservicepensionscheme.org.uk

For the year to the end of March 2022, we spent £52.7 million on the salaries of our people. The number of staff over the last three years was as follows.

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Table 11 – Headcount of Social Security Scotland staff

	2019/20 Total	2019/20 %	2020/21 Total	2020/21 %	2021/22 Total	2021/22 %
Headcount	776	-	1,253²²	-	2,611	-
Permanent	655	84%	974	78%	2,354	90%
Temporary	11	1%	27	2%	91	3%
Interim Workers	110	14%	252	20%	166	6%

Table 12 – The number of employees broken down by grade and gender

Grade	Sex		
	Female	Male	Total
A3	390	299	689
A4	45	34	79
B1	541	308	849
B2	251	147	398
B3	139	108	247
C1	69	53	122
C2	18	21	39
C3	6	7	13
Fast Stream	[c]	[c]	[c]
Graduate Development Programme	[c]	[c]	[c]
SCS - Deputy Director 1	2	2	4
SCS - Director	0	1	1
Total	1463	982	2445

[c] Numbers between 1-4 are suppressed for disclosure reasons. Exception has been made for Director and Deputy Director grades as information on these individuals is already in the public domain.

22 2020-21 Headcount information reported is different from the published statistics. This is because the statistics include 135 directly employed staff and 94 contingent workers who were transferred from the Scottish Government to Social Security Scotland on the HR system in March 2021, however they did not formally transfer to Social Security Scotland until the 1 April 2021.

Interim workers were contracted through existing Scottish Government frameworks. Our Executive Team, including the Chief Executive, comprises 4 males and 3 females²³ and they are all members of the Senior Civil Service or secondees. We publish information on our staffing statistics, based on a snapshot of data from our HR system, on our website every three months within 12 weeks of a quarter end. Tables 13 to 18 show information on our directly employed staff's protected characteristics.

Table 13 – Percentage of directly employed staff by gender

	2019/20	2020/21	2021/22
Male	39.3%	39.0% ↓	40.2% ↑
Female	60.7%	61.0% ↑	59.8% ↓

Table 14 – Percentage of directly employed staff by Ethnicity

	2019/20	2020/21	2021/22
Ethnic minority	2.7%	3.0% ↑	4.1% ↑
White	82.9%	78.7% ↓	66.1% ↓
Prefer not to say	0.0%	0.5% ↑	1.1% ↑
Unknown	14.4%	17.8% ↑	28.7% ↑

Table 15 – Percentage of directly employed staff by Disability

	2019/20	2020/21	2021/22
Disabled	10.8%	11.2% ↑	10.4% ↓
Not Disabled	59.3%	59.9% ↑	51.3% ↓
Prefer not to say	1.5%	2.1% ↑	1.8% ↓
Unknown	28.4%	26.8% ↑	36.5% ↑

²³ Marie Farrell joined in March 2021 as Joint Chief Officer, Health and Social Care Operations

Table 16 – Percentage of directly employed staff by Sexual Orientation

	2019/20	2020/21	2021/22
Gay/ Lesbian/ Bisexual/ Other	6.2%	6.8% ↑	7.3% ↑
Heterosexual/ straight	76.9%	72.3% ↓	61.3% ↓
Prefer not to say	2.1%	2.8% ↑	2.8% →
Unknown	14.9%	18.1% ↑	28.6% ↑

Table 17 – Percentage of directly employed staff by religion or belief

	None	Church of Scotland	Roman Catholic	Other Christian	Other religion/ belief	Prefer not to say	Not declared
2019/20	51.8%	9.9%	14.9%	4.2%	2.9%	1.7%	14.7%
2020/21	47.3%	10.4%	14.4%	4.3%	2.9%	2.9%	17.9%
2021/22	41.0%	7.7%	12.5%	3.6%	3.1%	3.4%	28.7%

Table 18 – Percentage of directly employed staff by age

	16-19	20-29	30-39	40-49	50-59	60-64	65 and over
2019/20	2.7%	20.0%	29.0%	25.5%	20.7%	[c]	[c]
2020/21	0.9%	21.8%	26.9%	25.9%	21.5%	2.3%	0.8%
2021/22	0.7%	22.6%	29.6%	24.9%	18.9%	2.8%	0.5%

[c] Numbers between 1-4 are suppressed for disclosure reasons.

Our staff policies are the same as those of the Scottish Government.

Their aim is to make staff feel comfortable, valued and free to contribute to the best of their ability. We are an equal opportunities employer with policies in place to guard against bullying, harassment or discrimination and to ensure there are no barriers to employment or advancement. We are also committed to meeting our duties under the Equality Act 2010, ensuring that all staff are treated equally irrespective of their sex, marital/civil partnership status, maternity/ paternity status, age, race, ethnic origin, sexual orientation, disability, religion or belief, working pattern, employment status, gender identity caring responsibility, or trade union membership.

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We have explained our engagement with the trade union in the performance report. We are pleased to report that our diversity figures have improved from 2020-21. We have internal and external equality networks in place with action plans aimed at making further improvements. See Reflect the diversity of Scotland in the performance report for more information.

Employee Engagement People Survey results

Year	Employee Engagement
2021	79%
2020	79%
2019	82%
2018	85%

The annual Civil Service People Survey looks at civil servants' attitudes to, and experiences of working in government departments. It is coordinated by the Civil Service People Survey Team in the Cabinet Office. Every colleague in Social Security Scotland is invited to participate in the Civil Service People Survey.

The 2021 Employee Engagement Index was 79% which remained consistent with 2020. Whilst the organisation has grown over the past year and our engagement score has stayed the same, overall we had the second highest engagement score in the civil service, of which 101 organisations took part, and we were above the All Civil Service Engagement Index.

Our staff turnover in 2021/22 was 4.9% which reflects directly employed staff who left Social Security Scotland and did not move elsewhere within the Scottish Government family.

Trade Union Time Disclosure

Social Security Scotland had nine employees who were relevant trade union officials during 2021-22. For the reporting year 2020-21 the figure was three. The analysis of facility time is shown below.

Table 19 – Trade Union Time

Percentage of time spent on facility time	Number of employees
0%	0
1% - 50%	9
51% - 99%	0
100%	0

The Trade Union (Facility Time Publication Requirements) 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 before 31 July each year. 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, Social Security Scotland is part of the Scottish Government main bargaining arrangements.

Table 20 – Sickness absence of Directly Employed Staff

Our sickness absence for staff on civil service contracts is shown in the following graph:

		19/20	20/21	21/22
Average Working Days Lost	Long-Term	2.9	2.7	2.5
	Short-Term	4.1	2.3	3.5
	Total	7.1	5.0	6.0

This shows an overall increase in working days lost through sickness in comparison to last year, with an average of 6 working days lost. During the financial year 2021-22 the majority of staff have continued to work from home in line with Scottish Government advice.



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Parliamentary Accountability

We spent £193.8 million which was £4.8 million lower than our operating expenditure budget and £14.1 million on capital which was £3.1 million lower than budget.

This was as a result of revised recruitment plans and delays on our building refurbishment work. Our depreciation charges were £1.1 million, in line with budget.

Operating Expenditure	Budget £million	Expenditure £million	(Under)/Over spend £million
Operating Budget (Fiscal resource)	198.6	193.8	(4.8)
Capital	17.2	14.1	(3.1)
Depreciation (non-cash)	1.1	1.1	0.0
Total	216.9	209.0	(7.9)

We spent £3,483.9 million on demand led benefit expenditure which was £27.5 million under budget:

Social Security Assistance	Budget £million	Expenditure £million	(Under)/Over spend £million
Delivered by Social Security Scotland			
Carer Allowance Supplement	58.2	57.6	(0.6)
Best Start Grant	17.2	14.3	(2.9)
Best Start Foods	14.7	13.8	(0.9)
Funeral Support Payment	11.8	10.3	(1.5)
Young Carer Grant	0.7	0.8	0.1
Job Start Payment	1.1	0.9	(0.2)
Scottish Child Payment	56.1	55.9	(0.2)
Child Winter Heating Assistance	4.7	4.9	0.2
Child Disability Payment	6.2	5.2	(1.0)
Sub Total	170.7	163.6	(7.1)
Delivered through Agency Agreement with Department for Work and Pensions			
Carer Allowance	301.0	293.6	(7.4)
Attendance Allowance	519.3	515.4	(3.9)
Disability Living Allowance ²⁴	694.3	686.1	(8.2)
Personal Independence Payment	1,734.1	1,738.9	4.8
Severe Disablement Allowance	6.8	6.6	(0.2)
Industrial Injuries Disablement Benefit	80.2	80.2	0.0
Sub Total	3,335.7	3,320.3	(14.9)
Benefit Overpayment Impairment ²⁵	5.0	(0.5)	(5.5)
TOTAL	3,511.4	3,483.9	(27.5)

²⁴ Disability Living Allowance includes the adult and child elements.

²⁵ Benefit Overpayment recoverability was reviewed and the resulting impairment was covered by an Annually Managed Expenditure non-cash budget.

Social Security assistance spend is forecasted by the Scottish Fiscal Commission which informs the budgets that are set by the Scottish Parliament. The Commission also provides detailed analysis on reasons why benefit expenditure differs from forecast in its annual Forecast Evaluation Report²⁶.

Benefit expenditure is demand led and cannot be controlled in the same way as other budgets where spending limits can be set. This means there is always a risk that spend will not align with budget. The main variations from budget are in relation to the benefits delivered by the Department for Work and Pensions under Agency Agreements. We do not raise any significant income through fees and charges. No gifts were made in the period. There are no remote contingent liabilities to report.

More information is provided in the Financial Statements.

Regularity of Expenditure

The expenditure in the Financial Statements, except for the possible effects of the matter described in the independent auditor's report, was incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers, the Budget (Scotland) Act covering the financial year, sections 4 to 7 of the Public Finance and Accountability (Scotland) Act 2000 and Social Security (Scotland) Act 2018.

The Social Security Contributions and Benefits Act 1992 applies to Carer Allowance, Disability Living Allowance, Attendance Allowance, Personal Independence Payment, Severe Disablement Allowance and Industrial Injuries Disablement Benefit, all of which are administered by the Department for Work and Pensions under Agency Agreements.

The sums paid out of the Scottish Consolidated Fund for the purpose of meeting the expenditure shown in the financial statements were applied in accordance with section 65 of the Scotland Act 1998.

Social Security Scotland has zero tolerance towards fraud, bribery and corruption and we operate the Scottish Government's whistleblowing policy. We have clear policies regarding acceptable level of gifts and hospitality, both given and received. We ensure all staff are aware of their obligations under the Civil Service Code and their conditions of employment.

During 2021-22 the investigations team received 14 referrals - these were a combination of allegations of internal fraud and unauthorised data access. Full investigations were conducted and 8 investigation reports were passed for progress under disciplinary procedures.

²⁶ The Scottish Fiscal Commission's Forecast Evaluation Report compares actual spending against the original Budget voted by the Scottish Parliament and does not take account of later budget revisions during the year.

There is one outstanding investigation ongoing with Police Scotland, this relates to the theft and reset of Information Technology equipment.

Fraud and error is a known risk to the social security system and both we and the Department for Work and Pensions take steps to mitigate this. The Department for Work and Pensions also estimate the potential financial impact and publish this on an annual basis.

Errors are either made by clients or our staff. Clients may unintentionally cause an error when applying for assistance or not keeping their claim up to date. Staff may cause official errors when administering claims for assistance. Official errors could be due to human error by staff, technical issues with Information Technology systems, or erroneous data shared with another government department.

Where client error results in overpayment, we would normally consider recovery of any debts that result. However, proactive debt recovery work was suspended from 1 April 2020 to February 2022 due to the COVID-19 pandemic. The Department for Work and Pensions suspended recovery on benefits they deliver on our behalf from 1 April 2020 to September 2021.

Since February 2022, for benefits delivered by Social Security Scotland we have been contacting clients to advise that we have recommenced active debt recovery work and agreeing repayment plans where appropriate.

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Benefits Delivered through Agency Agreements with Department for Work and Pensions

The following table shows the errors (or overpayments) relating to the Scottish caseload and based on information provided to us by the Department for Work and Pensions:

Table 21 – Errors

	Year to 31 March 2022			Year to 31 March 2021		
	Official Error £million	Other £million	Total £million	Official Error £million	Other £million	Total £million
Carer Allowance	0.849	0.673	1.522	0.621	0.356	0.977
Attendance Allowance	1.814	0.936	2.750	3.974	0.134	4.108
Disability Living Allowance	0.551	0.365	0.916	0.586	0.176	0.762
Personal Independence Payment	0.565	0.664	1.229	0.984	0.191	1.175
Industrial Injuries Disablement Benefit	-	0.064	0.064	-	0.002	0.002
Severe Disablement Allowance	-	0.009	0.009	0.001	-	0.001
Total	3.779	2.711	6.490	6.166	0.859	7.025

Benefits delivered by Social Security Scotland

We aim to prevent errors and to learn from them when they do occur. Our Error Control Strategy²⁷ outlines the key objectives and tactics to control the risk of errors. We identify, record and monitor errors on an ongoing basis.

²⁷ Error Control Strategy 2018 - 2022 (dgxmzv0tqkndr.cloudfront.net)

Errors detected and corrected

We have a centralised service tasked with identification and correction of official and client induced errors, associated trend analysis and continuous improvement feedback. In addition to correcting erroneous case referrals, we also proactively look for instances of error in the benefit caseload, through random sampling exercises and targeted data mining.

Table 22 – Errors

	Year to 31 March 2022			Year to 31 March 2021		
	Official Error £million	Other £million	Total £million	Official Error £ million	Other £million	Total £million
Best Start Grant	0.072	-	0.072	0.028	-	0.028
Best Start Foods ²⁸	0.200	-	0.200	-	-	-
Funeral Support Payment	-	-	-	-	0.005	0.005
Scottish Child Payment	0.030	0.003	0.033	-	-	-
Child Winter Heating Assistance	-	0.005	0.005	-	-	-
Total	0.302	0.008	0.310	0.028	0.005	0.033

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²⁸ Error Control Strategy 2018 - 2022 (dgxmzv0tqkndr.cloudfront.net)

Counter Fraud

We have a Counter Fraud Strategy²⁹ that outlines the key objectives and tactics that will support effective fraud risk management. Fraud risks are identified, recorded and monitored on an ongoing basis.

During 2021-22, progress was made in a number of areas:

Estimating Fraud in the Benefit Caseload

The ongoing work to progress these specialist, analytical provisions began at the end of 2019-20. However, as a result of the pandemic response, support from the Cabinet Office Centre of Excellence for Counter Fraud to explore methodologies was postponed indefinitely. In addition, some of our own analysts and statisticians were redeployed to the Scottish Government COVID-19 Response Unit. We are now in a position to dedicate resource to examine the monetary value of fraud and error on an ongoing basis to enhance detection and mitigation and provide estimates for public accountability purposes.

Counter Fraud Response

Counter Fraud response now has clearly defined business areas, that cover; Intelligence Handling, Investigations (external, internal & covert), Risk analysis and Fraud Prevention. These teams have the skillsets, experience and resources to undertake all aspects of fraud identification through to detection and reporting. Our work is governed by the Statutory Code of Practice for Investigations and supported by the provisions made in the Social Security Assistance (Investigation of Offences) (Scotland) Regulations 2020 to ensure that staff engaged in Counter Fraud work receive the appropriate training to ensure a consistent professional standard across our work.

Our intelligence gathering approach has developed, with a focus on data analysis to support traditional methods (telephone fraud hotlines, Webform on line fraud reporting, whistleblowing provision for use by our colleagues). We also signpost callers to the National Benefit Fraud Hotline should we identify that the subject of the referral is not a Scottish resident.

This data analysis enables a targeted approach to identifying potential fraudulent behaviour, making better use of our information and resources. One aspect of our use of data has been supported by pilot work with Audit Scotland and the National Fraud Initiative run by Cabinet Office, where use of data provided by other government departments has expanded our opportunities to identify fraud.

The establishment of a Covert Operations team has increased our investigative options, using trained staff to authorise surveillance activity to allow other staff to undertake the surveillance (following the passing of legislation in December 2020 to allow this support function). All aspects of these tactics and the administration of them has been the subject of scrutiny by independent inspectors from Investigatory Powers Commissioners Office (IPCO) and found to be in order.

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²⁹ Social-Security-Scotland-Counter-Fraud-Strategy.pdf (socialsecurity.gov.scot)

Fraud Prevention

There is an ongoing programme of work to raise awareness of the risk of fraud to all our staff. This includes role specific presentation sessions and advice and guidance tailored to individual incidents. This work is supported by a network of counter fraud champions across Social Security Scotland who engage directly with Counter Fraud to ensure clear lines of communication and an appropriate response can be provided. This network has increased the team's visibility and improved our ability to gather fraud intelligence and identify fraud risks and trends, enabling development of preventative strategies and tactics for deployment.

Partnership working and engagement has increased over the past year to develop our capabilities in intelligence gathering and information sharing. Close working with a number of government agencies has developed building our knowledge of best practice and available options to counter fraudulent activity. Overall, the Counter Fraud response has continued to develop, building our knowledge and capabilities to respond to the risk of fraud.



David Wallace

Chief Executive and Accountable Officer
20 October 2022

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Independent auditor's report to Social Security Scotland, 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 Social Security Scotland for the year ended 31 March 2022 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 Taxpayers' Equity and notes to the financial statements, including significant accounting policies. 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 2021/22 Government Financial Reporting Manual (the 2021/22 FReM).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers of the state of the body's affairs as at 31 March 2022 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 2021/22 FReM; and
- have been prepared in accordance with the requirements of the Public Finance and Accountability (Scotland) Act 2000 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 20 January 2021. The period of total uninterrupted appointment is two years. 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.



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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 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 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:

- obtaining an understanding of the applicable legal and regulatory framework and how the body is complying with that framework;
- identifying which laws and regulations are significant in the context of the body;
- assessing 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.



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Reporting on regularity of expenditure and income

Qualified opinion on regularity

In my opinion, except for the effects of the matter described in the basis for qualified opinion on regularity paragraph, 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, the Budget (Scotland) Act covering the financial year and sections 4 to 7 of the Public Finance and Accountability (Scotland) Act 2000; and
- the sums paid out of the Scottish Consolidated Fund for the purpose of meeting the expenditure shown in the financial statements were applied in accordance with section 65 of the Scotland Act 1998.

Basis for qualified opinion on regularity

The Statement of Comprehensive Net Expenditure includes benefit expenditure of £3.5 billion, of which £3.3 billion was administered by the Department for Work and Pensions under an agency agreement with the Scottish Ministers, as detailed in note 4 of the accounts. The basis of entitlement to these benefits is set out in Sections 64-76 and 94-101 of the Social Security Contributions and Benefits Act 1992, and Part 4 of the Welfare Reform Act 2012.

As set out within note 17 of the accounts, there are estimated overpayments of £67.5 million paid to Scottish residents as a result of fraud and error. This is based on estimates by the Department for Work and Pensions that overpayments as a result of fraud and error in relation to each type of benefit ranges between 1.5% and 5.2%. Overpayment as a result of fraud and error means the expenditure was not incurred in accordance with legislation specifying benefit entitlement. The expenditure is therefore irregular. I consider this level of overpayments to be material to my opinion on regularity. I have therefore qualified my opinion on regularity because the expenditure

resulting from such overpayments was not incurred in accordance with the applicable enactments. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

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 part 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 part of the Remuneration and Staff Report has been properly prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 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 part of the Remuneration and Staff Report.

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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 Public Finance and Accountability (Scotland) Act 2000 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 Public Finance and Accountability (Scotland) Act 2000 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 part 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 120 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.



Carole Grant
Audit Director
 Audit Scotland
 8 Nelson Mandela Place
 Glasgow G2 1BT
 20 October 2022



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The annual report and accounts were approved and authorised for issue by the Accountable Officer on 20 October 2022

Statement of Comprehensive Net Expenditure for the year to 31 March 2022

	Note	Year to 31 March 2022 £million	Year to 31 March 2021 £million
Administration costs			
Staff Costs	2	91.7	42.3
Other Administration costs	3	26.7	12.6
Formal agreements with the Department for Work and Pensions	3	76.5	75.4
Total Administration costs		194.9	130.3
Programme costs			
Benefit Expenditure	4	3,483.9	3,361.0
Total Programme costs		3,483.9	3,361.0
Total comprehensive net operating costs for the year to 31 March 2022		3,678.8	3,491.3

The above results relate to continuing activities

The notes on pages 86 to 102 form part of these accounts.



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Statement of Financial Position as at 31 March 2022

	Note	31 March 2022 £million	31 March 2021 £million
Non-current assets			
Plant and Equipment	5	12.4	3.7
Intangible Assets	6	4.2	0.0
Trade and Other Receivables	7	18.3	7.8
Total Non-Current Assets		34.9	11.5
Current assets			
Trade and Other Receivables	7	17.8	27.0
Cash at bank	8	25.9	43.6
Total Current Assets		43.7	70.6
Total Assets		78.6	82.1
Current liabilities			
Trade and Other Payables	10	(285.5)	(333.3)
Assets less current liabilities		(206.9)	(251.2)
Taxpayers' equity			
General Fund	SoCTE	(206.9)	(251.2)
Total taxpayers' equity		(206.9)	(251.2)

The notes on 86 to 102 form part of these accounts



David Wallace

Chief Executive and Accountable Officer
20 October 2022

Statement of Cash Flows for the year to 31 March 2022

	Note	31 March 2022 £million	31 March 2021 £million
Cash flow from operating activities			
Net Operating Costs for the year	SoCNE	(3,678.8)	(3,491.3)
Adjustment for non-cash transactions	5, 6	1.2	10.2
(Increase)/decrease in other receivables	7	(1.3)	(23.5)
(Decrease)/increase in payables	10	(47.8)	289.8
Net cash outflow from operating activities		(3,726.7)	(3,214.8)
Cash flow from investing activities			
Purchase of Property, Plant and Equipment	5a	(9.9)	(1.0)
Purchase of Intangibles	6	(4.2)	0.0
Advances of Investments	9	0.0	(11.2)
Repayment of Investments	9	0.0	0.2
Net cash outflow from investing activities		(14.1)	(12.0)
Cash flow from financing activities			
From Scottish Consolidated Fund	SoCTE	3,723.1	3,238.7
Net Financing		3,723.1	3,238.7
Net (decrease)/increase in cash and cash equivalents in the year		(17.7)	11.9

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Statement of Changes in Taxpayer's Equity for the year to 31 March 2022

	Note	General Fund £million
Balance at 1 April 2021		(251.2)
Net operating costs for the year and total recognised expense for 2021-22	SoCNE	(3,678.8)
Funding from Scottish Government		3,723.1
Balance at 31 March 2022		(206.9)

Prior year information

Statement of Changes in Taxpayer's Equity for the period to 31 March 2021

Note	General Fund	£million
Balance at 1 April 2020		1.4
Net operating costs for the year and total recognised expense for 2020-21	SoCNE	(3,491.3)
Transfer of plant and equipment from Scottish Government	5	1.4
Transfer of benefit overpayments from Department for Work and Pensions	7	13.4
Transfer of impairment on benefits from Department for Work and Pensions	7	(7.1)
Funding from Scottish Government		3,231.0
Balance at 31 March 2021		(251.2)

In 2020-21 there were transfers of plant and equipment assets during the year from the Scottish Government and transfer of benefit overpayment receivables from the Department for Work and Pensions. The total of these transfers (£1.4 million, £13.4 million and £7.1 million) including the funding from Scottish Government (£3,231.0 million) totals £3,238.7 million shown on the Statement of Cash Flows.

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Notes to the Accounts

1 Summary of significant accounting policies

1.1 Basis of preparation

The financial statements have been prepared in accordance with:

- HM Treasury's 2021-22 Government Financial Reporting Manual³⁰
- The Accounts Direction issued by Scottish Ministers.

The accounting policies and, where necessary, estimation techniques are selected in accordance with the principles set out in International Accounting Standard 8³¹. The policies and techniques have been applied consistently in dealing with items considered material in relation to the accounts. The financial statements are prepared in Pounds Sterling (GBP £), which is Social Security Scotland's functional currency. A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

1.2 Accounting standards, interpretations and amendments

We have adopted all International Financial Reporting Standards, International Accounting Standards (IAS), International Financial Reporting Interpretations Committee (IFRIC) interpretations and amendments to published standards that were effective at 31 March 2022. We have also taken into account the specific interpretations and adaptations included in the Financial Reporting Manual.

1.3 Accounting standards issued, not yet adopted

Social Security Scotland will adopt International Financial Reporting Standard 16 (Leases) from 1 April 2022 which will replace International Accounting Standard 17 (Leases). The impact of this will be to eliminate accounting for operating leases, and recognise the value of all leased and 'right of use' assets. There are four property leases which will be impacted by the introduction of IFRS 16. When these are recognised on the Statement of Financial Position approximately £38 million will be added to Buildings and they will then be depreciated over the period of the lease with interest charges made to the Statement of Comprehensive Net Expenditure.

International Financial Reporting Standard 17 (Insurance Contracts) is expected to be effective from 1 April 2023. It replaces International Financial Reporting Standard 4 (Insurance Contracts). Guidance has yet to be issued to government departments on the interpretation of this standard. We do not expect that there will be any impact on our accounts.

1.4 Accounting convention

These financial statements are prepared on an accrual basis under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, and some financial assets and liabilities.

³⁰ The Financial Reporting Manual applies International Financial Reporting Standards as adapted or interpreted for the public sector context

³¹ International Accounting Standard 8 – Accounting Policies, Changes in Accounting Estimates and Errors

1.5 Going concern

The accounts are prepared on the going concern basis, which assumes that we will continue in operational existence for the foreseeable future. The Statement of Financial Position for 2021-22 shows the taxpayers' equity as a liability. This has arisen as a result of the requirement to account for our activities on an accruals basis, whilst recording funding from the Scottish Government on a cash basis. Our funding for 2022-23 has been approved by the Scottish Parliament. The funding position from 2023-24 is included within the Scottish Government's Spending Review.

1.6 Accounting estimation techniques

The assets, liabilities, income and expenditure shown in these financial statements are prepared by making judgements, estimates and assumptions. The area where there is the highest degree of complexity is in relation to the impairment of benefit receivables. Most of these receivables are being recovered by the Department for Work and Pensions who maintain a model that calculates impairment for all these benefits. We also use this as we do not have access to the case information to allow us to maintain our own model. The assessment of the recoverability of benefit overpayments and the associated expected credit losses is a complex matter, dealing with uncertain outcomes, assumptions regarding probability and estimation of volatile contributing factors. There is a possibility that this estimate may vary as a result of the COVID-19 pandemic, however, it is not possible to understand its full impact. All evidence and assumptions used to calculate the impairment are the best available at this time.

1.7 Significant Judgements

At their inception, leases are classified as operating or finance leases, based on the allocation of the risks and rewards of ownership of the underlying assets and the definition of Finance and Operating Leases detailed in IAS17 Leases. For each lease agreement, an assessment of ownership and risk liability was undertaken, and it was determined that all leases held are Operating Leases.

1.8 Property, Plant and Equipment

These assets are accounted for as non-current assets as they are not deemed to be held for sale. Social Security Scotland does not own any land or buildings; office accommodation in Glasgow and Dundee are occupied under the terms of lease agreements. Expenditure on information technology, plant and equipment is capitalised when an item is capable of being physically verified and tracked. In most cases, expenditure below £5,000 will not be capitalised, however we may choose to capitalise IT hardware items that can be identified on the network. Depreciated historic cost has been used as a proxy for the fair value of Property, Plant and Equipment assets as permitted by International Financial Reporting Standard 13³².

Depreciation is provided, in the year following transfer or purchase, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life as follows:

Class	Years
Information technology	3-5
Office equipment	5
Fixture and fittings	10
Leasehold improvements	Shorter of asset life or lease term

Assets Under Construction are not depreciated until they are brought into use.

An asset identified as being damaged beyond repair during an impairment review is written down at historic cost less accumulated depreciation.

32 International Financial Reporting Standard 13 – Fair Value Measurement

1.9 Intangible assets

These assets are capitalised under IAS 38 if expenditure is greater than £5,000. They are primarily our case management system licences and cloud infrastructure and not Software-As-A-Service arrangements. An asset under construction also exists which relates to our hosting platform which is still under development. Intangible assets recognised by the organisation are valued at historic cost and amortised as follows:

Class	Years
Information Technology Infrastructure	5
Software Licences (finite time period, greater than 12 months)	Length of licence
Software Licences (indefinite time period)	10

The hosting platform used by Social Security Scotland continues to be developed by the Scottish Government's Social Security Directorate and along with other Information Technology assets, will transfer to Social Security Scotland as the management of those processes transfer across from the Social Security Directorate.

1.10 Benefit payments recognition

Social Security Scotland assumes that postcode information held by Department for Work and Pensions is a fair representation of residency for the purpose of determining benefit expenditure. This assumption has then been applied to the data from the Department for Work and Pensions systems using postcodes when determining residency. Social Security Scotland recognises the cost of benefit payments as follows:

- **Carer Allowance, Disability Living Allowance, Personal Independence Payment, Attendance Allowance, Severe Disablement Allowance and Industrial Injuries Disablement Benefit** – These benefits are currently administered by the Department for Work and Pensions on behalf of Social Security Scotland under Agency Agreements until their replacements are managed by us. Processes are in place with the Department for Work and Pensions Central Payment System to account for these payments in Scotland. There are accounting adjustments on a monthly basis for identified overpayments, accruals and prepayments along with a final year end adjustment.
- **Carer Allowance Supplement** – payments are made (twice yearly) and at the year-end for payments we anticipate making in a future payment run relating to backdated claims that are approved following the processing of any Carer Allowance backlogs or appeals.
- **Best Start Foods** – payments are made every 4 weeks via a third party. This is accounted for on a cash basis.
- **Child Winter Heating Assistance** – payments are made annually to clients in receipt of the highest rate of Disability Living Allowance and Child Disability Payment.
- **Best Start Grant, Funeral Support Payment, Young Carer Grant, Job Start Payment, Scottish Child Payment, Child Disability Payment and Adult Disability Payment** – based on application date. When an application is approved and authorised this will be recognised based on application date. At the year-end we will accrue for claims paid in April that had an application date in March or earlier.

1.11 Impairment of benefit receivables/overpayments

Social Security Scotland will normally seek to recover all overpayments where there is a legal basis to do so and recovery is cost effective. For those benefits directly administered by Social Security Scotland current debt levels are minimal and are not subject to impairment reviews.

Debt for those devolved benefits delivered through an Agency Agreement is recovered by the Department for Work and Pensions under their policies. Overpayments under £65 and those relating to official (staff) error are written off.

Benefit receivables are reviewed annually for impairment, in line with IFRS 9. The Department for Work and Pensions maintains a model that calculates impairment for all its benefits and we also use this as we do not have access to information to maintain our own model. The model views credit worthiness of financial assets by weighted average to avoid undue cost and effort associated with undertaking individual credit assessments. This weighting being the respective risks of a default occurring. This means that the impairment of the asset is the impairment for the life of the asset rather than only the impairment which has already occurred. Balances are discounted using the appropriate HM Treasury Discount rate.

1.12 Financial assets and liabilities

Financial assets held by Social Security Scotland have been classified as trade and other receivables and prepayments. These have been measured at amortised cost, using the effective interest method. As the cash requirements of Social Security Scotland are met through the Scottish Government, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with Social Security Scotland's expected purchase and usage requirement; Social Security Scotland is therefore exposed to little credit, liquidity or market risk. As at 31 March 2022 Social Security Scotland has no significant exposure to foreign currency risk.

1.13 Benefits receivable

Benefits receivable are recognised when an assessment of the associated case has determined that an overpayment has been made. Most of these relate to benefits administered by the Department for Work and Pensions, through Agency Agreements and Social Security Scotland relies on the Department for Work and Pensions to identify these overpayments. Social Security Scotland does not account for omitted or potential debt.

1.14 Employee benefits – short term

Salaries, wages and employment-related payments are recognised in the year in which the service is received from employees. The cost of annual leave and flexible working time entitlement earned but not taken by employees at the end of the year is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following year.

1.15 Pensions

Present and past employees are covered by the provisions of the Principal Civil Service Pension Scheme (The Scheme) which is a defined benefit scheme and is unfunded and contributory. The expected cost of providing pensions for our employees is recognised on a systematic and rational basis over the period during which they benefit from their services by payment to the scheme of amounts calculated on an accruing basis (see also disclosures made in the Remuneration and Staff Report). Liability for the payment of future benefits is a charge to the scheme. In respect of the defined contribution schemes, the contributions payable for the year are recognised.

1.16 Leases

These costs are treated as operating leases and charged to the Statement of Comprehensive Net Expenditure. Where the arrangement includes incentives, such as rent-free periods, the value is recognised over the lease term.



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1.17 Contingent liabilities

Contingent liabilities are disclosed in accordance with International Accounting Standard 37. Where the time value of money is material, those contingent liabilities are discounted and the amount reported to Scottish Parliament will be noted separately.

1.18 Value Added Tax

Operating Costs are stated net of value added tax where it is recoverable. Social Security Scotland is registered for value added tax as part of the Scottish Government which is responsible for recovering value added tax from HM Revenue and Customs.

1.19 Segmental Reporting

We report on three segments – Administration costs, Formal Agreements with the Department for Work and Pensions and Programme costs. Administration costs, which are detailed in notes 2 and 3 excluding Formal Agreement costs (£118.4 million in 2021-22), reflect the costs of running Social Security Scotland and include staff costs as well as accommodation, services and supplies. Charges in relation to Formal Agreements with the Department for Work and Pensions are also included in Note 3 (£76.5 million in 2021-22). Programme costs, which are detailed in Note 4 (£3,483.9million in 2021-22) reflect the cost of benefit payments. Overpayments of benefits administered by the Department for Work and Pensions under Agency Agreements attract civil and administrative penalties under the Department for Work and Pensions policy; these have been netted against the benefit cost.



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2 Staff Costs

	Year to 31 March 2022 £million	Year to 31 March 2021 £million
Wages and salaries	52.7	26.2
Overtime	0.5	0.7
National insurance costs	5.0	2.5
Pension costs	13.7	6.9
Total permanent employee costs	71.9	36.3
Interim workers	19.8	6.0
Total staff costs as at 31 March	91.7	42.3

Permanent employees are civil servants who have an employment contract with Scottish Government; interim workers are agency staff.

Staff numbers can be found in the Remuneration and Staff Report report on page 62.

Our total headcount numbers of 2,445 is an increase of 1,192 (2020-21: 1,253) headcount. This increase relates to Chief Digital Office colleagues transferring from the Social Security Directorate into Social Security Scotland at 1 April 2021, as well as our growth across the organisation.


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3 Other administration costs

	Year to 31 March 2022 £million	Year to 31 March 2021 £million
Operating leases	3.4	2.1
Office operating costs	4.1	2.2
Office accommodation	4.6	3.8
Supplies and services	3.4	0.6
Travel, subsistence and staff related costs	0.1	0.1
Training	0.3	0.1
Formal Agreements with the Department for Work and Pensions	76.5	75.4
Scottish Government shared service recharges	4.0	2.3
Auditor's remuneration – Internal Audit	0.3	0.2
Auditor's remuneration – External Audit	0.4	0.4
IT Systems	5.0	0.2
Depreciation (non-cash)	1.1	0.6
Total	103.2	88.0

Formal Agreements with the Department for Work and Pensions largely relates to the Agency Agreements where they are still administering our benefits. It also includes £70,000 (2020-21: £80,000) in relation to audit services provided by the National Audit Office.



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4 Programme costs

Benefit expenditure	Start date	Year to 31 March 2022 £million	Year to 31 March 2021 £million
Delivered through Agency Agreements with the Department for Work and Pensions			
Carer's Allowance	3 Sept 18	293.6	296.0
Attendance Allowance	1 April 20	515.4	527.6
Disability Living Allowance	1 April 20	686.1	722.4
Personal Independence Payment	1 April 20	1,738.9	1,626.2
Severe Disablement Allowance	1 April 20	6.6	7.4
Industrial Injuries Disablement Benefit	1 April 20	80.2	82.5
Impairment of benefit overpayments		(0.5)	1.6
		3,320.3	3,263.7
Delivered by Social Security Scotland³³			
Carer's Allowance Supplement	3 Sept 18	57.6	58.6
Best Start Grant – Pregnancy and Baby	10 Dec 18	6.1	6.4
Best Start Grant – Early years	29 April 19	3.7	5.6
Best Start Grant – School age	3 Jun 19	4.5	5.8
Best Start Foods ³⁴	1 April 21	13.8	0.0
Funeral Support Payment	16 Sept 19	10.3	11.0
Young Carer Grant	21 Oct 19	0.8	0.7
Job Start Payment	17 Aug 20	0.9	0.3
Scottish Child Payment	15 Feb 21	55.9	6.1
Child Winter Heating Assistance	21 Sep 20	4.9	2.8
Child Disability Payment	26 Jul 21	5.2	0.0
Adult Disability Payment ³⁵	21 Mar 22	0.0	0.0
		163.6	97.3
Total		3,483.9	3,361.0

³³ These figures have been prepared on an accruals' basis, in line with our accounting policy, where benefit payments are recognised from the date of application. This is a different methodology to that used in statistical reporting. As a result there may be differences in the values reported for a given time period.

³⁴ Best Start Foods was previously paid out by the Health Directorate. Responsibility transferred to Social Security Scotland in 2021-22 which is the reason why there is no prior year comparison figure.

³⁵ Adult Disability Payment pilot commenced in late March 2022, therefore there is no expenditure this year.

5a Plant and Equipment – Current Year

	Plant and Equipment £million	Fixtures and Fittings £million	IT Equipment £million	Leasehold Improvements £million	Assets Under Construction £million	Total at 31 March 2022 £million
Cost or Valuation as at 1 April 2021	0.1	0.3	3.3	0.7	0.0	4.4
Additions	0.0	1.5	1.4	4.7	2.3	9.9
Disposals	0.0	0.0	(0.1)	0.0	0.0	(0.1)
Adjustments	0.0	0.0	(0.2)	0.0	0.0	(0.2)
As at 31 March 2022	0.1	1.8	4.4	5.4	2.3	14.0
Depreciation as at 1 April 2021	0.0	0.0	0.7	0.0	0.0	0.7
Charged in year	0.0	0.0	1.1	0.0	0.0	1.1
Disposals	0.0	0.0	(0.1)	0.0	0.0	(0.1)
Adjustments	0.0	0.0	(0.1)	0.0	0.0	(0.1)
As at 31 March 2022	0.0	0.0	1.6	0.0	0.0	1.6
Net Book Value	0.1	1.8	2.8	5.4	2.3	12.4

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5b Plant and Equipment – Prior Year

	Plant & Equipment £million	Fixtures & Fittings £million	IT Equipment £million	Leasehold Improvements £million	Total at 31 March 2021 £million
Cost or Valuation as at 1 April 2020	0.1	0.0	1.9	0.0	2.0
Additions	0.0	0.3	0.0	0.7	1.0
Disposals	0.0	0.0	0.0	0.0	0.0
Transfers	0.0	0.0	1.4	0.0	1.4
As at 31 March 2021	0.1	0.3	3.3	0.7	4.4
Depreciation as at 1 April 2020	0.0	0.0	0.1	0.0	0.1
Charged in year	0.0	0.0	0.6	0.0	0.6
Disposals	0.0	0.0	0.0	0.0	0.0
As at 31 March 2021	0.0	0.0	0.7	0.0	0.7
Net Book Value	0.1	0.3	2.6	0.7	3.7

6 Intangible Assets – Current Year

	Software Licences £million	Asset Under Development £million	Total at 31 March 2022 £million
Cost or Valuation as at 1 April 2021	0.0	0.0	0.0
Additions	1.0	3.2	4.2
Adjustments	0.0	0.0	0.0
Transfers	0.0	0.0	0.0
As at 31 March 2022	1.0	3.2	4.2
Depreciation as at 1 April 2021	0.0	0.0	0.0
Charge in year	0.0	0.0	0.0
As at 31 March 2022	0.0	0.0	0.0
Net Book Value at 31 March 2022	1.0	3.2	4.2

As there were no Intangible Assets reported in 2020-21 no prior year information is shown.

7 Trade and Other Receivables

	As at 31 March 2022 £million	As at 31 March 2021 £million
Amounts falling due within one year		
Benefit overpayments	5.6	10.5
Department for Work and Pensions debtor	1.2	1.1
Other Debtors	0.3	0.0
Prepayments	14.3	17.8
	21.4	29.4
Less impairment on benefit overpayments	(3.6)	(2.4)
Net receivables due within one year	17.8	27.0
Amounts falling due more than one year		
Benefit overpayments	33.5	24.7
Less impairment on benefit overpayments	(15.2)	(16.9)
Net receivables due more than one year	18.3	7.8
Total net receivables	36.1	34.8

Benefit overpayments arise where a change of circumstances has been processed after that change of circumstances took place, or where client error or fraud have been identified.

Benefit prepayments arise where a payment has been made in the period up to 31 March 2022 for entitlement periods in the following financial year.


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8 Cash and cash equivalents

	As at 31 March 2022 £million	As at 31 March 2021 £million
Commercial banks	0.3	0.2
Government banking service	25.6	43.4
As at 31 March	25.9	43.6
As at 1 April	43.6	31.5
Net change in cash and cash equivalents	(17.7)	12.1
As at 31 March	25.9	43.6

9a Financial Assets – Current year

There are no financial asset this year due to the change in funding classification for Funeral Support Payment on the 1st April 2021. This is now funded in the same way as all other benefits.

9b Financial Assets – Prior year

Funeral Support Payment	As at 31 March 2021 £million
Balance at 1 April 2020	0.0
Loan advances	11.2
Recoveries	(0.2)
Write off	(11.0)
Balance at 31 March 2021	0.0


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10 Trade and other payables

	As at 31 March 2022 £million	As at 31 March 2021 £million
Trade payables	123.0	183.2
Accruals	42.5	51.7
Deferred rent	1.2	2.2
Benefits payable	118.8	96.2
Balance as at 31 March	285.5	333.3

Our policy is to pay all purchase invoices within 10 days and for 2021-22 we paid 93.3% within this timeframe which represents 9,410 invoices out of 10,081. (In 2020-21 we paid 98.6% which represents 8,862 invoices out of 8,988). The fall in the percentage paid within 10 days reflects initial difficulties experienced in transferring open Chief Digital Office purchase orders from the Social Security Directorate, which has since been resolved.

11 Operating Leases

	As at 31 March 2022 £million	As at 31 March 2021 £million
Obligations:		
Due within 1 year	3.5	3.1
Due after one year but not more than 5 years	10.5	10.0
Commitments thereafter	23.5	23.9
Total	37.5	37.0

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12 Notional Charges

The following charges have been included in the accounts:

	Year to 31 March 2022 £million	Year to 31 March 2021 £million
Auditor's remuneration	0.4	0.4
Total	0.4	0.4

13 Capital Commitments

As at 31 March 2022 contracted commitments for which no provision has been made are as follows:

	As at 31 March 2022 £million	As at 31 March 2021 £million
Property, Plant & Equipment		
220 High Street – Glasgow	2.5	1.5
Agnes Husband House – Dundee	1.9	8.5
Enterprise House – Dundee	1.1	1.9
Dundee House	0.3	0.0
	5.8	11.9
Intangible Assets		
IT Infrastructure	5.3	4.8
Total	11.1	16.7

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14 Related party transactions

A related party transaction is a business arrangement between two parties who are already linked prior to the deal. For example, a business arrangement between Social Security Scotland and the Scottish Government. We are an Executive Agency of the Scottish Government.

The Scottish Government is regarded as a related party with which we had various material transactions during the period including recharges for the provision of a range of support services.

During this year we also had significant transactions with:

- Local Authorities principally in relation to the offices at Dundee House, Dundee, Agnes Husband House, Dundee, and 220 High Street, Glasgow
- Other Local Authorities and third-sector organisations for rental of desk space for our Local Delivery staff
- Other government departments/bodies, mainly the Department for Work and Pensions, in relation to delivery of benefit administration under Formal Agreements.

All interests declared by members of the Social Security Scotland Executive Team and the Executive Advisory Body are of an immaterial nature and have no impact on the awarding of commissions. All contracts for goods and services are awarded under the Public Contracts (Scotland) Regulations 2015 and the Procurement (Reform) Scotland Act 2014. The awarding of contracts is handled by our specialist Procurement Team and those with Delegated Purchasing Authority. No members of the Executive Team or Executive Advisory Body have that authority.

15 Contingent liabilities

Benefit underpayments

Social Security Scotland acknowledges that administrative errors by its staff (official error) and that of the Department for Work and Pensions under Agency Agreements will sometimes result in the underpayment of benefit. Where underpayments relating to official error are identified, we pay arrears in full at the earliest opportunity.

Due to limitations in data the liability for benefit underpayments cannot currently be quantified and so a contingent liability exists for underpayments not yet identified and corrected.

16 Post balance sheet events

There are no post balance sheet events to note.

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17 Fraud and Error

Benefits administered by the Department for Work and Pensions

We are responsible for paying claimants the right benefit at the right time. The Department for Work and Pensions administers six benefits on behalf of Scottish Ministers, and these costs are accounted for by Social Security Scotland. The basis of entitlement to these benefits are set out in Section 70 of the Social Security Contributions and Benefits Act 1992. In May 2022 some of the fraud and error rates for these benefits were re-measured.

The estimated cost of fraud and error is as follows:

Table 23 - Fraud and Error Estimates ³⁶	Year to 31 March 2022		Year to 31 March 2021	
	% Expenditure considered to be irregular ³⁷	£million	% Expenditure considered to be irregular	£million
Carer Allowance	5.2	15.3	5.2	15.4
Attendance Allowance	2.2	11.3	1.9	10.0
Disability Living Allowance	1.9	13.0	1.9	13.7
Personal Independence Payment	1.5	26.1	1.5	24.4
Industrial Injuries Disablement Benefit	1.9	1.5	1.9	1.6
Severe Disablement Allowance	4.0	0.3	4.1	0.3
Total		67.5		65.4

Department for Work and Pensions do not report on fraud and error rates based on Scottish caseload only, therefore the Department for Work and Pensions rates³⁸ for the United Kingdom have been used to calculate the estimated Monetary Value of Fraud and Error. We believe these rates are representative as Scottish benefits are being administered in the same way.

36 The Department for Work and Pensions proxy rates have been applied to Severe Disablement Allowance and Industrial Injuries Disablement Benefit.

37 Irregular refers to payments which are not in line with legislation

38 Fraud and error in the benefit system Financial Year Ending (FYE) 2022 - GOV.UK (www.gov.uk)

Annex A

Direction by the Scottish Ministers



Scottish Government
Riaghaltas na h-Alba
gov.scot

SOCIAL SECURITY SCOTLAND

DIRECTION BY THE SCOTTISH MINISTERS

1. The Scottish Ministers, in accordance with section 19(4) of the Public Finance and Accountability (Scotland) Act 2000 hereby give the following direction.
2. The statement of accounts for the financial period ended 31 March 2019, and subsequent years, shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FRM) 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 cash flows 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 27th March 2019



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