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# **Directorate for Internal Audit and Assurance**

## **Internal Audit Report**

### **Social Security Scotland 2022-23**

#### **Local Delivery**

**Directorate for Internal Audit and Assurance**

**Issue Date: 4-07-2023**

## Audit Personnel

<b>Lead Senior Internal Audit Manager:</b>	[Redacted]
<b>Internal Audit Manager:</b>	[Redacted]
<b>Internal Auditor:</b>	[Redacted]

## Report Distribution

<b>Client Accountable Officer*</b>	David Wallace, Chief Executive
<b>External Audit*</b>	Audit Scotland
<b>Deputy Director:</b>	Janet Richardson
<b>Key Audit contacts</b>	<p>[Redacted], Head of Client Services Operations</p> <p>[Redacted], Head of Local Delivery</p> <p>[Redacted] Deputy Head of Local Delivery – West of Scotland</p> <p>[Redacted], Deputy Head of Local Delivery – Central</p> <p>[Redacted], Deputy Head of Local Delivery - East</p> <p>[Redacted], Product Owner, Social Security Directorate</p>
<b>Internal Audit Business Support Hub*</b>	[Redacted],

\* Final Report only

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## 1. Introduction

### 1.1. Introduction

This Internal Audit review of Local Delivery formed part of the Audit Plan agreed by the Accountable Officer and noted by the Audit and Assurance Committee on 25<sup>th</sup> March 2022. The Accountable Officer for Social Security Scotland is responsible for maintaining a sound system of governance, risk management and internal control that supports the achievement of the organisations policies, aims and objectives.

### 1.2. Audit Scope

The scope of this review was to provide assurance on the arrangements that have been set up for delivery of this service. The review considered the governance arrangements, including consideration of clear roles and responsibilities, lines of authority and accountability, clear policy, guidance and oversight along with the systems, processes and controls which have been developed for the management, administration and delivery of the Local Delivery service. It should be noted that the Local Delivery Service is a developing service, starting with minimum viable products. The service was launched alongside the launch of Child Disability Payment. The range of services and benefits which the Local Delivery Team are involved in was then extended further as subsequent new benefits launched.

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

### 1.3. Assurance and Recommendations

Assurance Category	Reasonable		
Recommendations Priority	High	Medium	Low
	0	1	0

Our review has identified one medium priority recommendation. A reasonable assurance rating has been provided. Some improvements are required to

enhance the adequacy and effectiveness of procedures. There are weaknesses in the risk, governance and/or control procedures in place but not of a significant nature.

The rationale for this is that we recognise that the Local Delivery Service is a relatively new service provided by Social Security Scotland and over time the processes followed and ways of working are evolving and improving. Through our fieldwork we were able to identify good practice in relation to roles, responsibilities, lessons learned and management oversight. However we did note some areas where improvements are required and obtained feedback from a sample of staff highlighting concerns in relation to safety. Whilst we did not make recommendations in relation to all areas for improvement noted we do highlight risk posed with the current arrangements and should the likelihood or potential impact of these risk increase we recommend that management should take the action necessary to further strengthen the governance, risk management and control arrangements in relation to Local Delivery services. In particular, management should ensure that staff have the required processes, guidance and tools in place to effectively undertake their role, whilst remaining safe and delivering the services they are appointed to deliver.

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

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

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

## 2. Management Action Plan

### 2.1. Management Action Plan

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

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
1	[Redacted]	[Redacted]	M	<b>Response:</b> Management accept the recommendation  <b>Action:</b> Management will prepare options to present to the Agency Executive Team to address the points raised in the recommendation.  <b>Action Owner:</b> [Redacted] Head of Fraud & Error Resolution  [Redacted] Fraud & Error Prevention Lead	September 2023

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### 3. Findings, Good Practice and Improvement Opportunities

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#### 3.1. Good Practice

- 3.1.1. The Business Owner Team in Social Security Scotland includes Business Owners for elements relevant to Local Delivery including a Business Owner for the Appointment Booking Tool, one for accessibility and another for Lone working.
- 3.1.2. There is no specific strategy or policy in relation to Local Delivery, however there is reference to the Team in both the Charter and the Corporate Plan which provides clarity on the purpose, role and remit of the Team and the services which Local Delivery provide. Overall the Team is key in enabling Social Security Scotland to achieve its Charter commitments and specifically to enable face to face support based in communities across every local authority area in Scotland.
- 3.1.3. A learning routeway is in place for all Local Delivery colleagues which specifies role specific as well as mandatory training elements that staff in Local Delivery roles should be completing. Records are maintained providing management with an effective means for ensuring all staff undertake required training for their role. We did note that the records include space for Line Manager sign off to evidence their oversight, however this did not appear to be completed for all staff. From our fieldwork it was not clear the reason why and so no recommendation has been made, but management should ensure correct processes for overseeing and recording completion of training is adhered with.
- 3.1.4. Risks in relation to Local Delivery are captured on the Divisional Risk Register and we were able to evidence ongoing management and update of these risks.
- 3.1.5. An Appointment Booking Tool is in place for recording all relevant information on client appointments and can be viewed by the Appointment Booking Team as well as relevant Local Delivery colleagues to ensure there is knowledge of what appointments are ongoing and managers can remain aware of the whereabouts of their team members.
- 3.1.6. Arrangements are in place for monitoring and reporting on Local Delivery performance and outcomes. The Appointment Booking Tool is utilised to produce weekly Management Information and includes number of appointments by type,

support channel and status. The reporting also includes rolling weekly, monthly and quarterly trend information and analysis as well as cumulative data which supports management oversight and decision making. There is also ongoing monitoring of the usage of venues.

- 3.1.7. Local Delivery has continued to evolve since its launch and we were able to evidence clear processes for capturing lessons learned as well as action being taken to improve the service and ways of operating. We also noted that methods of capturing feedback on staff training are also in place.
- 3.1.8. Recent work has been undertaken to improve the Appointment Booking and Pre-Call Processes. A working group was established to determine weaknesses in the process and improvements needed. On the back of this working group a template checklist is in the process of being developed and implemented to provide guidance on the detail that should be captured to ensure the correct service is provided and that Local Delivery colleagues are aware of the client needs. Management have also implemented the mandatory requirement for Pre-Calls to be completed before any face to face visit can be undertaken. A Quality Assurance process is also being considered to ensure both Appointment Booking and Pre-Calls are being undertaken effectively.
- 3.1.9. There are various routes for referrals to be made to the Local Delivery Team and awareness sessions have been held to ensure there is understanding of the support the Local Delivery Service can provide to clients.

## **3.2. Improvement Opportunities**

### Structure and Organogram

- 3.2.1. There is a clearly defined structure for the Local Delivery Team and responsibilities and accountabilities are defined in documented Job Descriptions. An organogram is documented which sets out the various roles in the Team and the lines of reporting. However from our review we noted that the organogram is not fully aligned with the actual structure established and the job titles given to the various roles colleagues are in. We are satisfied that the structure established is clear and colleagues in the Team are aware of their individual roles and responsibilities, as such no recommendation will be made, however it is best



practice to ensure documentation is kept up to date and fully reflects the actual arrangements which are in operation.

### Guidance and Procedures

3.2.2. Procedures and guidance for Local Delivery colleagues is available on Social Security Scotland's Knowledge Management Hub. This is accessible by all relevant colleagues. As part of our fieldwork we undertook a survey of a sample of Local Delivery colleagues across the various roles and locations Local Delivery Operates in. From the feedback provided we noted the following points were raised:

- Some changes to guidance will be shared via email but are not updated on the Knowledge Management Hub until sometime after.
- There have been occasions where there are changes in guidance that are not effectively and timeously communicated to Client Support Advisors.

3.2.3. We are aware that the guidance referred to is not always owned by Local Delivery and this is not a Local Delivery specific issue. In most instances there is a reliance on Content Writers to update guidance and ensure this is shared through appropriate means with all relevant colleagues. At the time of our fieldwork a project was ongoing reviewing the Knowledge Management Hub and a risk was recorded in the Divisional Risk Register regarding the Hub being a single source of truth for guidance. We also obtained evidence to demonstrate the various routes used by Client Services Delivery to share changes to guidance/process with colleagues including email, daily stand-ups, use of the Teams channels and the Daily Bulletin. Due to the ongoing risk and action being taken in response to this along with evidence of the action being taken to disseminate changes to relevant colleagues no further recommendation has been made, however management should ensure that the planned actions and ways of working remain effective and take action to improve where means of communication with Local Delivery staff are found to be ineffective.

### Appointment Booking Tool

3.2.4. An Appointment Booking Tool has been developed by Deloitte and there is a contract with them that has been extended until 30<sup>th</sup> September 2023. The Tool transitioned into Social Security Scotland on 1<sup>st</sup> April. At the time of our fieldwork, colleagues in Chief Digital Office, the team to which the tool transitioned, were

raising concerns in relation to their capacity and resource within the team for ongoing maintenance and development of the tool. This is an issue that we have identified previously in other reviews where we have highlighted the need to ensure Social Security Scotland are suitably resourced and have the knowledge, expertise and readiness for forthcoming transfers. We have an Internal Audit Review in relation to Transition scheduled to be undertaken later this year where further testing and evidence will be gathered in relation to this. As such, no recommendation has been made in this audit, but management should be mindful of the risks posed to Social Security Scotland and take action necessary to minimise this risk.

#### Lone Working

3.2.5. Due to the nature of the role, in some instances some Local Delivery colleagues will be involved in lone working, for example when they are undertaking visits, either at a remote location or a client's own home. [Redacted] At the time of our fieldwork there was some confusion in relation to both tools as colleagues in Local Delivery believed that there were issues with both and not all colleagues had received an SOS Button. Through discussion it was clarified that during summer 2022 there had been issues with the functionality of both, however through engaging with the supplier all issues had been resolved and the tools should have been in use by Local Delivery colleagues. During fieldwork action was taken by both Local Delivery management and the Business Owner for Lone Working to ensure all colleagues in Local Delivery were aware that both tools available for lone workers were working and should be utilised. Action was also taken to ensure all relevant colleagues had an SOS Button and knew how to utilise both tools. Due to action being taken during the fieldwork no recommendations have been made however management should keep under review the arrangements for lone working and ensure staff are aware of the correct processes to follow and the action they should be taking when lone working.

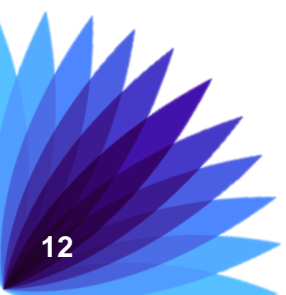
3.2.6. [Redacted]

### Survey Feedback

3.2.7. As part of the fieldwork we undertook a survey with a sample of Local Delivery colleagues to obtain feedback on the processes in place, systems in use and thoughts on the current ways of working. From this feedback a number of concerns were raised by colleagues including:

- Lack of functionality on the 'Near Me' platform (the platform used for video calls with clients) to apply a filter when on a call to blur out the background.
- Lack of ability for Client Support Advisors to alter their availability to enable meetings to be arranged with clients in a different format to what their Team Leader has assigned them to on any given day. (e.g. ability to book a face to face appointment when they have been allocated to remote meetings for a given date.)
- Processes for capturing and understanding markers on clients transferred from the Department for Work and Pensions. [Redacted]
- The Application Capture Tool, used by colleagues when working remotely, e.g. on a visit to a client's home or outreach venue, does not always successfully interface with SPM (the Client Management system used by Social Security Scotland). We noted that there is an ongoing issue in relation to applications not being attached on SPM when internet is unavailable which can take time to be resolved. We understand that these applications are in the system, located in 'm files', just not able to be attached on SPM or accessed by colleagues in SPM. We were also advised of other issues with this system being highlighted through IT Service Desk requests due to issues with the mismatch of information between SPM and the Application Capture Tool which can arise in circumstances such as the client changing their name or address or occasionally due to typing mistakes. Again the timing of the resolution of these can be quite significant.
- [Redacted]

3.2.8. Due to this being opinions shared by a sample of colleagues and us not having verifiable evidence to demonstrate such findings, we have not made specific recommendations in relation to each of these points. However we are highlighting so that management can take cognisance of the feedback that we have obtained independently and where appropriate take further action to remedy any areas of concern which pose a risk to Social Security Scotland and its staff and clients.



## Annex A Definition of Assurance and Recommendation Categories

### Assurance Levels

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

### Recommendation Priority

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

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**Annex B – Terms of Reference**

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# **Directorate for Internal Audit and Assurance**

## **Internal Audit Terms of Reference**

### **Social Security Scotland 2022-23**

#### **Local Delivery**

## Key Audit Contacts

<b>Audit Year:</b>	2022-23
<b>Client Accountable Officer:</b>	David Wallace, Chief Executive
<b>Client Audit Contact(s):</b>	<p>[Redacted], Head of Local Delivery and Client Experience</p> <p>[Redacted] Deputy Head of Local Delivery – East of Scotland</p> <p>[Redacted], Deputy Head of Local Delivery – West of Scotland</p> <p>[Redacted], Deputy Head of Local Delivery – Central</p> <p>[Redacted] Product Owner, Social Security Directorate</p>
<b>Lead Senior Internal Audit Manager:</b>	[Redacted]
<b>Internal Audit Manager:</b>	<p>[Redacted]</p> <p>[Redacted]</p>
<b>Internal Auditor:</b>	TBC

## Estimated Reporting Timescale

<b>Fieldwork Starts:</b>	28 <sup>th</sup> November 2022
<b>Fieldwork Ends:</b>	23 <sup>rd</sup> December 2022
<b>Draft Report Issued:</b>	27 <sup>th</sup> January 2023
<b>Final Report Issued:</b>	17 <sup>th</sup> February 2023
<b>Estimated Resource Days:</b>	30

## 1. Introduction

- 1.1. This internal audit review forms parts of our planned audit coverage set out in our Annual Internal Audit plan issued on 25 March 2022 and agreed by the Accountable Officer and noted by the Audit and Assurance Committee.
- 1.2. The Local Delivery service is made up of specially trained Client Support Advisers who are based within every Local Authority area in Scotland and available to provide person-to-person support and help guide people through the application process.
- 1.3. This review will aim to provide assurance on the arrangements that have been set up for delivery of this service. It should be noted that the Local Delivery Service is a developing service starting with minimum viable products. The service was launched alongside the launches of Child Disability Payment and pilot phases of Adult Disability Payment. The range of services and benefits which the Local Delivery Team are involved in will be extended further at the end of August when the national go live of Adult Disability Payment takes place.
- 1.4. The Social Security Scotland Strategic Risk Register includes the following risk:  
  
*IF we are not clear on our requirements to deliver services effectively, efficiently and to budget with its dependencies THEN the Agency staff could be underprepared to deliver services RESULTING IN a service that lacks quality, efficiency and economy with financial and reputational impact on the Agency and Scottish Government.*
- 1.5. We met with [Redacted] Head of Local Delivery and Client Experience and [Redacted] Local Delivery Lead, to discuss planning for this review on 08 August 2022. Our key risks below have been developed through these discussions and our knowledge of Social Security Scotland and its objectives.



## 2. Scope

2.1. To evaluate and report on the controls in place to manage the risk surrounding Social Security Scotland's arrangements for the Local Delivery service.

### 2.2. Remit Item 1 – Governance

To assess whether Social Security Scotland has established appropriate arrangements for the governance of Local Delivery. This includes consideration of clear roles and responsibilities, lines of authority and accountability, clear policy, guidance and oversight.

Key Risks:

- Inadequate governance arrangements and a failure to clearly define roles, responsibilities and accountabilities in relation to Local Delivery.
- Lack of relevant policy, procedure and guidance which aligns with processes and controls leading to inconsistent working practices and poor quality service delivery.
- Lack of robust training and development in relation to Local Delivery processes results in staff not having the appropriate knowledge and skills to ensure compliance with existing processes and procedures.
- Insufficient or ineffective management of risks in relation to Local Delivery resulting in an inability to achieve strategic objectives.
- Insufficient arrangements for monitoring and reporting on local delivery performance and outcomes.
- Inability to improve and develop arrangements for the Local Delivery Service due to lack of processes for capturing and considering lessons learned resulting in a service which is not fit for purpose.

### 2.3. Remit Item 2 – Systems, Processes and Controls

To determine if the systems, processes and controls are appropriate for the management, administration and delivery of the Local Delivery Service.

Key Risks:

- Process for identifying and referring clients is inefficient or ineffective leading to instances where Local Deliver Services are not provided impacting clients and their ability to obtain benefits which they may be due.

- Poor service delivery and an inability to meet the needs of clients due to:
  - Local Delivery processes being inefficient and/or ineffective.
  - Insufficient or ineffective systems and tools to support the Local Delivery service through the end to end process.
  - [Redacted]
  - Lack of communication and coordination with other relevant teams in Social Security Scotland
- [Redacted]
- Poor decision making due to insufficient management information and reporting.
- Insufficient or ineffective working with third party organisation impacting stakeholder relations and poor experience for clients.

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### 3. Approach

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- 3.1. We will undertake the audit in compliance with the Internal Audit Charter and Memorandum of Understanding agreed between Internal Audit and Social Security Scotland.
- 3.2. Management is reminded of our need for timely access to people and responsiveness to information requests, to enable the reporting timetable to be met.
- 3.3. At the conclusion of the audit a customer satisfaction questionnaire will be issued to the main client audit contact. Internal Audit appreciate feedback and to facilitate continuous improvement, we would be grateful if you could complete and return the questionnaire.