



Audit and Assurance Committee

Date of Meeting	20 August 2024
Subject	Audit Recommendation Update
Agenda No.	10
Paper No.	28.7
Prepared By	Corporate Assurance Team
Purpose	Note

1. Background

- 1.1. This update summarises progress with outstanding management actions from Internal Audit reports, Health-check Reviews and Audit Scotland reports.

2. Key points

- 2.1. The report provides the following breakdown:

- Social Security Scotland has continued to review recommendations at report stage against the Business Plan and prioritise mitigation actions accordingly, including the option to accept the Risk on certain recommendations, where appropriate these are captured on the relevant risk register.
- Total Internal Audit Recommendations Progress to date;
- An overview of open Internal Audit recommendations that have missed deadlines or are at risk of slippage;
- A brief overview of outstanding High, Medium and Low priority Internal Audit recommendations;
- A breakdown of Internal Audit Recommendations where timescales have been missed or at risk of slippage;
- A table noting progress of Audit Scotland actions;
- A table noting progress of Health-check actions.

3. Conclusions

- 3.1. The Audit and Assurance Committee is invited to note the progress of these recommendations and information contained within this report. To help guide discussion, we would draw to the Committee's attention the following key points from the paper. There remain:



- 2 open recommendations from 2021-22 which focus on Productivity and Efficiency, with the Performance Management Review scheduled during quarter 3 2024-2025, we believe these may be superseded by the outputs of the new review.
- 18 open recommendations from 2022-23, 11 of those recommendations are proposed for closure and are awaiting a follow up review by Internal Audit, the remaining 7 recommendations are currently at follow up audit status and we expect a number of them to move to fully implemented and partially implemented status.
- 50 open recommendations from 2023-24, with 12 of these recommendations at proposed for closure status.
- 10 partially implemented recommendations from the period 2018 – 2024, 3 of these recommendations should move to fully implemented by next report including the Quality Assurance Framework Recommendation from 2018, and 2 superseded by Roles Based Access Controls Report. There has also been a reduction of partially implemented recommendations by 4 since the last report.
- Missed deadlines in relation to outstanding recommendations: 10 High, 5 Medium and 2 Low priority.

4. GOVERNANCE CHECKLIST

Strategic Objective	Contribution
Dignity, fairness and respect Delivering a service with dignity, fairness and respect at its core.	This report does not have any direct contributions, however audit recommendations will frequently contribute towards each of these objectives.
Equality and tackling poverty Promoting equality and tackling poverty.	
Efficiency and alignment Ensuring efficiency and aligning our activities with wider public sector for the benefit of the people we serve.	



Strategic Objective	Contribution
Economy, society and environment Contributing to our economy, society and protection of our environment.	



Strategic consideration	Impact
Environment	This report does not have any environmental implications beyond the fact that audit recommendations may be made relating to the environment.
Governance	The Corporate Assurance Team manage the progress of external audit/assurance recommendations. Governance structures are in place to manage the corporate response to recommendations. Progress is reported to the Agency Leadership Team, Executive Team and Audit and Assurance Committee.
Data	Individual audit recommendations may impact on data management.
Finance	Individual audit recommendations may impact on finance.
Staff	Individual audit recommendations may impact on staff.
Equalities	Individual audit recommendations may impact on equalities.
Estates	Individual audit recommendations may impact on estates.
Communications and Presentation	Not applicable

Impact Assessment
Not applicable



Social Security Scotland – Audit Recommendation Update

1 Purpose

The purpose of this document is to update the Audit and Assurance Committee on recommendations from all independent audit activity.

2 Context

Recommendations are broken down by each review, giving the overall assurance rating and illustrating the number of recommendations made and priority ratings they hold. Further information is contained within the following annexes:

Annex A – Audit Scotland Recommendation Update Tracker.

Annex B – Health-check Recommendations Update Tracker

Annex C – Internal Audit's Definitions of Assurance Ratings and Recommendation categories.

Annex D – Health-check Definitions of Ratings and Recommendations.

3 Summary of Progress

The Corporate Assurance Team continue to work with action owners to facilitate implementation of recommendations across all divisions. Regular meetings with action owners are held to discuss and scrutinise outputs and performance against recommendations, with feedback provided. Implementation is however the responsibility of each area.

Reports have been finalised this quarter for

- Adult Disability Payment In-Depth Review
- Case Discussions
- Corporate Transformation-Estates Management
- Governance
- Role Based Access Controls

All reports from the 2023-24 Audit Plan have been finalised. As some were only recently finalised, they have not yet been added to our recommendations tracker and are not included in the statistics.

A number of recommendations are expected to be cleared over the coming reports with many aligned to the priorities outlined in the Social Security Scotland 2024-25 Business Plan.

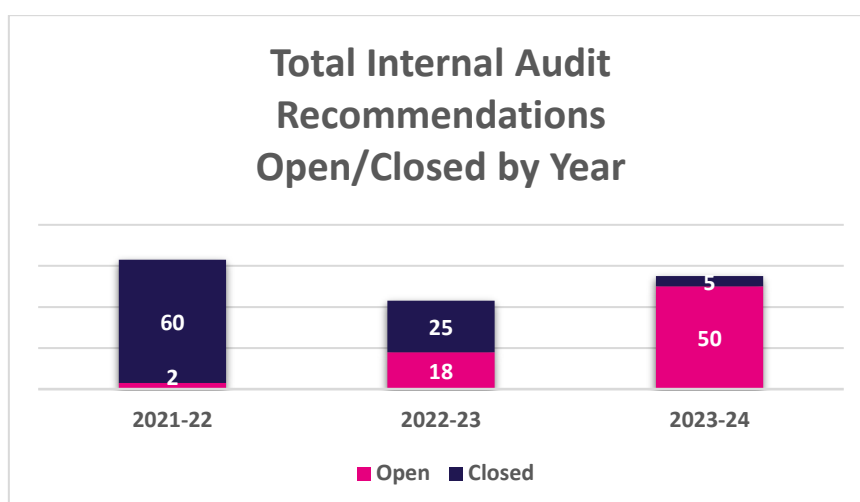
The Corporate Assurance Team will conduct a comprehensive review of the 2022 Health-check and Audit Scotland National Performance report outcomes. Based on responses we expect to clear some recommendations in the next quarter.

The below table indicates the overall assurance ratings from Internal Audit reports to date, with an additional breakdown for 2023-24.



Overall Assurance Level – Internal Audit Reports	Total number of reports to date	2023-24
Substantial Assurance Controls are robust and well managed	8	2
Reasonable Assurance Controls are adequate but require improvement	49	6
Limited Assurance Controls are developing but weak	20	6
Insufficient Assurance Controls are not acceptable and have notable weaknesses	0	0

4 Total Internal Audit Recommendations Progress to date



The graph above shows a breakdown by year of the open and closed recommendations.

- 2021-2022 recommendations – 2 of the recommendations remain open and 60 are closed. The 2 open recommendations are from the Productivity and Efficiency report. After discussions with Internal Audit and the recommendation owners, the Productivity and Efficiency follow-up review will now take place in April 2025. The Performance Management Internal Audit review is scheduled for quarter 3 2024-25 which may supersede the recommendations from the Productivity and Efficiency review. The 2024-25 Business Plan includes a priority initiative to develop a quality and performance framework which will help the progress in this area.
- 2022-23 recommendations – 18 recommendations are open and 25 are closed. 11 of the 18 open recommendations are proposed for closure.
- 2023-24 recommendations – 12 of the 50 open recommendations are proposed for closure.



Although not shown in the graph, it is important to note that a further 10 recommendations, down from 14 from the last reporting period, are currently considered to be only partially implemented. Partially implemented recommendations have been reviewed by Internal Audit as part of a follow-up review and are considered to be closed for Internal Audit purposes, but further action is required. These recommendations are monitored locally by the Corporate Assurance team and added to the closures count once fully completed. A review of all partially implemented recommendations was carried out with the relevant action owners. The table below indicates the progress made this quarter:

	Number of outstanding partially implemented recommendations by reporting Year						
	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Previous quarter	1	1	2	6	4	0	14
Current quarter	1	1	2	2	3	1	10
+/-	0	0	0	-4	-4	+1	-4

5 Open Recommendations that have initially missed, or are at risk of slippage, on their deadline.

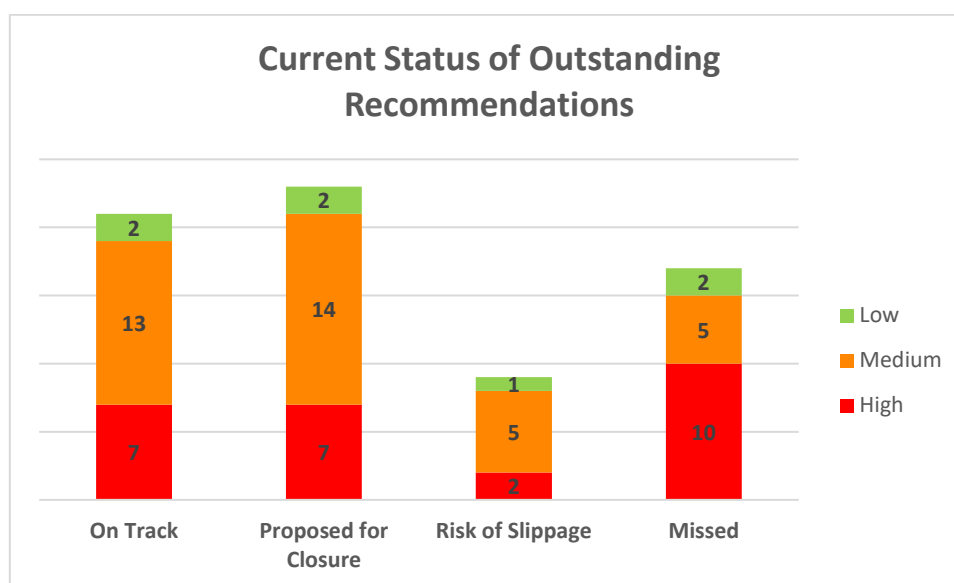
The below table provides an overview of open Internal Audit recommendations which have missed their deadlines or are at risk of slippage.

Internal Audit Report	Assurance	Missed	Risk of slippage
Client Services Delivery			
Child Disability Payment In-Depth 2024	Limited	0	1 Medium Priority
Winter Heating Payment	Reasonable	0	1 High Priority
Adult Disability Payment In Depth	Limited	0	1 Low Priority
Finance and Corporate Services			
Internal Controls – Post Award Controls	Limited	1 Medium Priority 3 High Priority	0
Chief Digital Office			
SPM Management Information and Reporting	Limited	2 High Priority	0
Organisational Strategy and Performance			
Productivity and Efficiency	Limited	2 Medium Priority	0



Continuous Improvement	Limited	0	1 Medium Priority 1 High Priority
Risk Management	Reasonable	2 Low Priority 2 Medium Priority 1 High Priority	0
Health and Social Care			
Safeguarding	Limited	4 High Priority	3 Medium Priority
People and Place			
Corporate Transformation and Estates Management	Reasonable	0	1 Medium Priority

6 Current Status of Outstanding High, Medium and Low Priority Recommendations



The graph above shows a breakdown by priority level of the outstanding recommendations.

High Priority Recommendations (26)

- 7 are on track
- 7 are proposed for closure
- 2 are at risk of slippage (Winter Heating Payment and Continuous Improvement)
- 10 have missed the deadline (Internal Controls Post Award Controls, Risk Management, Safeguarding and SPM Management Information and Reporting.)

Medium Priority Recommendations (37)

- 13 are on track



- 14 are proposed for closure
- 5 are at risk of slippage (Safeguarding, Child Disability Payment In Depth and Continuous Improvement).
- 5 have missed deadlines (Internal Controls Post Award Controls, Productivity and Efficiency and Risk Management).

Low Priority Recommendations (7)

- 2 is on track
- 2 are proposed for closure
- 1 is at risk of slippage (Adult Disability Payment in Depth)
- 2 have missed the deadline (Risk Management).

We have been provided revised deadlines by action owners where available for the recommendations that have missed their original deadline. The table below provides a current status update for the Internal Audit recommendations which have missed their deadlines or are at risk of slippage.

Internal Audit Recommendations - Missed or at Risk of Slippage.

Productivity and Efficiency			
Rec	Recommendation	Update	Status
P1 - Medium	Social Security Scotland should establish a productivity and efficiency framework and aim to embed it across the organisation. The framework should set out improvement activity identified in the report.	<p>The 2024-25 Business Plan will include a priority initiative to develop a quality and performance framework. This will set out productivity and efficiency for the organisation which will link to our charter.</p> <p>The Performance Forum utilises monthly productivity and efficiency information from across the organisation. In addition, the Disability Action Plan is in place to address factors that were considered priority areas for performance; namely processing waiting times from applications, oldest cases, head of work volumes and actual and forecasted clearance rates by case managers.</p> <p>Management Information is being reported fortnightly through dashboards produced by analysts in conjunction with Operational Leads and are then being reviewed with the wider disability action team.</p> <p>All colleagues within Client Services Delivery have been involved in performance expectation setting. Client Services Delivery are currently exploring how performance will feature as a key work objective for 2024-25.</p> <p>New proposed deadline March 2025</p>	Missed

P2 - Medium	Social Security Scotland should produce a data and reporting plan for productivity and efficiency. This should build off the monitoring it requires and include areas identified in the report.	<p>The Business Plan will include a priority initiative to improve data, management information and analysis which will include measurements to enable better monitoring and reporting.</p> <p>Work continues to evolve the provision of management information in relation to productivity and efficiency. This involves reporting and data delivery, data platforms and data strategy/business intelligence work. This piece of work is complex and wide reaching. Interim data capture and reporting has been focused on the Disability and Carers Benefits and work continues in relation to securing an automated source of data through a workforce scheduling tool.</p> <p>New proposed deadline March 2025</p>	Missed
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Safeguarding			
Rec	Recommendation	Update	Status
SG1 - High	<p>A) Management to review and clarify the strategic intent and role of Social Security Scotland and its Safeguarding function to ensure established arrangements enable the organisation to meet its Duty of Care responsibilities and registered staff adhere to the relevant professional bodies codes of conduct.</p> <p>B) The outcome of the review should be communicated to all relevant stakeholders to prevent any further misunderstandings.</p>	<p>A) The review paper was presented to the Executive Team with resources allocated for discovery work which has commenced. A further options paper will be presented to the Executive Team at the end of August 2024.</p> <p>B) We are awaiting the Business Analyst discovery work to conclude.</p> <p>C) This is ongoing work and yet to be concluded.</p>	Missed

	C) Once agreed management should ensure appropriate legislation is in place to support the delivery of the service. This should include legislation which provides an appropriate legal gateway for the sharing of relevant information with appropriate stakeholders.	<p>The timelines for A, B and C have slipped due to the lack of resource available within the Agency. Business Analyst resource was allocated at the beginning of May but further work is required, including a review of Service Design and potentially a fully resourced team for progress/completion.</p> <p>No definitive timeline as further discovery work will need to be reviewed and signed off by the Executive Team. The options paper will be presented in August so timescales may be clearer once reviewed</p>	
SG2 - High	<p>A) Management should ensure appropriate policy and/or strategy and operational guidance is in place to support the delivery of the safeguarding service. This should include guidance on deciding outcomes of safeguarding assessments and methods for sharing relevant information with appropriate stakeholders.</p> <p>B) Appropriate training should also be put in place to ensure all staff are aware of the correct practices to be followed.</p>	<p>The timeline for part A will slip due to a number of factors which included time with the Legal team, Policy team, Deputy Director sign off, Chief Digital Office engagement and Executive Team sign off</p> <p>B) The Business Analyst is still looking at requirements for policy development and training.</p> <p>New proposed deadline October 2024</p>	Missed
SG3 - High	Management should ensure all relevant colleagues have access to appropriate guidance and know where to find further information in relation to Safeguarding and Risk of Harm, should it be needed.	<p>The Business Analyst discovery work includes looking at requirements for staff awareness, guidance and training.</p> <p>The timeline has slipped due to lack of resource required.</p>	Missed

		No definitive timeline as further discovery work will need to be reviewed/signed off by Executive Team. The options paper will be presented in August so timescales may be clearer once reviewed.	
SG4 - High	<p>A) Planned action to improve the training for colleagues across Social Security Scotland in relation to safeguarding and risk of harm should continue to be progressed. As part of this management should ensure all relevant colleagues have completed any required training and know where to find further information should it be needed.</p> <p>B) Management should consider developing a feedback mechanism for staff who raise safeguarding referrals to aid continuous improvement and better inform learning and development needs.</p>	<p>The planning and development of the training based on the NHS public protection training is underway but how this looks will be determined by the Business Analyst discovery work and subsequent management direction. There will be no resource allocated to discovery work until May 2024. Training is in development but further work will be required once discovery is completed.</p> <p>No definitive timeline as further discovery work will need to be reviewed and be signed off by the Executive Team. The options paper will be presented in August so timescales may be clearer once reviewed.</p>	Missed
SG5 - Medium	<p>Management should take action to ensure there is sufficient awareness of individual and collective roles and responsibilities in relation to safeguarding clients at risk of harm.</p> <p>This could include development of a specific saltire page for staff to access for further information and links to relevant policy, guidance and training.</p>	<p>The Saltire landing page is in development. This will have safeguarding links into all the areas of Social Security Scotland. It will be dependent on staffing levels and the outcome of the Business Analysis discovery work.</p> <p>No definitive timeline as further discovery work will need to be reviewed/signed off by Executive Team. The options paper will be presented in August so timescales may be clearer once reviewed</p>	Risk of Slippage

SG6 - Medium	<p>A) Assumptions used for future projections/resource modelling should be reviewed to ensure that these consider future estimates of safeguarding referrals based on i.e. new Social Security Scotland benefits being introduced and impact of improving safeguarding guidance and training, etc.</p> <p>B) The Safeguarding team should consider introducing key performance indicators that are specific, measurable, attainable, relevant, and timely, to help measure performance, quality and productivity, to inform longer term resource needs and to allow for reporting against established targets.</p>	<p>Modelling work is being progressed. Developments will be depending on outcome of the Business Analysis discovery work.</p> <p>No proposed deadline provided</p>	Risk of Slippage
SG8 - Medium	<p>A) Management should investigate to determine if there are possible solutions to the deficiencies with PPCM and SPM.</p> <p>B) Once regulations, operational policy and the role of the Safeguarding function in Social Security Scotland are formally agreed, user research should be undertaken to help ensure that current systems and their use meet the needs of the service.</p>	<p>The systems are being considered as part of the Business Analysis discovery work. Workshops have been collated around the system needs, specifically PPCM. PPCM has also moved to another Business Owner. Further consideration will be given to this once the discovery has been completed.</p> <p>No definitive timeline as further discovery work will need to be reviewed and signed off by Executive Team. The options paper will be presented in August so timescales may be clearer once reviewed.</p>	Risk of slippage

SPM Management Information and Reporting			
Rec	Recommendation	Update	Status
SPMMI1 – High Recommendation	Management should seek to implement a plan to address weaknesses across all business areas which is well communicated and considers the actions needed to address the root cause of weaknesses to management information and reporting.	Follow-up review in progress.	Missed
SPMMI2 – High Recommendation	Management should take action to improve the culture and awareness of data and the tools available for this. This should be supported by an appropriate data dictionary and training and guidance to all relevant business areas.	Follow-up review in progress.	Missed

Internal Controls – Post Award Controls			
Rec	Recommendation	Update	Status
ICPA1 – High Recommendation	Management should identify ownership in developments of Post Award controls along with Programme Directorate support and seek to develop an action plan to address governance issues of post award controls and seek assurance that all identified weaknesses are being appropriately managed and mitigated.	Follow-up review in progress.	Missed
ICPA2 – Medium Recommendation	Management should review existing training and guidance and understand where gaps are before implementing a plan to address gaps.	Follow-up review in progress.	Missed

ICPA3 – High Recommendation	Management should seek to improve controls for task management and work queues which are less resource intensive and manual and address the root cause i.e. system issues.	Follow-up review in progress.	Missed
ICPA4 – High Recommendation	Management should take necessary action to ensure system controls are imbedded within SPM to support colleagues and ensure actions are undertaken correctly and also provide sufficient approval processes as part of the post award maintenance activities.	Follow-up review in progress.	Missed

Child Disability Payment In Depth			
Rec	Recommendation	Update	Status
CDP2024-4 - Medium	Management to ensure that when automated tools, reports and trackers are being developed, the process for obtaining and acting on feedback from the Child Disability Payment, or other relevant team, is clear and effective to ensure that development considers the end users needs and that the end products are fit for purpose.	<p>Management Information is one of the key areas of focus with the Social Security Scotland 2024-25 Business Plan. A project is being stood up led by the Business Change Management Unit across 2024-25. This work has a Deputy Director Senior Responsible Officer and Senior Lead officials setting the direction for the team. This will continue through to the end of the financial year.</p> <p>A new report has now gone live in June 2024 (which fixed a previous issue). Sessions were ran with operational staff around manual trackers during late 2023 and assurance has been given that the trackers are now being used correctly.</p>	Risk of slippage

		New proposed deadline March 2025	
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Winter Heating Payment			
Rec	Recommendation	Update	Status
WHP3 - High	Work should be undertaken to assess the effectiveness of the systems and infrastructure to ensure there is capability and capacity to deliver future batch runs without delays.	<p>Batches were progressing well, up to 1st May 2024. On that date 6 SPM Batch jobs began to increase in run-time.</p> <p>These 6 SPM Batch jobs are being investigated as they have driven the completion time of the SPM Batch back to a midnight window.</p> <p>This will directly impact Winter Heating and Pension Age Payments in December 2024 and January 2025.</p> <p>At the time of writing, discovery work is commencing to identify the root cause.</p>	Risk of Slippage

Continuous Improvement			
Rec	Recommendation	Update	Status
CI1 - High	<p>We recommend that a robust strategic direction and governance process be set, together with associated supporting documentation and guidance clearly setting out the definition, ownership, roles and responsibilities and approach to continuous improvement (e.g. processes for identification, prioritisation, development, delivery, implementation and evaluation) and expected evidence to be retained. This should also embed the delivery practices of the Digital Scotland Service Standards.</p> <p>Thereafter management should ensure these documents are published and shared appropriately, ensuring regular review points. Further action necessary to ensure the effective implementation of the strategy, process and guidance should also be considered.</p>	<p>The Business Change Management Unit is nearing conclusion of roadshows across the organisation which has been extremely well received.</p> <p>The working group looking at the Continuous Improvement elements has, through no fault of its own, not progressed within the original timelines. This work is likely to continue across the course of this financial year and has been included as a priority within the Agency 2024-25 Business Plan</p> <p>New proposed deadline March 2025</p>	Risk of slippage
CI2 - Medium	<p>Management should review current ways of working to ensure that sufficient capacity, capability and budget are in place together with a structure that enables efficiency and effectiveness, permeates a consistent and cohesive approach throughout Social Security Scotland and allows the sharing of best</p>	<p>The working group looking at the Continuous Improvement elements has, through no fault of its own, not progressed within the original timelines. This work is likely to continue across the course of this financial year and has been included as a priority within the Agency 2024-25 Business Plan</p> <p>New proposed deadline March 2025</p>	Risk of slippage

	practice between Social Security Scotland and Social Security Programme.		
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Risk Management			
Rec	Recommendation	Update	Status
RM1 – Low	The Risk Team should consider updating and expanding the information on Saltire to include its roles and responsibilities, the support offered, copies of guidance and links to training opportunities to raise awareness of, and embed, the risk management processes across the organisation.	<p>The Saltire page is now set up for Risk Review Group. This includes an "Engaging with us" page. Once the new strategy and framework are signed off we will set up a specific risk page on Saltire.</p> <p>The Strategy and Framework is with the Deputy Director for Finance and Corporate Services for sign off.</p> <p>New proposed deadline October 2024</p>	Missed
RM2 – Low	<p>Management should ensure that the Terms of Reference for the Executive Team is finalised, to confirm its roles and responsibilities for risk management.</p> <p>The Risk Team should also ensure that policies and guidance are updated to reflect that the Agency Leadership Team has been disbanded, and these reflect the updated reporting lines.</p>	<p>The Terms of Reference for the Risk Review Group has been updated and signed off.</p> <p>We are currently awaiting the final sign off of the Executive Team Terms of Reference.</p> <p>New proposed deadline October 2024</p>	Missed
RM3 - Medium	Management should review these documents to ensure that they represent and detail the full process undertaken in respect of strategic risk management	The Risk Strategy and Framework agreement are in the final stages. Appetite and tolerance will be formally established with the Executive Team in September 2024. This process will be added to the	Missed

	and thereafter ensure that they are published, shared with appropriate stakeholders and embedded as business as usual. Requirements for ongoing review should be stated to ensure documents / processes remain current and effective in driving the risk management activities in Social Security Scotland.	<p>framework. The framework will then be peer reviewed by the Risk Review Group before it is signed off by Executive Team. At this point we will publish both on saltire and externally.</p> <p>The risk register now contains key target score dates and control confidence levels.</p> <p>Quarterly update documents are provided to all Risk owners (Deputy Directors) and action owners, which includes feedback from the Audit and Assurance Committee as well as profile changes to the strategic risks.</p> <p>New proposed deadline October 2024</p>	
RM4 - Medium	Management should set out a process for determining risk appetite and risk tolerance, and ensure that levels for each are set. Additionally, consideration should be given to ensuring a consistent approach is implemented for articulating strategic risks to ensure these can be understood. A review of the strategic risk register should also be carried out to ensure that it is worded and completed consistently and fully.	<p>Appetite and tolerance to be set with Executive team in September 2024. Once completed this will allow us to work on publishing the appetite statements for the organisation.</p> <p>Appetite and tolerance meeting will take place in September 2024 with the Executive Team. Availability was limited until that date</p> <p>New proposed deadline October 2024</p>	Missed
RM5 - High	Management should review the approach to strategic issue management and, where appropriate, ensure strategies, guidance and processes are documented	Issue management approach will be formalised within the Strategy and Framework. This is expected to be a business as usual function with little or no impact on the risk management team,	Missed

	to support the agreed approach, with action taken to implement to ensure issues are effectively managed.	other than as a lessons learned/reflection and assessing for residual risks. New proposed deadline October 2024	
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Adult Disability Payment In Depth			
Rec	Recommendation	Update	Status
ADP2 - Low	Social Security Scotland should consider if the location of the Suitability Checker could be better placed within mygov.scot to encourage prospective applicants to complete the checker before submitting an application.	Conversations are ongoing and it is not yet know if relocation of the suitability tracker will be possible at present No deadline provided.	Risk of slippage



7 Closed Internal Audit Recommendations

Follow-up reviews were completed by Internal Audit in this period for:

- Debt Arrangements
- Procurement
- Integration Space

Follow-up reviews are currently in progress for

- Internal Controls - Post Award Controls
- SPM Management Information and Reporting

The Corporate Assurance Team will continue to internally monitor and report on the partially implemented recommendations, and will ask for evidence to ensure they are completed.

8 Agency Health-check review

Updates from the 2022 Health-check report are at [Annex B](#).

Conclusion

The Corporate Assurance team will continue to liaise with recommendation owners, specifically those with a rating of high, to track and report all outstanding recommendations. This will support more targeted discussion with Internal Audit colleagues on any follow-up work.

This report will continue to be used to capture all independent audit and assurance activity. The continuous tracking and reporting of progress to the Audit and Assurance Committee will ensure that the committee has the means to monitor how effectively high priority recommendations have been implemented.

Annex A: Audit Scotland

Audit Scotland Report Action Plan 2022-23	Status
1. Social Security Scotland should develop an impairment model for benefits receivable and overpayments for use in future years.	Cleared
2. Management should re-evaluate the value of right-of-use assets year on year and consult an expert where appropriate to ensure that right-of-use assets are not materially misstated.	Cleared
3. Social Security Scotland should continue to work with the programme to continually improve develop systems that are fit for purpose.	Missed
4. Social Security Scotland must continue to develop its understanding of the level of fraud and error within the range of benefits being delivered. This includes working with the Scottish Government to break down the barriers that exist to developing estimates of the level of client induced error and fraud.	On track
5. Funding solutions for the capabilities and services that transition from the Social Security Programme to Social Security Scotland should be agreed and managed effectively.	Cleared
6. Social Security Scotland should continue to review the cyber security arrangements that exist and implement improvements as appropriate.	On track
7. Social Security Scotland should continue to focus on developing a performance management framework that will allow an evidence-based assessment of performance to support decision making and help demonstrate value for money.	On track

National Performance Report 2022 Recommendations	Status
1. The Scottish Government should detail more clearly the intended impact of the Scottish social security system on outcomes for the people of Scotland, linking directly to the National Performance Framework. This is central to being able to evaluate value for money and inform decisions about future social security interventions.	On track
2. Social Security Scotland should strengthen its role in the prioritisation of development activity to ensure its operational needs are appropriately considered and that it has the systems and processes in place to administer benefits in the way intended.	On track
3. Social Security Scotland should continue to review and update its workforce planning to build the capacity and capabilities needed for its growing remit. This should draw on learning from live administration of benefits, such as processing times and service user behaviours, and the impact of further system developments including the automation of processes.	On track
4. The Scottish Government and Social Security Scotland should plan for how they will measure the impact of the benefits being introduced,	On track

and how they will evaluate and report on progress against outcomes. In doing so they should ensure that suitable data gathering, and reporting processes are established.	
5. The Scottish Government and Social Security Scotland should put into action their learning from previous benefit launches by ensuring that future delivery timelines include sufficient time for system testing ahead of launches. They should also agree periods of protected time for system development and improvement, to build stability and resilience in the digital infrastructure.	On track
6. The Scottish Government and Social Security Scotland should plan for how the significant investment in staffing for this programme of work, and the skills, knowledge and experience gained, can be best used to support areas of future service development. This should include robust approaches to support knowledge transfer from contractors to permanent staff.	On track

Annex B: Healthcheck

Ref No.	Recommendation	Status
R1	The Agency should work with Programme on the revision of the Programme Business Case.	Cleared
R2	The Agency should ensure that the Continuous Improvement function is designed, with all associated costs, including the impacts of Technical Debt, fully identified in the Programme Business Case or other suitable artefact (or if appropriate a separate business case).	On track
R3	Comprehensive transition roadmaps, including target outcomes for each component of the current Programme and future Agency capability should be agreed with the Programme. An overall Transition Strategy with jointly agreed guiding principles should also be developed.	On track
R4	The planning and preparations for transition management should reflect the state required at the commencement of the Embedding and Enhancement period and the level of progress to be made by its conclusion.	Cleared
R5	The Agency, in conjunction with programme, should develop an End of Programme Operating Model by the end of the Embedding and Enhancement period.	On track
R6	The Programme, in conjunction with the Agency, should give consideration to the development of a method of traceability to evidence how Programme and Agency delivery has contributed to National Outcomes and achieving a positive and supportive client experience.	On track
R7	Areas of transition where there may be competing requirements should be identified early with agreement reached on associated planning assumptions.	On track
R8	There should be clarity regarding the scope of Minimum Viable Product, further programme delivery, acceptance criteria and Continuous Improvement.	On track
R9	Workforce planning should consider alternative recruitment arrangements involving both Programme and Agency to support future transition arrangements. For example, the potential for roles to be jointly recruited with the Programme with the posting being initially with the Programme before transitioning to the Agency.	On track

R10	The programme, supported by the Agency, should determine the range of relationships and management arrangements required with DWP and schedule their implementation.	Cleared
R11	The Agency and the Programme, should plan the transition from the DWP Central Payments System, including contingency arrangements.	On track

Annex C: Definition of Assurance Ratings and Recommendation Categories

Internal Audit use the following grading structure and this has been applied to all Internal Audit recommendations within this report.

Assurance

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

Recommendations

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

Annex D: Agency Health-check Review – Delivery Confidence Assessment RAG

The below table applies to the recommendations made in Section 7 “‘Essential’ and ‘Critical’ Recommendations Status Update – Agency Healthcheck Review”

<u>RAG</u>	<u>Criteria Description</u>
Green	Successful delivery of the programme/project to time, cost and quality appears highly likely and there are no major outstanding issues that at this stage appear to threaten delivery.
Amber /Green	Successful delivery appears probable. However, constant attention will be needed to ensure risks do not materialise into major issues threatening delivery.
Amber	Successful delivery appears feasible but significant issues already exist requiring management attention. These appear resolvable at this stage and, if addressed promptly, should not present a cost/schedule overrun.
Amber /Red	Successful delivery of the programme/project is in doubt with major risks or issues apparent in a number of key areas. Urgent action is needed to ensure these are addressed, and establish whether resolution is feasible.

Each recommendation given in the Agency Healthcheck Review has been given Critical, Essential or Recommended status. The definition of each status is as follows:

Critical (Do Now) – To increase the likelihood of a successful outcome it is of the greatest importance that the programme/project should take action immediately.

Essential (Do By) – To increase the likelihood of a successful outcome the programme/project should take action in the near future.

Recommended – The programme/project should benefit from the uptake of this recommendation.