



Scottish Government
Riaghaltas na h-Alba
gov.scot

Directorate for Internal Audit and Assurance

Internal Audit Report

Social Security Scotland 2023-24

Corporate Transformation and Estates Management

Directorate for Internal Audit and Assurance

Issue Date: 28-06-2024

Audit Personnel

Senior Internal Audit Manager:	[Redacted]
Internal Audit Manager:	[Redacted]
Internal Auditor:	[Redacted]
Assurance Support Officer:	[Redacted]

Report Distribution

Client Accountable Officer*	David Wallace, Chief Executive
External Audit*	Audit Scotland
Deputy Director	Nicola Rudnicki, Deputy Director People and Place
Key Audit contacts	[Redacted] Head of Place Services [Redacted] Head of Strategic Resourcing [Redacted] Workforce Planning Project Lead [Redacted] Project Lead [Redacted], Property Lead [Redacted], Strategy Lead [Redacted], Operations Lead [Redacted], Strategy Manager [Redacted], Operations Manager
Internal Audit Business Support Hub*	DIAABusinessSupportHub@gov.scot

* Final Report only

Contents

1. Introduction	4
1.1. Introduction	4
1.2. Audit Scope.....	4
1.3. Assurance and Recommendations	4
2. Management Action Plan	6
2.1. Management Action Plan	6
3. Findings, Good Practice and Improvement Opportunities.....	14
3.1. Good Practice	14
3.2. Improvement Opportunities.....	18
Annex A Definition of Assurance and Recommendation Categories.....	22
Assurance Levels.....	22
Recommendation Priority.....	22
Annex B – Terms of Reference	23

1. Introduction

1.1. Introduction

This Internal Audit review of Corporate Transformation and Estates Management formed part of the Audit Plan agreed by the Accountable Officer and noted by the Audit and Assurance Committee on 21st March 2023. The Accountable Officer for Social Security Scotland is responsible for maintaining a sound system of governance, risk management and system of internal control that supports the achievement of the organisations policies, aims and objectives.

1.2. Audit Scope

In this audit we considered the governance arrangements for estates management and corporate transformation in relation to the transition to using the new Oracle Cloud Enterprise Resource Planning (ERP) system. As part of this management were focussed on ensuring they were prepared and able to manage this change effectively. With a move to hybrid working, Social Security Scotland's use and need of its estates has changed and management must ensure that there are effective arrangements in place for Social Security Scotland to consider this and how they can maximise use of the space available in a sustainable way. We reviewed the ongoing activity in these areas to assess for efficiency and effectiveness of governance, risk management and sufficient controls in place to achieve strategic objectives and deliver value for money.

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	4	1

Our review has identified four medium and one low priority recommendations. 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 for Corporate Transformation, while we found good practice in place around strategies, communication, awareness, training and management oversight/reporting, there were weaknesses around risk and issue management within the Risk, Action, Issue, Decision log. We identified that not all risks had planned mitigating actions and meaningful updates.

For Estates Management, while we found good practice in place around strategies, communication and engagement, business priorities and management oversight/reporting, there were weaknesses around roles and responsibilities, data monitoring, risk register management and financial sustainability. We identified a lack of clarity on roles/responsibilities/guidance, inaccurate data monitoring, insufficient and/or ineffective management of risks and gaps within the long-term financial planning.

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	Corporate Transformation - Risk and Issue Management Issue: Our review found evidence that risks in relation to Corporate Transformation are regularly discussed at Shared Service Programme Customer Forums, with a monthly highlight report being shared with key stakeholders highlighting top 3 risks and business readiness exercises undertaken to enable risks associated with Corporate Transformation to be identified and managed. However, we found weaknesses in arrangements that	Management to put appropriate arrangements in place to allow for an effective oversight and monitoring of all risks in relation to the Corporate Transformation Programme. If management choose to continue using the existing RAID log, this should be appropriately updated to ensure that all risks associated with Corporate Transformation are included	M	Response: Partially Accept Some less impactful risks on the Corporate Transformation RAID log have had some time elapsed without any significant updates. These Older risks, having limited scope for mitigation, have remained on the RAID log for record keeping, but have not received regular updates due to lack of movement or information from the Shared Service Programme. These risks are being tolerated and generally have low impact/likelihood scores.	

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	<p>impacts management's ability to effectively oversee all risks identified in relation to the Corporate Transformation Programme. A RAID log for the Corporate Transformation Programme was initially put in place, this was however not actively maintained at the time of our fieldwork and not all risks contained current and proposed mitigating actions and meaningful updates.</p> <p>Risk: Weaknesses in the risk management arrangements for the Corporate Transformation Programme which could lead to ineffective oversight of risks identified and inappropriate planning and readiness by Social Security Scotland for instances where</p>	<p>and all risks contain meaningful updates.</p> <p>Current and proposed mitigating actions should be captured to allow for effective management oversight and allow for effective and timely decisions, especially for areas of risks where needs of Social Security Scotland are not going to be addressed by the SG Shared Services Programme</p>		<p>More significant risks and issues, and ones within our ability to control, are updated regularly, mirrored on divisional registers, feature in our monthly highlight/assurance reports and are highlighted to senior responsible staff.</p> <p>We have evidenced significant risk management, monitoring, mitigation and control being in place through our existing processes and for risks which we can practically control.</p> <p>We accept the need for improvement to record maintenance but believe low priority would be more representative, which recognises this as a relatively minor or housekeeping issue.</p>	

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	Shared Services Programme decide to not act on Change Impact requests and/or risks raised by the organisation, prioritise them as low priority and/or add them to the backlog for rollout.			<p>Action:</p> <p>Corporate Transformation Team to take action to update RAID log with current activity and monitoring practice.</p> <p>In addition, the Project Team has been conducting a business readiness exercise to ensure that risks associated with Corporate Transformation are identified and appropriately managed.</p> <p>Action Owner:</p> <p>Corporate Transformation Team Project Lead</p> <p>Internal Audit Comment:</p> <p>We note the comment in relation to the priority of this recommendation, however following our meeting on 21st May 2024</p>	30/09/2024

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
				and further consideration following receipt of the management response we still consider this to be of medium priority. This is due to the current arrangements impacting management's ability to oversee all risks identified in relation to the Corporate Transformation Programme, coupled with the size and scale of the Programme impacting across all facets of Social Security Scotland.	
2	Estates Management - Roles Responsibilities Issue: Whilst roles and responsibilities were considered to be clearly defined on paper, some staff had more clarity than others on roles and responsibilities within Place Services. We also noted that, following the Branch Review, some policies and	Management should ensure that roles, responsibilities and accountabilities are clearly set out for each role, with this being communicated clearly. Thereafter, appropriate guidance should be put into place, shared appropriately	M	Response: Accept Action: Risk 1a: develop a matrix that clearly defines branch responsibilities, and implement any related change. Risk 1b: undertake role definition work across teams within Place Services to	31/03/2025 31/03/2025

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	<p>guidance for staff within the Branch may not reflect current processes and structures.</p> <p>Risk 1: Lack of clarity on roles, responsibilities, and accountability in relation to estates management with the potential of activities being missed or unnecessary duplication of work.</p> <p>Risk 2: Lack of, or unclear, policies, guidance and processes relating to estates management resulting in the underperformance of the estate.</p>	and with regular review points set.		<p>further embed and clarify roles and responsibilities from the branch review.</p> <p>Risk 2: develop an Estate Operation Policy, and review operational processes following the creation of the new blended Workplace function.</p> <p>Action Owner:</p> <p>Risk 1a: Head of Place Services</p> <p>Risk 1b: Operations Lead; and Strategy Lead</p> <p>Risk 2: Operations Lead</p>	31/03/2025
3	<p>Estates Management - Data Monitoring and Reporting</p> <p>Issue: The method and accuracy of data collected for monitoring building utilisation varies between each building, with three different sources of</p>	We recommend consideration is given to the use of a centralised desk and meeting room booking system which will allow for more accurate data	M	<p>Response:</p> <p>Accept</p> <p>Action:</p> <p>Engage with Chief Digital Office (CDO) to explore if it's viable to develop a booking tool within the CDO workplan, and explore</p>	31/12/2024

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	<p>data, leading to a lot of manual processing when collating data for reporting. There is also no monitoring of meeting room utilisation.</p> <p>It was highlighted that a centralised desk and meeting room booking system would greatly improve the efficiency and accuracy of data, whilst also making it easier for teams to manage a demand for desks that fluctuates daily.</p> <p>Risk: Insufficient and/or ineffective data management, monitoring and reporting in relation to the estate.</p> <p>Risk: Demand of desk and meeting room utilisation leading to allocations not being available for teams and</p>	<p>monitoring and reduce resource time when collating figures for reporting.</p> <p>In addition to this the booking system would allow for better managing of meeting room and in particular desk allocations with the return to office when occupancy rates will rise.</p> <p>There should be clear guidance and communications issued across Social Security Scotland to ensure it is being used effectively and by all colleagues.</p>		<p>if there is technology budget to allocate to implementing a booking tool.</p> <p>Action Owner: Head of Place Services</p>	

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	individuals to manage when demand fluctuates with the return to office for 2 days per week.				
4	Estates Management - Risk Register Management Issue: Although there is an appropriate Place Services risk register in place and the aim for monthly meetings to take place to discuss the risks, scoring and mitigating actions, this process has only recently been introduced, with guidance recently being shared with colleagues and one meeting taking place to date. Risk: Insufficient and/or ineffective management of risk in relation to the estate, impacting on the ability to escalate risk when required.	We recommend that a schedule is put into place for the regular review of the Branch risk register and that risks continue to be scored with appropriate mitigating actions agreed.	L	Response: Accept Action: Review and update the Place Service risk register and set up regular risk meetings within the branch. Action Owner: Strategy Lead	31/12/2024

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
5	Estates Management – Financial Sustainability Issue: We found that there are no furniture or capital replacement plans in place to allow for medium to longer term financial planning. Risk: Insufficient and/or ineffective long-term financial planning impacting on the ability to forecast capital replacement requirements of the estate.	Management should review and consider providing furniture and capital replacement plans for the estate to provide more effective and accurate medium to longer term financial planning.	M	Response: Accept Action: Establish a framework and principles on which to forecast capital replacement items, their approximate timing, and likely cost so as to begin to build into our long term capital forecasting and discussion with Finance colleagues. Action Owner: Operations Lead	31/03/2025

3. Findings, Good Practice, and Improvement Opportunities

3.1. Good Practice

Corporate Transformation – Strategy/Plan

- 3.1.1. The Terms of Reference for the Corporate Transformation Programme provides a good overview of the project. This captures anticipated improvements related to people, teams and functions together with anticipated improvements related to Finance teams and functions. The document explains how transformation to the new system aligns with Social Security Scotland's Corporate Plans, Charter, and Values, also outlining how the activities and goals of the Corporate Transformation Programme align with key Social Security Scotland documents.

Corporate Transformation – Roles and Responsibilities

- 3.1.2. The roles, responsibilities, and accountabilities within Social Security Scotland in relation to Corporate Transformation are clearly captured in the Social Security Scotland Corporate Transformation Programme Terms of Reference document which included a structure diagram.

- 3.1.3. There is a dedicated space on Saltire to provide information about the project to colleagues across the organisation. This includes project membership, roles and key stakeholders for the Corporate Transformation Programme.

Corporate Transformation – Effective Communication and Awareness

- 3.1.4. The arrangements in place suggest a good leadership culture of the upcoming change which includes regular communications to the entire organisation and proactive stakeholder engagement. Saltire articles have been published relatively frequently to raise awareness of the project, showcase changes and communications are planned throughout the implementation period to keep colleagues informed of progress and to prepare the organisation for the upcoming change. A communications/awareness session product has been published on the internal learning management system, Pathways, for general awareness of all Social Security Scotland colleagues.

- 3.1.5. Corporate Transformation Programme attends various forums to share updates to Senior Leadership, Change Council, and the Executive Team. There are regular internal sessions with HR Subject Matter Experts (SMEs) to ensure awareness of Oracle activity/progress which includes updates and sharing of information.
- 3.1.6. There is an established process for Social Security Scotland staff who can contact the Corporate Transformation Programme mailbox with any queries they might have. There are links embedded within the Saltire articles and in the Corporate Transformation Saltire space.
- 3.1.7. There is an established route for raising change impact requests/questions to the Scottish Governments (SGs) Shared Services Programme (the team leading on the delivery of the Programme) using automated online forms for HR and Finance. We confirmed a governance process for capturing, validating, triaging and responding to questions and Change Impact requests is in place. Closed change impact requests are communicated to customers, including Social Security Scotland, monthly and regular stakeholder engagement sessions organised by the SG Shared Services Programme allow for querying requests that have been raised but not yet closed off.

Corporate Transformation – Training

- 3.1.8. There is a training plan which is driven by the SG Shared Services Programme to which Social Security Scotland feeds into the process and a member of Social Security Scotland's Organisational Development team engages with the SG Shared Services Programme Training Leads. We confirmed that comments and requirements are communicated to SG Shared Services Programme as part of the quality assurance process of training materials, which is positive in assurance terms as this should ensure that the training package will consider Social Security Scotland's training needs.

Corporate Transformation – Management Oversight and Reporting

- 3.1.9. There is proactive engagement to ensure that senior leaders in Social Security Scotland are kept informed about the rollout of change. A monthly Project Highlight Report Slide is prepared by the Corporate Transformation

Programme which provides transparency over achievements, progress made in the period, current challenges/blockers, key issues and their severity, cause and impact summary and top three risks for the period. The slide also captures an overall health of the Agency's project using a RAG status. This is shared with key stakeholders which is positive in assurance terms as risk, issues and challenges are being highlighted on a regular basis.

Estates Management – Strategy/Plan

- 3.1.10. There is a Place Plan documented for 2023-2026 which aligns to and supports the delivery of Social Security Scotland's values, Corporate Plan and their Charter. It is noted within the Place Plan that significant work has been undertaken to create the right space for the organisation. The Place Plan sets out the core themes and activities that will help in the journey of "our ways of working" and sets out a clear and appropriate action plan against each theme.

Estates Management – Communications and Stakeholder Engagement

- 3.1.11. There was good internal and external stakeholder engagement allowing for user needs to be taken into consideration. We were able to evidence engagement from interviews carried out with customers as part of the Branch Review and further engagement with Disability Quality Scotland, Mailroom Business Areas, Trade Unions and Fraud and Error Resolution Unit.
- 3.1.12. There was effective communication out to colleagues through the Staff Call Brief in October 2022 and numerous Saltire articles issued with updates from the Executive Team in relation to both Estates and Hybrid Working.

Estates Management – Business Priorities

- 3.1.13. There was a Divisional Business Plan Priorities spreadsheet in place for 2022/23 and we evidenced Divisional Business Planning for 2023/24. From this plan we can see the business activity priorities in place for People and Place Services which are aligned to Social Security Scotland's values, Corporate Plan and their Charter.

Estates Management – Management Oversight and Reporting

- 3.1.14. A Place Service Forum was recently established with the Terms of Reference setting out that this will give members the opportunity to influence and ensure the group are focused on the right priorities. This Forum will be beneficial in the estates management discussions moving forward within Place Services. There is also a People and Place Forum which has the purpose defined within the Terms of Reference of discussing issues relating to staff, accommodation and facilities services. Within these forums there is effective management oversight and decision making across estates management and input from the Executive Team.
- 3.1.15. A Performance Pack is put together for the Executive Team which includes the estate usage and divisional analysis. The Executive Team have access to more granular information, including building occupancy if they wish to see this and as part of the Executive Note they receive.

Estates Management – Financial Management

- 3.1.16. Monthly calls are held with the Finance Business Partner and Head of Place Services to discuss the end of month report, highlighting transactions and forecasts for estates management. This is reviewed prior to the report being issued to the Executive Team. We evidenced a copy of the Finance dashboard reflecting these forecasts.
- 3.1.17. There is a Capital budget Tracker in place that enables the capital expenditure to be tracked and managed. Within this there is a plan for next year's budget cycle.

Estates Management – Policies and Guidance

- 3.1.18. There are appropriate policies and guidance in place for hybrid working which links into estates management. There was guidance issued out to managers in advance and templates provided as a guide for use if and when appropriate. Guidance is available for colleagues on Social Security Scotland's Saltire page highlighting the available facilities within each of the buildings.

Estates Management – Climate Change Management

- 3.1.19. Although there is no Carbon Management Plan as of yet, we evidenced a Net Zero Timeline which was produced and shared with the Head of Place Services. Within the timeline it highlights the timescales for development of a Biodiversity Plan, Carbon Management Plan and Net Zero Strategy.
- 3.1.20. We found that there was efficient reporting on climate change with the correct templates being utilised and legislative requirements being met.

3.2. Improvement Opportunities

Corporate Transformation – Risk and Issue Management

- 3.2.1. Our review found evidence that risks in relation to Corporate Transformation are regularly discussed at Shared Service Programme Customer Forums, with a monthly highlight report being shared with key stakeholders highlighting top 3 risks and business readiness exercises undertaken to enable risks associated with Corporate Transformation to be identified and managed. However, we found weaknesses in arrangements that impacts management's ability to effectively oversee all risks identified in relation to the Corporate Transformation Programme. A RAID log for the Corporate Transformation Programme was initially put in place, this was however not actively maintained at the time of our fieldwork and not all risks contained current and proposed mitigating actions and meaningful updates. Not having an up-to-date log of all risks in place could lead to inappropriate planning and readiness by Social Security Scotland for instances where Shared Services Programme decide to not act on Change Impact requests raised by the Agency, prioritise them as low priority and/or add them to the backlog for rollout. [Recommendation 1](#)

Corporate Transformation – Planning arrangements and preparedness

- 3.2.2. While we are content that Social Security Scotland's Corporate Transformation Programme use overarching plans prepared by the Shared Services Programme, tweaking these as appropriate to focus on delivering effective business change in Social Security Scotland, we were not provided with up-to-date lower-level delivery plans. We were made aware at the exit meeting that the Corporate Transformation Project Team had asked HR SMEs involved in Social Security Scotland's Oracle implementation to

complete a Business Readiness Stencil to get an assessment of preparedness for Oracle Cloud, with evidence of this provided to us following the exit meeting. The Corporate Transformation Project Team will then work with each of the business areas to develop action plans, which will document what needs to be done, identify gaps in what is needed from Social Security Programme, who is responsible, any resources needed and timescales. This exercise will be replicated for the Finance side of the business. Due to the planned activity no recommendation has been raised, however, it is essential that management ensure that Social Security Scotland put appropriate plans and controls in place, especially for areas of risks that might not be directly addressed by Shared Services Programme.

Estates Management – Roles and Responsibilities

- 3.2.3. We were able to evidence roles and responsibilities from the Branch Review. However, when conducting our interviews and speaking to colleagues to determine whether roles and responsibilities are clear and defined across the team, it was highlighted that whilst roles and responsibilities were considered to be clearly defined on paper, some had more clarity than others on roles and responsibilities within the area. This could lead to activities being missed or work being duplicated. We understand this has been highlighted to the Deputy Director, who is undertaking a review of the current structure this year.

[Recommendation 2](#)

- 3.2.4. It was noted that, following the Branch Review, some policies and guidance for staff within the Branch may not reflect current processes and structures. It was highlighted that the Operations Lead will be carrying out work to review this and identify any gaps. [Recommendation 2](#)

Estates Management – Data Monitoring and Reporting

- 3.2.5. We evidenced the current measures in place for occupancy data monitoring across the three buildings through reviewing the data spreadsheet. However, the method and accuracy of this data varies e.g. Enterprise House relies on a manual count on entry and it was highlighted that due to ‘tailgating’ through doors in Glasgow High Street not all staff swipe their cards on entry. There are a lot of manual processes involved in preparing building occupancy data,

for example, having to discount staff who have swiped their cards several times within the building, as well as collating data from three different sources. This method takes up a lot of resource and is not an efficient and sustainable approach for Social Security Scotland.

- 3.2.6. We also found that there is no monitoring of the meeting room utilisation, resulting in a lack of data on demand and usage of these to plan for future provision.
- 3.2.7. It was highlighted that a centralised desk and meeting room booking system would greatly improve the efficiency and accuracy of data, whilst also making it easier for teams to manage the demand for desks, that fluctuates daily.

[Recommendation 3](#)

Estates Management - Risk Register Management

- 3.2.8. Our review found that a new risk register had been created following the recent Branch re-shuffle and that prior to this each area would manage their own risks.
- 3.2.9. We are aware that a meeting was held with all B3 colleagues to discuss the draft risk register and raise any issues prior to the agreement of the risks noted within this. We were able to evidence the agreed risk register and a copy of the training session slides on how to score risks along with the Divisions escalation process.
- 3.2.10. Although there is now an appropriate risk register in place and the aim for monthly meetings to take place to discuss the risks, the guidance has only just recently been shared to colleagues, with one meeting having taken place to date, therefore we recommend that all risks continue to be scored and to ensure there are appropriate mitigating actions in place. [Recommendation 4](#)

Estates Management - Financial Sustainability

- 3.2.11. During our findings it was highlighted that there is no furniture or capital replacement plan in place. This can lead to a lot of exposure in Social Security Scotland's future finances, and we recommended that a furniture and capital

replacement plan is considered to provide a more financially stable long term plan. [Recommendation 5](#)

Annex A Definition of Assurance and Recommendation Categories

Assurance Levels

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

Recommendation Priority

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

Annex B – Terms of Reference



Scottish Government
Riaghaltas na h-Alba
gov.scot

Directorate for Internal Audit and Assurance

Internal Audit Terms of Reference

Social Security Scotland 2023-24

Corporate Transformation and Estates Management

Directorate for Internal Audit and Assurance

Issue Date: 31-03-2023

Key Audit Contacts

Audit Year:	2023-24
Client Accountable Officer:	David Wallace, Chief Executive
Deputy Director:	Nicola Rudnicki, Deputy Director People and Place
Client Audit Contact(s):	[Redacted], Head of Place Services [Redacted] Head of Strategic Resourcing [Redacted], Workforce Planning Project Lead [Redacted], Property Lead [Redacted] Strategy Lead [Redacted], Operations Lead [Redacted], Strategy Manager [Redacted], Operations Manager
Senior Internal Audit Manager:	[Redacted]
Internal Audit Manager:	[Redacted]
Internal Auditor:	[Redacted]
Assurance Support Officer:	[Redacted]

Estimated Reporting Timescale

Fieldwork Starts:	21 st February 2024
Fieldwork Ends:	22 nd March 2024
Draft Report Issued:	29 th March 2024
Final Report Issued:	19 th April 2024
Estimated Resource Days:	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 21 March 2023 and agreed by the Accountable Officer and noted by the Audit and Assurance Committee.
- 1.2.** With a move to hybrid working, Social Security Scotland's use and need of its estates has changed and management must ensure that there are effective arrangements in place for Social Security Scotland to consider this and how they can maximise use of the space available in a sustainable way. In this audit we will consider the governance arrangements for estates management and corporate transformation and review ongoing activity in this area to assess for efficiency and effectiveness.
- 1.3.** With the Scottish Governments Shared Services Programme, Social Security Scotland is also actively planning for corporate transformation in relation to the transition to using the new Oracle Cloud Enterprise Resource Planning (ERP) system. As part of this management are focussed on ensuring they are prepared and able to manage this change effectively. As part of this review we will provide assurance over the ongoing arrangements for delivery of this change within Social Security Scotland.
- 1.4.** We met with relevant colleagues withing Social Security Scotland, Social Security Directorate and DG Communities on 9th and 13th November 2023 to discuss
- 1.5.** Our key risks below have been developed through these discussion and our knowledge of the organisation and its objectives.

2. Scope

2.1. To evaluate To evaluate and report on the controls in place to manage the risk surrounding Corporate Transformation and Estates Management arrangements. The review will focus on readiness for the transition to the new Oracle Cloud ERP and the effectiveness of the organisation's estate management arrangements to ensure effective governance, risk management and control are in place to enable Social Security Scotland to achieve its strategic objectives and deliver value for money.

2.2. Remit Item 1 – Corporate Transformation

Assessment of the activities ongoing within Social Security Scotland to engage with the Scottish Governments Shared Services Programme and prepare the organisation and its staff for the transition to the new finance, HR and purchasing system.

Key Risks:

- Inappropriate leadership culture, tone from the top and behaviours leading to ineffective and insufficient leadership for the transition from current HR, Finance and purchasing systems and processes leading to an inability to successfully managed the change.
- Lack of clarity on roles, responsibilities and accountability in relation to the transition to the new Oracle Cloud ERP
- Insufficient or ineffective management of risk in relation to corporate transformation leading to an inability to mitigate risks posed resulting in an inability to achieve strategic objectives.
- Insufficient and ineffective arrangements for communications in relation to the transition to the new Oracle Cloud ERP leading to lack of understanding by colleagues across the organisation of the transition taking place, the impact on their role and ways of working, leading to an inability to manage the change effectively.
- Insufficient general staff awareness and training impacting the organisations ability to prepare and be ready for the change.

- Insufficient planning and preparedness for the new system, leading to lack of clarity on new working practices and workflows leading to an inability to operate effectively when the new system is implemented.
- Insufficient engagement with the Scottish Government Shared Services Programme resulting in Social Security Scotland needs not being considered and or management being unaware of programme progress and impact on Social Security Scotland.
- Insufficient and/or ineffective management oversight leading to an inability to make informed decisions and manage the change.

2.3. Remit Item 2 – Estates Management

Assessment of the activities ongoing within Social Security Scotland to manage its estate and to align the strategy for estates with organisational needs, including the approach to hybrid working and sustainability.

Key Risks:

- Inappropriate leadership culture, tone from the top and behaviours leading to ineffective and insufficient leadership in relation to estates management.
- Lack of clarity on roles, responsibilities and accountability in relation to estates management.
- Estate Strategy is not aligned with the Corporate Plan, the organisation's hybrid working model, and other relevant strategies or policies leading to an inability to implement Social Security Scotland's strategic objectives.
- Lack of, or unclear, policies, guidance and processes relating to estates management resulting in the underperformance of the estate.
- Insufficient and/or ineffective data management, monitoring and reporting in relation to the estate.
- Insufficient and/or ineffective management oversight leading to an inability to make informed decisions related to estate management.
- Insufficient and/or ineffective management of risk in relation to the estate, impacting on the ability to escalate risk when required.

- Insufficient and/or ineffective long-term financial planning impacting on the ability to forecast capital replacement requirements of the estate.
- Insufficient and/or ineffective climate change management arrangements to support the organisation to meet it's climate change requirements defined in legislation.

3. Approach

- 3.1.** We will undertake the audit in compliance with the Internal Audit Charter and the Memorandum of Understanding agreed between Internal Audit and Social Security Scotland.
- 3.2.** Management are 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.