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Assurance Category

Reasonable

Directorate for Internal Audit & Assurance Client Services Delivery Compliance Review

Social Security Scotland 2023/24

Issue date: 26/04/2024

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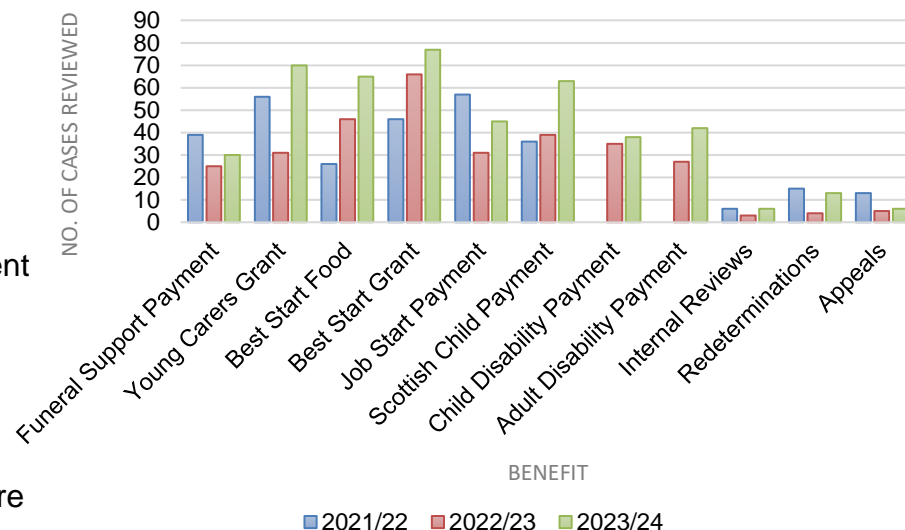
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1. Background to Compliance Review

Background

- ❑ This compliance review aimed to provide independent assurance on compliance within Client Services Delivery.
- ❑ Testing took place from May 2023 to March 2024 supported by colleagues from Interventions, Fraud Decision Making Team, Quality Support Team and Client Experience using monthly data extracts obtained from QuickSight to select cases to sample.
- ❑ At the completion of each month's compliance testing, we provided Client Services Delivery with the outcome from our testing, Client Services Delivery were therefore able to take prompt action and report back any inaccuracies.
- ❑ We have used a similar approach to report the outcomes of this compliance review as utilised last year to allow us to better outline progress and comparison with previous years' work.

Figure 1: Benefits Tested



Total number of cases checked		
2021/22	2022/23	2023/24
260	300 – Population 203,420	430 – Population 281,703

Note that the total population size obtained through AWS QuickSight data extracts may differ from official published statistics on the total number of applications managed by Social Security Scotland.

Scope

We assessed compliance with guidance in relation to the processing of applications, redeterminations, appeals and change of circumstances, approval of payments and interaction with Local Delivery and the mailroom across all live benefits.

As part of the remit, we undertook substantive testing to confirm compliance with policies, procedures and guidance.

Our samples covered all elements of Best Start Grant, Young Carers Grant, Funeral Support Payment, Job Start Payment, Scottish Child Payment, Child Disability Payment and Adult Disability Payment. Testing was refined to focus predominantly on the highest risk areas that could cause financial hardship to clients, financial loss to Social Security Scotland and reputational damage to the organisation.

2. Summary of Compliance - Overview

- ❑ A greater level of compliance found with a higher percentage of cases found to be fully compliant than in 2022-23 as shown in Figures 2 and 3.
- ❑ Non-compliance was mainly procedural i.e. the process had not been followed but there was no financial impact. Of all applications tested, we identified 145 procedural issues (33% of total cases).
- ❑ We identified 18 payment errors (4.2% of total cases reviewed). This is an increase from 3% in 2022/23.
- ❑ Funeral Support Payment and Job Start Payment had a very small number of minor issues.
- ❑ Client Services Delivery were proactive in taking remedial action on areas of non-compliance identified. This included issuing reminders to staff, requests to guidance changes, technical input and 1-2-1 discussion with staff members.

Figure 2: Application Compliance Rates 2022-23

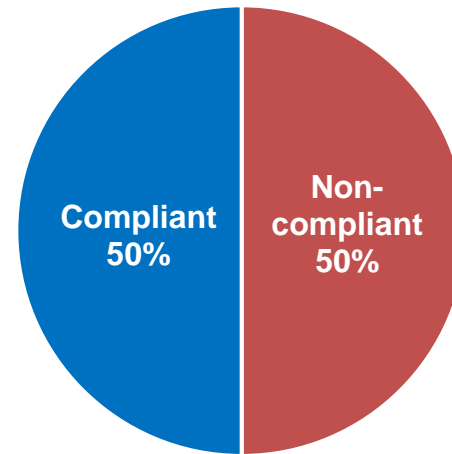
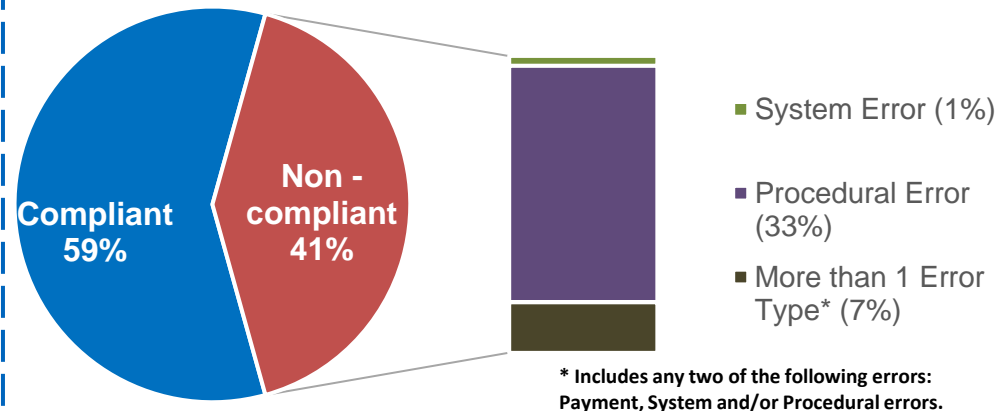


Figure 3: Application Compliance Rates 2023-24



3. Summary of Non-Compliance – Themes

Non-compliance Themes Across Low-Income Benefits and Disability Payments

- ❑ Lack of consistent notes on SPM leading to a poor audit trail of action taken.
- ❑ Outstanding tasks and/or verifications were found across approved, denied and withdrawn cases.
- ❑ Lack of, or error, in letters sent to clients including decision letters across denied and withdrawn cases; lack of acknowledgement letters; and decision letters not sent or suppressed.
- ❑ Cases found to have been withdrawn which, based on guidance, should have been denied.
- ❑ Incorrect ownership cases within SPM.

Figure 4: Top 3 Low-Income Benefit Errors

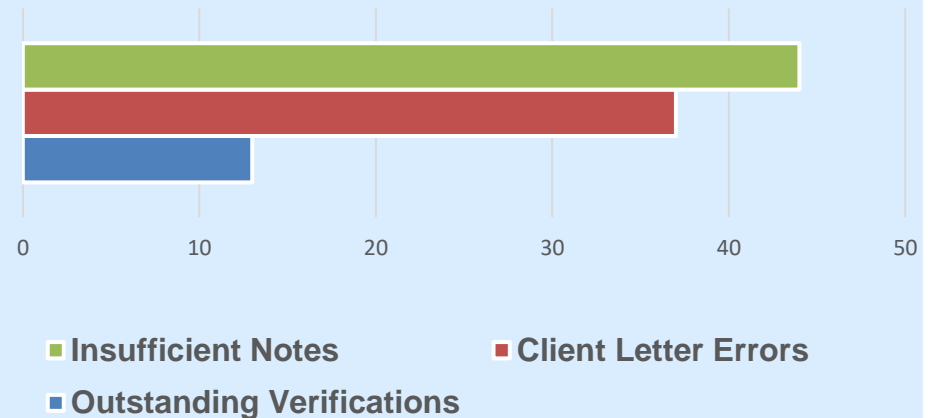
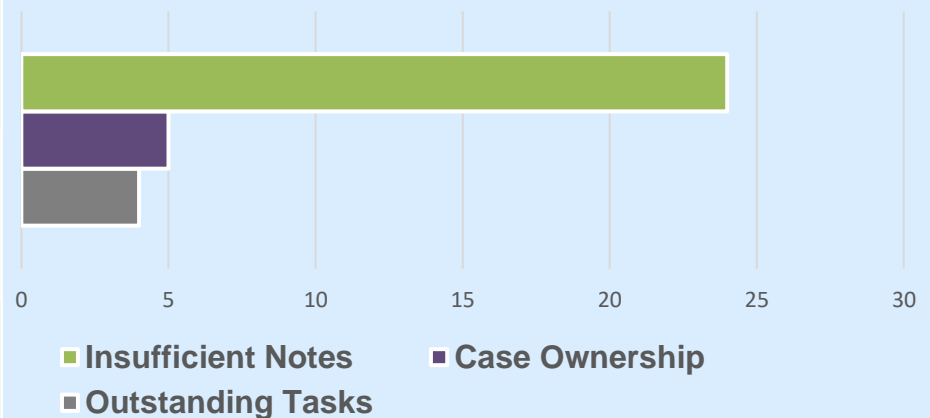


Figure 5: Top 3 Disability Benefit Errors



4. Non-Compliance – Across Benefits

Non-compliance by Low Income Benefit

- ❑ **Best Start Grant** notes insufficient and three withdrawn applications should be denied. Three denial letters were suppressed.
- ❑ **Best Start Foods** notes insufficient and unclear whether duplicate searches carried out. Eight award letters were automatically suppressed.
- ❑ **Scottish Child Payment** notes insufficient and unclear whether duplicate searches carried out. Four denial and five withdrawn letters not sent to client.
- ❑ **Young Carer Grant** notes insufficient and unclear whether duplicate searches carried out. One award letter not produced.
- ❑ **Job Start Payment** notes insufficient to confirm whether duplicate searches carried out.

Non-Compliance by Disability Benefits

- ❑ **Child Disability Payment** no evidence of duplicate searches and notes insufficient. Five withdrawn letters not produced.
- ❑ **Adult Disability Payment** notes insufficient and one case where justification not adequate.

Non-Compliance - Client Experience

- ❑ **Redeterminations** – examples where lack of evidence retained. While an approver was added as a supervisor, no note was left.
- ❑ **Internal Reviews** – examples of outstanding tasks on applications, issues around formal communication e.g. wrong decision letters and lack of acknowledgement letters, lack of evidence and insufficient notes.
- ❑ **Appeals** – examples where notes were insufficient, incorrect acknowledgment letter, data breach by [Redacted] and 7-day deadline not met.

5. Suggested Areas for Improvement

Issue 1: Procedural	Suggested Improvement
<p>Specific guidance issues identified:</p> <ul style="list-style-type: none"> ❑ Some cases were found to have been withdrawn which, based on guidance should have been denied. ❑ From the small number of Client Experience of cases reviewed, we noted a high level of administrative non-compliance and lack of audit trail and approval. ❑ We found a number of outstanding tasks and verifications in approved, denied and withdrawn cases. It was not clear whether these should have been cleared. 	<p>Client Services Delivery should take action to address gaps or weaknesses in guidance available to operational staff to ensure processes are clear and align with guidance.</p>
Issue 2: SPM Notes and Audit Trail	Suggested Improvement
<p>Despite staff reminders and development of standardised notes in SPM, there continues to be a theme of insufficient notes being left by Client Advisors and Approvers, with standardised notes not being used, no notes to demonstrate duplicate client searches and notes missing or being held in different locations. Therefore, there is risk that best practice is not being followed and a lack of audit trail and justification on the steps taken.</p>	<p>Client Services Delivery should seek to review further options to mitigate the risks from non-compliance with the use of SPM notes in the absence of robust audit trail functionality.</p>
Issue 3: Issues with Letters	Suggested Improvement
<p>We found decision letters could be suppressed with no explanation why this took place. Decision letters were often difficult to locate within SPM with the file name not corresponding to the benefit in question.</p>	<p>Decision letters should be accurately labelled and saved in a consistent SPM location. Where a decision letter is not issued a note explaining why should be left.</p>
Issue 4: Root cause of non-compliance	Suggested Improvement
<p>Whilst we note management reviewed our testing outcomes which were shared monthly, there may be wider root cause issues within the non-compliance identified.</p>	<p>Non-compliance issues should be understood and root cause determined, with remedial action taken to minimise future instances of non-compliance.</p>