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# **Directorate for Internal Audit and Assurance**

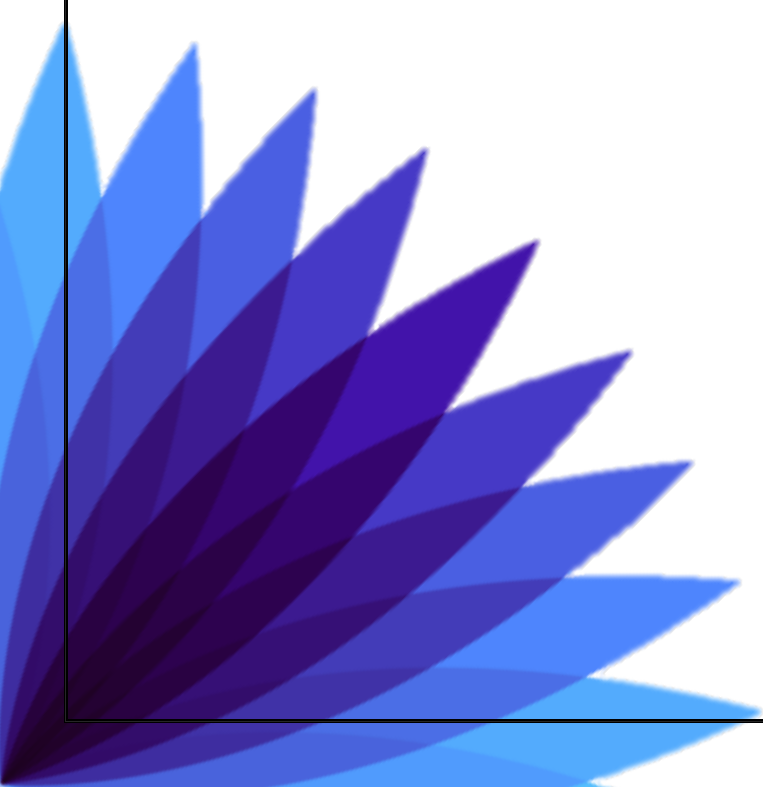
## **Internal Audit Report**

### **Social Security Scotland 2023-24**

#### **Child Disability Payment In-depth Review**

**Directorate for Internal Audit and Assurance**

**Issue Date: 5-03-2024**



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\* Final Report only

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## 1. Introduction

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### 1.1. Introduction

This internal audit review of Child Disability Payment In-depth Review formed part of the Audit Plan agreed by the Accountable Officer and noted by the Audit and Assurance Committee on 21 March 2023. 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

Child Disability Payment is a disability benefit designed to assist families with the extra cost associated with caring for a child under 16 years of age who has a disability or long-term health condition. The payment aims to provide additional financial help towards expenses related to the child's specific needs, such as medical care, specialised equipment, or additional support services.

An Official Statistics publication for Scotland Social Security Scotland Statistics on Child Disability Payment stated that as of September 2023, it was estimated that 71,315 children and young people were in receipt of Child Disability Payment. The total value of Child Disability Payments issued between July 2021 and September 2023 was £399.9 million. Of this total, £135.7 million was issued to new applicants and £264.2 million was issued to clients who have had their award transferred from the Department of Work and Pension's child Disability Living Allowance.

In spring 2022 Internal Audit conducted an in-depth review of Child Disability Payment, reporting our findings on 27 April 2022. Our report contained five recommendations with agreed actions. We have evaluated and reported on implementation of these recommendations in our Follow Up report issued 28 November 2023 and note from this follow up that of these five recommendations two have been fully implemented and three are partially implemented.

The scope of this review was to provide an in-depth review of the actions taken and assess the effectiveness of the revised processes and controls in place for the delivery of Child Disability Payment.

It is important to acknowledge that development and delivery of the systems and processes for Social Security Scotland is being undertaken following an agile methodology. As such Minimal Viable Products (MVPs) for policies, systems and processes for each benefit are designed, built, and delivered by Social Security Programme and Policy teams within the Social Security Directorate, with input from Social Security Scotland. Systems and processes are then operationalised by Social Security Scotland. After a period of support and in some instances joint development beyond MVP, systems and processes will transition to Social Security Scotland with an understanding of live running costs and funding arrangements agreed until the end of the Social Security Programme. Once transitioned, it is the responsibility of Social Security Scotland to make arrangements to improve the systems and processes.

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

### 1.3. Assurance and Recommendations

Assurance Category	Limited		
Recommendations Priority	High	Medium	Low
	2	4	1

Our review has identified two high and four medium and one low priority recommendation. A limited assurance rating has been provided. 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.

The rationale for this is that while action has been taken and progress has been made there remains a number of weaknesses in the risk, governance and control procedures.

We are keen to highlight that our review found significant improvements and developments in this area since our last audit review. We have found that where gaps and weaknesses have been identified, work is ongoing to address these. Furthermore, Simpler Consultancy (IBM) undertook a review of Disability Services in Social Security Scotland which included Child Disability Payment; our review

confirmed that action plans have been put in place to address the findings outlined in the Simpler Consultancy report dated 14 September 2023.

We believe that implementation of our recommendations and the implementation of recommendations stemming from the Simpler Consultancy report will significantly improve the risk governance and control arrangements in relation to Child Disability Payment and reduce the exposure to the risks highlighted in this report.

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	<p><u>Guidance and effectiveness of arrangements</u></p> <p><b>Issue:</b> Guidance for staff and applicants and arrangements in relation to supporting information require strengthening. Areas of weakness include:</p> <ul style="list-style-type: none"> <li>• Methods of requesting and obtaining supporting information,</li> <li>• Types of supporting information which is accepted; and</li> <li>• Scrutiny of supporting information.</li> </ul> <p>Please see paragraphs <a href="#">3.2.1 – 3.2.4</a> for more detail.</p>	<p>Management to:</p> <p>A) Review arrangements for obtaining Supporting Information on behalf of the clients and address inefficiencies in the process. This should include a review of data sharing agreements to ensure they are fit for purpose and there is compliance with established targets.</p> <p>B) [Redacted]</p>	H	<p><b>Response:</b> Management partially accept the recommendations.</p> <p><b>Action:</b> a) Social Security Scotland Directorate have recently conducted a review of obtaining Supporting Information via Local Authorities and Health Boards.</p> <p>A number of areas for improvement have been identified including increased profile of requests, improved co-</p>	December 2024

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	<p><b>Risk 1:</b> Policy and subsequent guidance for submitting applications is unclear leading to insufficient information and supporting documents being submitted at outset resulting in inefficiency, extended processing time and financial harm to applicant.</p> <p><b>Risk 2:</b> [Redacted]</p>			<p>ordination, and establishing of performance monitoring matrix.</p> <p>Social Security Directorate have confirmed that Data sharing arrangements were reviewed in November 2023 these have undergone a Quality Review by both internal and external stakeholders to ensure that they are compliant and fit for purpose. No further action is intended at this time.</p> <p>b) Policy and guidance are in place to support decision making, alongside the ability to hold case conferences with Health and Social Care Practitioners during the application process.</p>	



No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
				<p>Consideration will be given to the recommendation as Child Disability Payment continues to transition from Social Security Directorate.</p> <p><b>Action Owner:</b> [Redacted] Head of Change &amp; Project Management</p>	
2	<p><u>Risk Management</u></p> <p><b>Issue:</b> There are weaknesses in the current arrangements for the management of Child Disability Payment divisional risks – please see paragraphs <a href="#">3.2.5 – 3.2.6</a> for more detail.</p> <p><b>Risk:</b></p>	<p>Management to:</p> <p>A) Review the Disability and Carers benefits branch risk register to ensure it is current and mitigating actions clearly demonstrate how they will help manage known risk.</p>	M	<p><b>Response:</b> Management accept the recommendations.</p> <p><b>Action:</b> a&amp;b) Review of the Disability &amp; Carers branch risk register and the Live Services Disability risk</p>	June 2024

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	Ineffective and / or incomplete Risk Management processes leading to risk not being identified and / or mitigated resulting in risk materialising.	B) Review the Disability Live Service risk register in Chief Digital Office and ensure that this is completed in line with risk management best practice and in line with corporate requirements set out for all divisions in Social Security Scotland.		<p>register will be completed to address the recommendation.</p> <p><b>Action Owner:</b> [Redacted] Head of Operations – Child Disability Payment</p> <p>[Redacted] Disability Benefits Live Services Manager</p>	
3	<p><u>Issues and continuous improvement management</u></p> <p><b>Issue:</b> The Trello board maintained by the Operational Readiness Implementation and Improvement Team appears to be a duplication of efforts as gaps, issues and areas for improvement are</p>	Management should evaluate the appropriateness of the Trello board maintained by the Operational Readiness Implementation and Improvement Team and discontinue where the activity does not add value.	L	<p><b>Response:</b> Management accept the recommendation.</p> <p><b>Action:</b> A full review of outstanding tasks on the Operational Readiness Implementation &amp; Improvement Team Trello board will be</p>	December 2024

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	<p>already captured elsewhere. Please see paragraphs <a href="#">3.2.7 - 3.2.9</a> for more detail</p> <p><b>Risk:</b> Issue management and continuous improvement processes are ineffective resulting in inefficient use of resources and/or noncompliance with established processes.</p>	At the same time a consolidation with the Child Disability Payment Live Service Trello board in Chief Digital Office should be undertaken to ensure all relevant tickets are appropriately captured.		<p>undertaken and will ensure requirements are captured by Product Owners.</p> <p><b>Action Owner:</b> [Redacted] Product Owner</p> <p>[Redacted] Operational Lead – Operational Readiness, Implementation and Improvement Team</p>	
4	<p><u>Management Information</u></p> <p><b>Issue:</b> Our review found that while automated reporting tools and reports were in place, colleagues in Child Disability Payment continued to use manual trackers as new arrangements did not</p>	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	M	<p><b>Response:</b> Management accept the recommendation and are focused on continuous development and improving the efficiencies in the Social Programme Management system.</p> <p><b>Action:</b></p>	

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	<p>meet their needs. Please see paragraph <a href="#">3.2.12</a> for more detail</p> <p><b>Risk:</b> Insufficient Management Information and scrutiny to effectively manage the administration and delivery of benefit leading to ineffective resourcing and decision making.</p>	<p>effective to ensure that development considers the end users needs and that the end products are fit for purpose.</p>		<p>New functionality will be developed via the life cycle of engaging users and tests to gain insights. Feedback from operational colleagues has been included in current development work in relation to manual trackers.</p> <p>Work is underway to ensure that Child Disability Payment colleagues are fully aware and utilising the tools that are available in a standardised and consistent method to manage to the administration and delivery of the benefit.</p> <p><b>Action Owner:</b> [Redacted]</p>	<p>December 2024</p>

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
				Head of Business Change Management  [Redacted] Head of Transition, Performance and Business Support  [Redacted] Head of Operations – Child Disability Payment	
5	<u>Performance management</u>  <b>Issue 1:</b> Monthly reports are produced by the Quality Support Team and by the Client Experience Team. It was unclear how the Child Disability Payment team used these reports to improve quality and performance. Please see paragraph <a href="#">3.2.13</a> for more detail  <b>Risk:</b>	A) Management should clarify how results from Quality Support Team quality checks and feedback from the Client Experience Team (on redeterminations and appeals) are used to improve performance, ensuring that appropriate processes are in place to learn from these	M	<b>Response:</b> Management accept the recommendation.  <b>Action:</b> Work is underway to review the feedback process and implement a formal structure and will involve relevant stakeholders to	December 2024

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	Ineffective arrangements for quality and performance management leading to inefficient use of resources, failure to learn from mistakes and inconsistency in decision making.	findings and improve the overall quality, efficiency and effectiveness of their processes. A standard operating procedure should be put in place.		implement a standard operating procedure.  <b>Action Owner:</b> [Redacted] Head of Transition, Performance and Business Support	
6	<u>Process for ensuring consistency in making decisions.</u>  <b>Issue 1:</b> Decision Team Managers conduct sample post-payment quality checks; one check per Case Manager in their team per week. Cross-team checks are in place during periods of leave and overtime. However, there is no formal process for the review and calibration of decisions made across Decision Teams to ensure consistency, equality and fairness particularly when outcome	A) Management should consider how Decision Team Managers and Case Managers can review and calibrate decisions made across teams.  B) Operational guidance used by the Child Disability Payment team for making decisions (award/denial) and writing justifications should be reviewed to determine whether this could be further enhanced	M	<b>Response:</b> Management accept the recommendations.  <b>Action:</b> a) A review of decision-making calibration will be undertaken in order to establish a formal process.  b) Operational guidance is reviewed on an ongoing basis by Social Security Directorate until it	December 2024

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	<p>is based on a balance of probabilities. Please see paragraph <a href="#">3.2.14</a> for more detail.</p> <p><b>Issue 2:</b> Processes for decision making require strengthening. We note training for Case Manager justification writing has been commissioned and the Quality Support Team is developing checking test sheets to aid consistency in decision making. Please see paragraph <a href="#">3.2.15</a> for more detail.</p> <p><b>Issue 3:</b> There is no process for dispute resolution when there are contrasting opinions on decisions and justifications. Please see paragraph <a href="#">3.2.16</a> for more detail</p> <p><b>Risk:</b> [Redacted]</p>	<p>to allow for consistency in decision making.</p> <p>C) Establish a process for dispute resolution (e.g., dispute resolution panel) when there are contrasting opinions on decisions and justifications made between Child Disability Payment Team, Redeterminations and Appeals colleagues in the Client Experience team and Quality Support Officers in the Quality Support Team. Membership should include colleagues in Programme, Policy, Legal, Product Owners, etc.</p>		<p>has fully transitioned. Quality trend analysis and learnings from a formal calibration will be provided to support any changes required.</p> <p>c) A dispute resolution process will be established within Client Services Delivery.</p> <p><b>Action Owner:</b> a) [Redacted] Head of Transition, Performance and Business Support b) [Redacted] Head of Operations – Child Disability Payment [Redacted]</p>	

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
				Head of Transition, Performance and Business Support  [Redacted] Head of Change & Project Management  [Redacted] Head of Transition, Performance and Business Support	
7	<u>System for processing CDP applications</u>  <b>Issue 1:</b> [Redacted]  <b>Issue 2:</b> SPM does not distinguish between applications that include supporting information and those that don't. To share work across teams the Child Disability Team have developed a resource intensive manual process to identify cases with	A) [Redacted]  B) Management should consider whether SPM needs to be developed to help distinguish applications that include supporting information and the ones that do not, to improve efficiency of processes in place	H	<b>Response:</b> Management accept the recommendations.  <b>Action:</b> a) Controls are in place to minimise error and manage the risk of under/overpayments, [Redacted]	December 2024



No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	<p>and without supporting information. Please see paragraphs <a href="#">3.2.18 – 3.2.19</a> for more detail.</p> <p><b>Risk:</b></p> <p>[Redacted]</p>	and improve utilisation of resources.		<p>Work continues to explore how we can further automate our systems to reduce the risk of error and prevent erroneous payments. Furthermore, we are investigating the technical feasibility to build in hard stop controls.</p> <p>b) Management understand the recommendation and will consider if development is required. Policy intent, design and technical specifications would need to be considered in order to fully impact any changes required.</p> <p>Social Security Scotland will work with Social Security Directorate</p>	

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
				<p>to continue to review the efficiency of supporting information processes which will establish if this recommendation is feasible.</p> <p><b>Action Owner:</b>  [Redacted]  Head of Operations – Child Disability Payment</p> <p>[Redacted]  Disability Benefits Live Service Manager</p>	

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

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#### 3.1. Good Practice

##### Guidance and processes

- 3.1.1. There is an established process for escalating issues and gaps in guidance and templates in place. Microsoft Teams group chat is in use to discuss any urgent issues and queries.
- 3.1.2. The Decision Support Team maintains a tracker for the decision-making guidance, ongoing updates, planned updates and completed updates. This tracker provided a good overview of guidance management.
- 3.1.3. Fortnightly presentation of statistics on Child Disability Payment is delivered by one of the Senior Operational Research Analysts in the Analysis & Insights team which is used to improve processes in place. Example includes an establishment of a forum to address issues around note keeping on SPM.
- 3.1.4. Our review found satisfactory evidence that our previous audit recommendation on management of sensitive data was addressed. This included introducing a system fix, improvement to data storing processes, updates to guidance and training.

##### Segregation of duties

- 3.1.5. Segregation of duties is embedded in the Child Disability Payment application processing route - Client Advisors carry out Part 1 of the application, the basic eligibility check in relation to identity and residency, etc. and Case Managers process Part 2 of the application where they determine care and mobility needs.

##### Training

- 3.1.6. Learning plans are in place for Child Disability Payment Client Advisors, Case Managers and Decision Team Managers.
- 3.1.7. Additional training was provided to Decision Makers in Client Service Delivery to help them better understand supporting information policy and its application when processing cases.

- 3.1.8. The Social Security Scotland Learning and Leadership team developed a training/learning evaluation process for measuring training effectiveness and this will be applied to any future training.
- 3.1.9. Support to Case Managers is provided by Child Disability Payment Decision Team Managers who provide advice and can arrange a buddy up option with an experienced member of staff where appropriate.

#### Quality assurance checks by the Quality Support Team

- 3.1.10. Regular post payment checks are performed by the Quality Support Team in Client Service Delivery. A monthly report is produced to highlight the top three financial and procedural errors for Child Disability Payment. The team is continuously improving processes – currently developing checking sheets for evaluating consistency of Child Disability Payment justifications.

#### Stakeholder engagement

- 3.1.11. There is a monthly Client Service Delivery C1 Forum that is an open formal communication channel for discussing work, issues, developments, etc. The forum meets to monitor and discuss progress against Client Service Delivery objectives, and it serves as an escalation point for teams across Client Service Delivery. Terms of reference, roles and responsibilities and an action tracker are in place.
- 3.1.12. There is a weekly Child Disability Payment stand up call with Client Service Delivery, Chief Digital Office, Programme and the Decision-making team.
- 3.1.13. A Weekly Joint Priorities meeting takes place between Child Disability Payment Operations, Disability Services and Chief Digital Office.

#### Simpler Consultancy Review

- 3.1.14. A Simpler Consultancy review was commissioned to undertake a deep dive review of the end-to-end application flow for Disability benefits, which included Child Disability Payment. The Disability Services Diagnostic report dated 14 September 2023 included a comprehensive overview of issues and weaknesses in existing arrangements and processes and summary observations were quantified in resource time and financial impact. Implementation trackers have been put in place for high priority areas.

## 3.2. Improvement Opportunities

### Guidance and effectiveness of arrangements

- 3.2.1. When evaluating whether staff record Child Disability Payment application information in a consistent manner and in line with guidance, our sample testing of six approved Child Disability Payment cases found the following [Redacted]
- 3.2.2. While we were able to evidence ongoing review and improvement of operational and decision-making Child Disability Payment guidance, guidance for administration and management of applications is not yet complete. We are content that gaps, issues and their implementation are recorded and monitored on a log in Live Service Delivery (Chief Digital Office) and on a single prioritised backlog in Programme, as such no recommendation will be made.
- 3.2.3. While we were not provided with data sharing agreements for obtaining Supporting Information from Health Boards and Local Authorities and we are not able to comment on the appropriateness of these, our review of a recent analysis of Child Disability Payment Supporting Information Responses between Jan – Jul 2023 highlighted significant inefficiencies. Findings showed that 83% of requests for Local Authorities and 76% request for supporting information from Health Boards were overdue. While we were made aware that this area of work has already been escalated to Deputy Director level, until improvements are put in place, the process for obtaining Supporting Information on behalf of the clients continues to be a weakness in the Child Disability Payment process. [Recommendation 1](#)
- 3.2.4. Social Security Scotland accepts a wide range of supporting information for Child Disability applications to minimise barriers to applying. [Redacted]

### Risk management

- 3.2.5. While we are content that regular meetings take place to discuss risk registers, our review found three risks on the Disability and Carers benefits

branch risk register that did not contain a date of last review, not all risks contained current and proposed mitigating action and it was not always clear how the mitigating actions decreased the risk. For example, risk DC - 062 Management Information contained the following mitigating action: 'Current: Business Intelligence Reporting Tool reports have been released but still do not cover all MI required for management of workload'. [Recommendation 2](#)

- 3.2.6. Risks are also identified and monitored by the Child Disability Payment Product Owner in the Chief Digital Office. Risks have recently been transferred onto a risk register for Disability Live Service and reviewed fortnightly with the Social Security Scotland Live Services Team. Our review found that while some of the risks included a progress update, not all risks included mitigating actions in place, future actions planned and notes recording progress made. [Recommendation 2](#)

#### Issue and continuous improvement management

- 3.2.7. A front door process had been agreed between colleagues in Chief Digital Office Live Service and Programme where all improvement suggestions should be raised through the Child Disability Payment Product Owner in Chief Digital Office on behalf of the Child Disability Payment team and Operations. This enables them to assess and consider improvement suggestions as scope contenders. Our fieldwork showed that this process was not documented by the Child Disability Payment team and/or always complied with. To ensure the process for continuous improvement suggestions for SPM development is embedded it should be clarified, documented, and communicated to all staff in the Child Disability Payment team. We are currently undertaking an audit in relation to Continuous Improvement, as such, no recommendation has been made in this report, but these findings will be highlighted in the Continuous Improvement report with relevant recommendations made in that report instead.
- 3.2.8. The Operational Readiness Implementation and Improvement Team's Trello board (a tool used to track issues and items of continuous improvement), owned by one of the Child Disability Payment Performance Managers

appeared to be a duplication of efforts as gaps, issues and areas for improvement are already recorded on either the Live Service Delivery backlog in Chief Digital Office or on the Single Prioritised Backlog in Programme. Furthermore, we note that the updates provided on this board did not provide sufficient detail and tickets were mostly updated with ‘reviewed’ and/or ‘due date extended’ without any detail provided.

### **Recommendation 3**

- 3.2.9. We note that a review of the Operational Readiness Implementation and Improvement Team’s Trello board and consolidation with the single prioritised backlog in Social Security Directorate has recently been completed and we recommend that a similar exercise is undertaken by Child Disability Payment Live Service colleague in Chief Digital Office who should review tickets on the Operational Readiness Implementation and Improvement Team ‘s Trello board and where appropriate, add to the Live Service backlog. [\*\*Recommendation 3\*\*](#)

### **Management Information**

- 3.2.10. We were provided with a catalogue of all automated Management Information reports that are available for Child Disability Payment and those still in development. However, we did not ascertain how these reports are being used by colleagues in the Child Disability Payment team; processes for this are not documented or captured in guidance. Guidance should be put in place for when and how to run the reports and who has the responsibility for this. We note that this finding is consistent with a previous recommendation made in our 2022/2023 review of SPM Management Information and Reporting. ‘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.’ As such, no recommendation will be made in this report and progress with implementation of this recommendation will be evaluated in the follow up of the SPM Management Information and Reporting review when it falls due.

3.2.11. While some training for Management Information tools (Business Intelligence Reporting Tool and Currams Operational Insight Tool) was delivered when these tools were first launched and there is basic guidance on the Internal Knowledge Management hub, this is not sufficient as it does not explain the agreed process for using these tools in the Child Disability Payment Team. We were made aware that the Learning and Leadership team have been involved in creating brief videos which are hosted on Pathways but the sufficiency of this should be reviewed, and feedback should be sought from the Child Disability Payment team, with further improvements made where appropriate. As mentioned above, this issue falls under the Internal Audit recommendation mentioned in the previous paragraph from our review of SPM Management Information and Reporting and training and guidance will be evaluated as part of the follow up process.

3.2.12. There is an established Management Information contact within the Operations Readiness, Implementation & Improvement Team in Social Security Scotland who captures Management Information requirements highlighted by the Child Disability Payment team and Client Service Delivery that are then fed into Programme who are responsible for developing Management Information tools and functionality. We were advised the end user is not always involved in the development of automated trackers to help ensure fitness for purpose and that they meet the end users' needs. Our review showed that while some automated reporting tools and reports are in place, colleagues in Child Disability Payment continued to use manual trackers as reporting tools did not fully meet their needs.

#### **Recommendation 4**

#### **Performance management**

3.2.13. While a monthly report is produced by the Quality Support Team and this highlights top financial and procedural errors and a monthly report is provided by Client Experience on redeterminations and appeals trends, we did not find evidence which would show how this information is used by the Child Disability Payment team to improve performance and quality.

#### **Recommendation 5**



Process for ensuring consistency in making decisions.

3.2.14. [Redacted]

3.2.15. [Redacted]

3.2.16. There is no process for dispute resolution, when there are contrasting opinions on decisions and justifications made between the Child Disability Payment Team, Client Experience team and Quality Support Team in Client Service Delivery. Management should consider introducing a dispute resolution panel, or similar, which could include colleagues from Policy and Decision-making in Programme, Decision Support Team and Client Service Delivery in Social Security Scotland and other relevant key stakeholders to resolve disputes where colleagues disagree on case determination (e.g., approval, denial, level of award), to clarify who has the final say on decision making and to identify areas for improvement. Absence of this process or similar may result in inconsistent determinations of Child Disability Payment awards. [Recommendation 6](#)

System for processing CDP applications

3.2.17. We are content that segregation of duties is embedded in processing of Child Disability Payment applications on SPM [Redacted]

3.2.18. There is a known issue where SPM does not distinguish between applications submitted with or without supporting information. To ensure work is fairly distributed and to enable Decision Team Managers to measure processing times and performance a manual exercise is performed;

- Tasks are exported from the first decision queue and members of the Child Disability Payment teamwork through these tasks to identify whether the application under that task contains sufficient information or not.
- This is then marked on an excel spreadsheet that is used by the Decision Team Managers to allocate work to their teams with each member of staff

being allocated the same number of cases with and without supporting information.

- 3.2.19. While we understand that this process helps Decision Team Managers measure performance and processing times, this manual exercise is inefficient and resource intensive. We recommend the requirement for this process is reviewed and other more efficient solutions explored including system capabilities. [Recommendation 7](#)

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## Annex A Definition of Assurance and Recommendation Categories

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### 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 2023-24**

### **Child Disability Payment In-Depth Follow Up**

**Directorate for Internal Audit and Assurance**

**Issue Date:** 1-09-2023



## Key Audit Contacts

<b>Audit Year:</b>	2023-24
<b>Client Accountable Officer:</b>	David Wallace, Chief Executive
<b>Deputy Director</b>	Janet Richardson, Deputy Director Client Services Delivery
<b>Client Audit Contact(s):</b>	[Redacted], Operations Support Lead [Redacted], Head of Client Experience and Operational Quality [Redacted], Head of Disability Benefits [Redacted], Operational Lead [Redacted], Operations Manager [Redacted], Operations Manager [Redacted], Operations Manager [Redacted], Service Manager [Redacted], Service Owner [Redacted], Service Manager [Redacted], Strategic Transition Lead [Redacted] Service Manager [Redacted], Product Owner
<b>Lead Senior Internal Audit Manager:</b>	[Redacted]
<b>Internal Audit Manager:</b>	[Redacted]
<b>Internal Auditor</b>	[Redacted]

## Estimated Reporting Timescale

<b>Fieldwork Starts:</b>	August 2023
<b>Fieldwork Ends:</b>	September 2023
<b>Draft Report Issued:</b>	September 2023
<b>Final Report Issued:</b>	October 2023
<b>Estimated Resource Days:</b>	20

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## 1. Introduction

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- 1.1. This internal audit review forms parts of our planned audit coverage agreed by the Accountable Officer and noted by the Audit and Assurance Committee on 21 March 2023.
- 1.2. In February 2022 Internal Audit conducted an in-depth review of Child Disability Payment, reporting our findings on 27 April 2022. Our report contained five recommendations with agreed actions.
- 1.3. This audit will provide an in-depth review of the actions taken and will assess the effectiveness of the revised processes and controls in place for the delivery of Child Disability Payment, with the overall aim to provide assurance on the efficiency and effectiveness of these.

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## 2. Scope

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- 2.1. To evaluate and report on implementation of previously agreed recommendations surrounding Social Security Scotland's delivery of Child Disability Payment.
- 2.2. Remit Item 1 – Governance and directive policies, procedures and guidance

To review the governance and directive policies, procedures and guidance in relation to delivery of Child Disability Payment. This will include risk management, process documents, training, delegation of authority, MI and reporting, and data handling.

Key Risks:

- Ineffective and / or incomplete Risk Management processes resulting in risk not being identified and / or mitigated.
- Policy and Guidance for Applicants is unclear resulting in applicants not providing sufficient information and supporting documents resulting in delays in processing applications.
- [Redacted]

- Insufficient Management Information and scrutiny to effectively manage the administration and delivery of benefit and enable management to make effective decisions.
- Redacted]

### 2.3. Remit Item 2 – System Capabilities

To review the effectiveness of the actions taken to mitigate risks identified and provide solutions to weaknesses identified within SPM in relation to administration of benefit.

Key Risk:

- [Redacted]

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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. At the conclusion of the audit a customer satisfaction questionnaire will be issued to the main client audit contact(s). Internal Audit appreciate feedback and to facilitate continuous improvement, we would be grateful if you could complete and return the questionnaire.
- 3.3. Management is reminded of our need for timely access to people and responsiveness to information requests, to enable the reporting timetable to be met.