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# Directorate for Internal Audit and Assurance

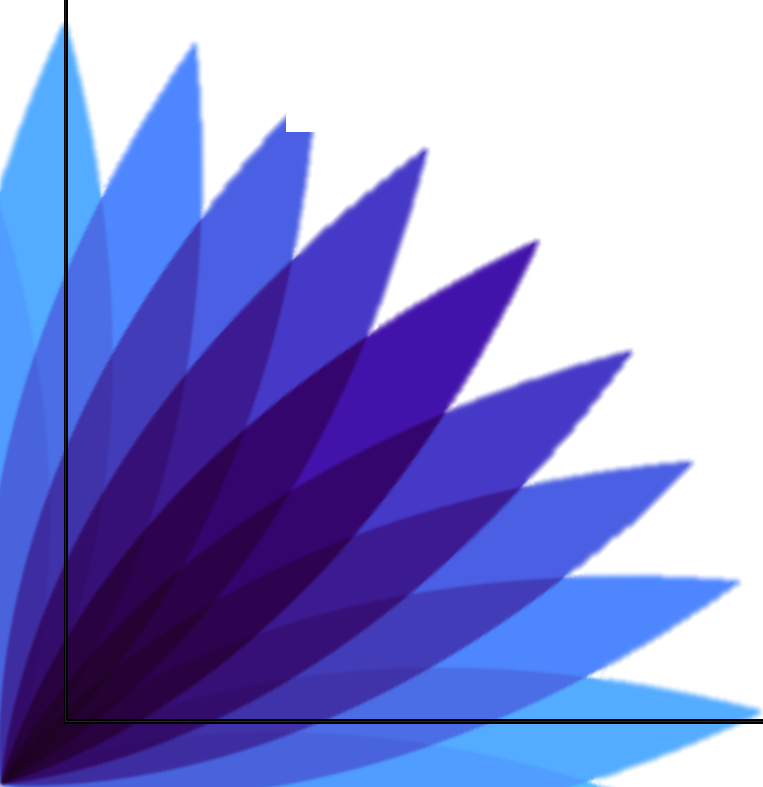
## Internal Audit Report

### Social Security Scotland 2022-23

#### IT Supply

Directorate for Internal Audit and Assurance

Issue Date: 10-10-2022



## Audit Personnel

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

## Report Distribution

<b>Client Accountable Officer*</b>	David Wallace, Chief Executive
<b>External Audit*</b>	Audit Scotland
<b>Key Audit contacts</b>	[REDACTED] Head of Service Management & Service Development [REDACTED] IT Operations Manager [REDACTED] Digital Operations Manager [REDACTED] Technical Platform Owner
<b>Internal Audit Business Support Hub*</b>	

\* Final Report only

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## 1. Introduction

### 1.1. Introduction

This internal audit review of IT Supply formed part of the Audit Plan agreed by the Accountable Officer and noted by the Audit and Assurance Committee on 25 March 2022. The Accountable Officer for Social Security Scotland is responsible for maintaining a sound system of governance, risk management and system of internal control that support the achievement of the organisations policies, aims and objectives.

### 1.2. Audit Scope

The scope of this review was to evaluate and report on the controls in place to manage the risk surrounding Social Security Scotland's IT Supply arrangements.

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
	1	4	2

Our review has identified one high, four medium and two 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 while we have noted significant improvements where arrangements are being reviewed and weaknesses are being addressed, progress is being hindered due to workload pressures and competing priorities within the IT Service Desk Team. Arrangements for maintaining the Social Security Scotland IT Asset registers need significant improvements to ensure that these are accurate, complete, reliable and error free.

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

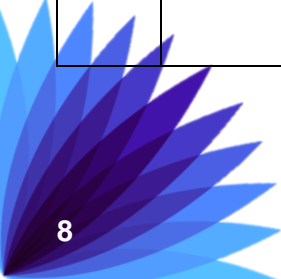
### 2.1. Management Action Plan

Our findings are set out in the Management Action Plan below

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
1	<p><a href="#">Role Objectives and Responsibilities</a></p> <p><b>Issue:</b> Roles and responsibilities in relation to IT supply have not been clarified and communicated in all instances.</p> <p>Role objectives for some roles have not been documented and agreed. For other roles, the current role objectives do not reflect the actual roles.</p> <p><b>Risk:</b> Increased risk that there could be poor quality service provision, gaps in delivery and inconsistent practices.</p>	<p>Leaders of all teams involved in the IT Supply process should ensure that role objectives and responsibilities are in place, reviewed and updated where appropriate. This should include any new roles added to the team as the team grows.</p>	L	<p><b>Response:</b> We agree the role description under which the build team leader operates is out of date and too generic.</p> <p><b>Action:</b> The build team leader role description will be drafted and submitted for approval by end October '22, following this the role will be advertised on a permanent basis with the recruitment to be completed by the end of 2022.</p> <p><b>Action Owner:</b></p>	End Dec 2022

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
				[REDACTED]	
2	<p><a href="#">IT Service Desk Capacity and Capability</a></p> <p><b>Issue 1</b> Staff are having to manage competing priorities due to demand on the IT Service Desk services. Whilst resource plans were in development, we were not able to evidence and confirm that turnaround of contractors/agency workers is considered in resource planning.</p> <p><b>Issue 2</b> Whilst a Skills Matrix is in place for members of the IT Service Desk team, to record training and competence, our review identified weaknesses around arrangements for training on new services/systems in the IT Service Desk team.</p>	<p>a) Resourcing plans should continue to be developed and used to inform decision making on resource needs. The plans should consider both business as usual needs as well as temporary pressures on resources such as volume recruitment and high rotation of temporary workers.</p> <p>b) Management should review training arrangements for members of the IT Service Desk to ensure that these are effective and there is sufficient staff in place with the required knowledge and experience to support all systems and software in use across the organisation.</p>	<b>M</b>	<p><b>Response:</b></p> <p><b>Issue 1:</b> Resource plan reviews are incorporated into weekly service desk status meetings and reported on monthly.</p> <p>Future plan for resourcing now includes flex within service desk team to mitigate attrition. An additional service desk team has been approved to be recruited FY22/23.</p> <p>Strategy is to ensure that majority of staff are permanent (i.e. not contractual or on temporary promotion). Build / Desk Side Support areas now progressing towards this steady state.</p>	

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	<p><b>Risk:</b>                      Insufficient resources with required skills and experience leading to an inability to effectively deliver services to a high quality and meet demand resulting in Social Security Scotland not being able to deliver services efficiently impacting clients and stakeholders and leading to reputational damage.</p> <p>Increased risk of burn out and frustration and low staff morale where members of the IT Service Desk do not get the appropriate support.</p>			<p><b>Issue 2 :</b>                      There is dependency on delivery project teams to develop training and hand over material to the Service Desk and other support teams. This is part of the IT Service Design and Transition processes.</p> <p>The IT Service Desk look ahead to new systems and services being introduced and factor these into the skills matrix and training plans, engaging with the project teams.</p> <p>Capability and capacity of IT Service Desk and other resolver groups are part of the assessment of go/no-go decision making.</p>	





No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
				<p><b>Action:</b></p> <p><b>Issue 1:</b> Update the Service Desk resource plan and highlight flex within resource levels to mitigate the risk of staff turnover. – November '22.</p> <p><b>Issue 2:</b> Training on all new services and systems is incorporated within the Service Design models. Current review of the Service Design model template to include capture of Service Desk training and knowledge sharing with business leads. This will follow the on-boarding of a Service Design and Transition Lead so is due to be complete Q1 2023.</p>	<p>End Nov 2022</p> <p>End March 2023</p>

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
				<p>Service Design and Transition will create a process for IT Service Desk and other resolver groups to understand and impact the forward schedule for delivery and review knowledge hand over plans and artefacts.</p> <p><b>Action Owner:</b> Issue 1 : [REDACTED] Issue 2: [REDACTED]</p>	
3	<p><a href="#">Distribution and Return of IT Equipment</a></p> <p><b>Issue:</b> The IT Service Desk is currently tasked with managing the issue and return of IT equipment via courier service. From our review we consider the current ways of working are inefficient and ineffective.</p>	<p>Management should consider whether the default use of couriers rather than staff physically collecting and returning equipment is still necessary. Should the decision be made to continue with the use of couriers, management should consider where the courier</p>	M	<p><b>Response:</b> Discussions have commenced regarding the on boarding process to seek agreement with other stakeholders on whether we can default to new starts collecting laptops in person.</p>	

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	<p><b>Risk:</b> Increased risk IT competent resources are not used effectively.</p> <p>Increased risk of financial loss and reputational damage due to:</p> <ul style="list-style-type: none"> <li>• Laptops not being retrieved on a timely basis due to competing priorities;</li> <li>• Loss of IT equipment through non-return if not requested promptly;</li> <li>• New laptops may be purchased instead of redistributing existing laptops and other IT equipment resulting in excess stock.</li> </ul>	<p>function best sits within Social Security Scotland and review the use of resources to ensure that IT competent staff are used effectively.</p>		<p>We recognise the current process has little automation and we continually review opportunities to improve efficiency along with customer service.</p> <p>Use of couriers will continue to be required on a case by case basis, such as local delivery who work remotely and are based throughout Scotland.</p> <p><b>Action:</b> An existing action plan includes a review of the options to improve service provision from a couriership service. Included in this is to evaluate costings of a courier barcoding solution has been initiated via procurement for the</p>	<p>End Dec 2022</p>

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
				<p>small % of couriered machines. This is expected to complete by the end of 2022.</p> <p><b>Action Owner:</b> [REDACTED]</p>	
4	<p><a href="#">Policies and Documented Processes</a></p> <p><b>Issue:</b> While some processes are documented and flowcharts and process maps are in place, not all policies, procedures and working practices in relation to IT supply are appropriately documented, formally reviewed and regularly updated.</p> <p><b>Risk:</b> There is insufficient guidance, policies and established processes leading to inconsistent working practices and poor</p>	<p>Management should map out all outstanding policies and documented processes in relation to IT Supply and ensure that these are put in place.</p>	M	<p><b>Response:</b> We recognise that asset refresh, licence renewal, depreciation policy, identity and access management strategy/policies and procedures require drafting and that there are further policies that will be required. Policies have been drafted, agreed and published for mobile phones and MiFi devices.</p> <p><b>Action:</b></p>	End Nov 2022

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	quality output impacting business as usual.			<p>Agree a list of gaps in documented policy with proposed owners and a timeline for those policies to be drafted by end of November '22. (drafting to be completed following this)</p> <p>Create a central revision controlled matrix of policy, processes and procedures to be held in an appropriate location for reference by end of January '23.</p> <p><b>Action Owner:</b> [REDACTED]</p>	
5	<p><a href="#">Meeting Action Logs</a></p> <p><b>Issue:</b> We evidenced good practice of regular communication and coordination amongst teams that are involved in the IT supply process. However meeting</p>	Teams involved in the IT supply process to consider introducing meeting action trackers to allow for audit trail and to improve effectiveness of discussions.	L	<p><b>Response / Action :</b> Action trackers to be used for all formalised meetings in governance structure where required.</p>	

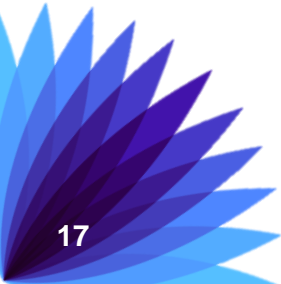
No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	<p>logs/trackers were not in place for all meetings.</p> <p><b><u>Risk:</u></b> Lack of management oversight leading to an inability to inform decision making and achieve effective service delivery and continuous improvement.</p>			<p><b>Action:</b> Document meeting governance for IT Supply. End of September '22.</p> <p>Action trackers will be uploaded to a defined eRDM location and be revision controlled. From End October '22</p> <p><b>Action Owner:</b> [REDACTED]</p>	End Oct 2022
6	<p><a href="#">Access Rights</a></p> <p><b><u>Issue:</u></b> While the process for creating and enabling user accounts in SPM has recently been reviewed and strengthened, we were not provided with evidence that processes for creating and enabling accounts for other systems used by Social Security Scotland staff</p>	Management should ensure that processes for requesting, creating and enabling user accounts for systems used by staff within Social Security Scotland are fit for purpose and include an appropriate management sign off.	M	<p><b>Response :</b> Alongside item #4, the process for system access provision will be centrally held for reference by the end of 2022.</p> <p>Service Management will work with security and commission</p>	

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	<p>were in place and contained appropriate management sign off.</p> <p><b>Risk:</b> Inadequate arrangements for granting and removing staff access privileges for new and existing staff leads to inappropriate segregation of duties and unauthorised access.</p>			<p>work to ensure current processes for IT Access Management are defined and documented across all systems if gaps are identified. To be drafted by end 2022 for sign off Q1 2023.</p> <p><b>Action Owner</b> [REDACTED]</p>	End of March 2023
7	<p><a href="#">Asset Management</a></p> <p><b>Issue:</b> There are significant weaknesses in Social Security Scotland's arrangements for IT Asset Management. Please see section <a href="#">3.2</a> of this report for more information.</p> <p><b>Risk:</b></p>	<p>a) Management should ensure Social Security Scotland has and maintains an accurate record of all IT assets (including MiFi, mobile phones, etc), This should be done as efficiently as possible without duplication of information and the need to record information in various locations, where possible. All IT Asset Registers should be held securely, in a way that these</p>	H	<p>a) Agreement has been made for use of a single asset register. This is currently stored in eRDM, with scoping work ongoing to procure dedicated Asset Management tooling. Current processes allow capture, change and recycling of hardware and software assets.</p>	a) Rec is in place.

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	Inability to effectively manage IT equipment increasing the likelihood of loss of equipment resulting in financial loss and reputational damage.	<p>can be accessed at a time of an emergency, with appropriate access controls to protect the information and minimise the risk of unauthorised access. Any redundant IT asset databases should be discarded.</p> <p>b) Periodic audits of equipment and reconciliations of the IT Asset Registers should be established. This should include arrangements for regular monitoring to ensure that all IT Asset Registers are complete and accurate.</p> <p>c) Management should determine whether the Monday Asset Management Update meeting should be taking place. Based on</p>		<p>b) Build team currently complete audits of equipment in stock. The process for periodic audits of issued equipment with reconciliation against the IT Asset Register is being defined, with implementation of the process from end 2022.</p> <p>c) Unsure what Monday meeting is being referred to. Meeting structure to be defined by end October '22.</p> <p>d) Chief Digital Office Service Desk are exploring scanning solutions for all IT Hardware assets. Options appraisal by Q1 2023.</p>	<p>b) End Dec 2022</p> <p>c) End Oct 2022</p> <p>d)End March 2023</p>



No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
		<p>the outcome, action should be taken to reinstate the weekly meeting or update the relevant governance documentation.</p> <p>d) Due to high numbers of leavers, joiners and movers, management should consider improvements, such as barcode scanning, to make asset management less manual, more automated and efficient.</p>		<b>Action owner:</b> [REDACTED]	



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

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#### 3.1. Good Practice

##### Plans and processes

- 3.1.1. While there was no formal plan for IT supply in Social Security Scotland, we obtained evidence of regular engagement with other teams that are key in the IT supply process which is good practice for coordinating activities and avoiding duplication of work and working in silos.
- 3.1.2. The IT Service Desk uses One Note to record planned workload and projects. These are available to all managers within the IT Service Desk team and are discussed as part of daily calls. They also use shared mailboxes to reduce MS teams / email communications.
- 3.1.3. An Inventory Management Process review report was requested by the Digital Operations Manager; the Lead Database Administrator and the Database Administrator carried out a security review and prepared a report highlighting weaknesses in current processes whilst identifying recommendations to help mitigate these risks. Recommendations were accepted and an action tracker is being used to monitor the progress. We would like to highlight this as good practice as internal assessments and improvement projects are taking place to drive improvements.

##### Capacity and capability

- 3.1.4. A Skills Matrix has been introduced for the IT Service Desk Team to identify training requirements, competence of the IT Service Desk Team and for the purpose of multiskilling members. This is good practice for business continuity where multiskilling members of the team will help prevent gaps when staff are absent or leave the team.
- 3.1.5. Even though the IT Service Desk team have limited resource, they manage this effectively through a daily IT Service Desk Team meeting during which resources and priorities for the day are reviewed and discussed.

Risk management

- 3.1.6. Regular risk reporting was in place where each of the C1 Managers reported to the C2 Digital Operations Manager through a weekly status report, information from which feeds into the Chief Digital Offices divisional risk register.

IT equipment/system needs

- 3.1.7. Social Security Scotland have access to assistive technology software and applications which makes the installation and activation straightforward and requests tend to be actioned within five working days meaning the impact on staff is minimal. We are content that arrangements are developing and roles and responsibilities for this have been assigned and will be monitored as part of annual appraisal review which evaluates performance against objectives.

Procurement frameworks in place

- 3.1.8. Social Security Scotland utilise Scottish Government procurement frameworks for all aspects of IT Supply.

Performance

- 3.1.9. Jira (the system used for managing IT Service Desk requests) requests are grouped into four categories which helps IT Service Desk prioritise their workload.

**3.2. Improvement Opportunities**

Roles, Responsibilities and Objectives

- 3.2.1. Role objectives need to be reviewed and updated. Some staff roles in the Onboarding team were initially based on processes that were mapped out of the Volume Recruitment project. Since then additional responsibilities have been added along with more virtual workers being introduced however these changes are not reflected in staff role objectives.
- 3.2.2. Role objectives for the Build Manager were not in place at the time of the fieldwork. We note that the IT Service Desk Team is expanding, once all

positions are filled roles, responsibilities and objectives should be reviewed and updated for all members of the team. [Recommendation 1](#)

#### Capacity and Capability

- 3.2.3. Social Security Scotland utilises temporary workers which results in regular turnover of staff creating a significant pressure on the IT Service Desk as new accounts have to be created and closed repeatedly and equipment needs to be issued and then returned. There is also an impact on IT asset allocation for temporary workers. Whilst resource plans were in development, we were not able to evidence and confirm that turnaround of contractors/agency workers is considered in resource planning. [Recommendation 2](#)

#### Training on new services/systems

- 3.2.4. While a Skills Matrix is in place for members of the IT Service Desk team, which helps record training and competence, our review identified weaknesses around arrangements for training on new services/systems in the IT Service Desk team. There is not an appropriate and documented process for upskilling/training relevant members of the IT Service Desk when new system/services are introduced within the organisation for which members of the IT Service Desk are to provide support. [Recommendation 2](#)

#### Distribution and Return of IT Equipment

- 3.2.5. Due to COVID-19 an interim measure to issue and return laptops via courier service was introduced; the IT Service Desk continues to be tasked with this process. With the phased return to Social Security Scotland's buildings, management should consider whether the interim measure is still required or if a return to staff physically collecting and returning equipment, should be reintroduced to ensure the most efficient use of resources and to minimise risk. Should the decision be made to continue with the interim process of using couriers, management should consider where the courier function best sits within Social Security Scotland and ensure that IT competent resources are used most effectively. [Recommendation 3](#)

### Policies and Documented Processes

- 3.2.6. Policies such as asset refresh, licence renewal, depreciation policy, mobile phone and MiFi identity and access management strategy/policies and procedures and others are still to be completed. Some processes are documented and flowcharts and process maps are in place, however, not all working practices for IT supply are appropriately documented, formally reviewed and regularly updated. Without such policies, procedures and guidance there is an increased risk that inconsistent working practices and poor quality output occurring, limiting the organisations ability to effectively achieve its strategic objectives and deliver value for money.

### [Recommendation 4](#)

### Management Information

- 3.2.7. Reporting processes are still being developed and are currently manual and prone to human error with only some dashboard reporting available through the existing IT Service Desk management systems. This impacts the ability to obtain information efficiently and effectively. A review to determine whether current reporting output is fit for purpose has not been completed. It was noted that management information available should improve once a new IT Service Desk management tool is in place, however this may not be for some time due to accessibility issues with the new tool. Whilst we have made recommendations for similar issues in other audits we have undertaken, as management have already recognised the need for improved management information and are in the process of implementing a new tool, no recommendation will be made here.

### Meeting Action Logs

- 3.2.8. Whilst we highlight good practice of regular communication and coordination amongst teams that are involved in the IT supply process e.g. Workforce Planning Team, Onboarding Team and Human Resources; we noted that this could be further strengthened by management ensuring that action logs/trackers are used consistently to allow for an audit trail of decisions, to improve effectiveness of these meetings and ensure any agreed actions are implemented. [Recommendation 5](#)

### Access Rights

- 3.2.9. Internal Audit had previously identified a gap in the process and controls around the creation and approval of SPM (Social Programme Management, the system used for the administration of Scottish social security benefits) accounts and we confirmed that an amended process was put in place in response to that recommendation and this has been further reviewed and strengthened at the time of the fieldwork. Documented processes for creating and enabling user accounts for other systems used by Social Security Scotland staff that would contain appropriate management sign off to ensure that user accounts are set up appropriately and users get access to system functionality or information that is appropriate for their role, were not in place at the time of the fieldwork. [Recommendation 6](#)

### Asset Management

- 3.2.10. Social Security Scotland have IT Asset Registers in place, however from our testing we found incomplete records were identified throughout the registers. A number of examples of this are noted below:
- The mobile phone register contained inconsistent information within the allocation/location column (free text resulting in 19 categories include “?”, “In drawer,” Dundee store” and “Dundee stores”). Data should be controlled for this column with drop down menu.
  - Serial numbers and International Mobile Equipment Identity (IMEI) were missing in the mobile phone register. Such information is key to minimising the risk of loss and inability to retrieve.
  - We noted one member of staff, recorded as having a Social Security Scotland mobile phone, has not worked in Social Security Scotland for over a year; there could be other similar cases within the register. Assets are owned by Social Security Scotland and therefore should be returned when staff transfer or leave. Where mobiles are not returned there is a financial risk where Social Security Scotland incurs the loss of a device and continues to pay mobile charges and potentially a risk of reputational damage
  - The Laptop asset register had similar issues, with serial numbers and location (e.g. division) incomplete.

3.2.11. Whilst we are aware of an internal Chief Digital Office IT laptop asset register review having taken place in 2021, with improvements introduced e.g. input controls to identify duplicates; we found IT asset registers are currently not being reviewed for errors and omissions and are not reconciled to help ensure they are kept up to date. While not used consistently, we confirmed that reports are available to aid the identification of IT assets not in use for longer periods of time and can be used to inform the IT Asset register. The Human Resources report on joiners and leavers, which is published weekly and available on Saltire, is not being used to reconcile IT asset registers. We were not made aware whether reports summarising contractors and temporary staff joiners and leavers were available but if available these could also potentially be used by the team to reconcile asset registers and ensure that they are kept up to date. Where possible, such processes should be automated and built into a Configuration Management Database when available. Management should ensure that periodic reconciliations of equipment are performed to ensure that Social Security Scotland has an accurate record of all IT assets (including Mifi, mobile phones, laptops, printers, scanners etc). Such a review could be done by requesting each division within Social Security Scotland confirm what assets are assigned to colleagues within their division. A simple process of sending an email with a template/spreadsheet attached would suffice. [Recommendation 7](#)

3.2.12. While we were informed that a mobile phone asset review has been recently carried out by IT Service Desk, an Excel mobile phone asset register was provided to us at the time of the fieldwork which included errors and omissions. At the fieldwork wash up meeting we were informed that Social Security Scotland now use a Vodafone Corporate Online secure portal for mobile asset management and that any previous spreadsheets should be made redundant. Management should therefore confirm what IT asset registers (mobile, laptop, MiFi, etc) they should be maintaining and ensure that all asset registers are held securely stored in a way that these can be accessed at time of emergency and with appropriate protection to minimise the risk of unauthorised access. [Recommendation 7](#)

- 3.2.13. Per the divisions meeting governance overarching document, which contained details of key stakeholders, owner and purpose for each meeting a Monday Asset Management Update meeting was due to be held. However, at the time of our fieldwork this was not taking place. This change was not reflected in the meeting governance document. It was advised that the meeting was not being held due to workload pressures in the IT Service Desk team. Management should determine whether the meeting should be taking place and based on the outcome action should be taken to reinstate the weekly meeting or update the relevant governance documentation. [Recommendation 7](#)
- 3.2.14. It was noted that the update of asset registers and management of IT assets largely relies on manual input which can be time consuming. Due to high numbers of leavers, joiners and movers, management should consider improvements such as barcode scanning to make asset management less manual, more automated and efficient. [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 2022-23

#### IT Supply

## Key Audit Contacts

<b>Audit Year:</b>	2022-23
<b>Client Accountable Officer:</b>	David Wallace, Chief Executive
<b>Client Audit Contact(s):</b>	[REDACTED] Head of Service Management & Service Development [REDACTED] IT Operations Manager [REDACTED] Digital Operations Manager [REDACTED] Technical Platform Owner
<b>Head of Internal Audit:</b>	[REDACTED]
<b>Internal Audit Manager:</b>	[REDACTED]
<b>Internal Auditor</b>	[REDACTED]

## Estimated Reporting Timescale

<b>Fieldwork Starts:</b>	16 May 2022
<b>Fieldwork Ends:</b>	03 June 2022
<b>Draft Report Issued:</b>	17 June 2022
<b>Final Report Issued:</b>	08 July 2022
<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 set out in our Annual Internal Audit plan issued on 25 March 2022 and agreed by the Accountable Officer and noted by the Audit and Assurance Committee.
- 1.2. As Social Security Scotland continues to grow, new teams are established and home/hybrid working continues, sufficient arrangements to ensure that staff have the required IT equipment which meets their needs and allows them to undertake their roles need to be in place. Having sound arrangements in place is particularly important during volume recruitment periods when high numbers of new members of staff are onboarded at the same time.
- 1.3. This audit review will provide a focus on the controls and processes in place in relation to IT supply arrangements in Social Security Scotland. The review will evaluate the processes for identifying IT needs, how the equipment is sourced, the arrangements for setting up/building equipment to meet these needs and the controls in relation to assigning and distributing the equipment to new colleagues.
- 1.4. The review will also consider arrangements for managing changes to IT requirements and the processes for staff changing roles or leaving Social Security Scotland, as well as consideration of ongoing IT asset management arrangements.
- 1.5. This review will not consider procurement or contract management processes and arrangements.
  - 1.6. We met with [REDACTED] (Head of Service Management & Service Development), [REDACTED] (IT Operations Manager), [REDACTED] (Digital Operations Manager) and [REDACTED] (Corporate Assurance Coordinator) to discuss relevant risks and agree the details of this review on 5 April 2022.
- 1.7. Our key risks below have been developed through these discussions and our knowledge of Social Security Scotland and its objectives.

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## 2. Scope

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2.1. To evaluate and report on the controls in place to manage the risk surrounding Social Security Scotland's IT Supply arrangements.

### 2.2. Remit Item 1 – Governance

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

Key Risks:

- Strategies or plans for IT Supply have not been set and aligned with organisation's priorities and objectives leading to an inability to achieve service delivery requirements.
- Roles and responsibilities in relation to IT supply have not been clarified and communicated resulting in gaps in delivery and inconsistent practices.
- Insufficient resources with required skills and experience leading to an inability to effectively deliver services.
- Inadequate arrangements for identification and management of risks resulting in loss of IT equipment, reputational damage and failure to achieve objectives.
- There is no clear guidance and established processes leading to inconsistent working practices and poor quality output impacting business as usual.
- Lack of management oversight leading to an inability to inform decision making and achieve effective service delivery and continuous improvement.

### 2.3. Remit Item 2 – Delivery of services

To assess the means of delivery of IT supply services. This includes processes for identifying IT needs, sourcing equipment, arrangements for setting up/building equipment and distribution.

Key Risks:

- Ineffective arrangements for supplying new members of staff with IT equipment and timely access which negatively impacts onboarding and training arrangements and staff ability to perform their roles. This includes sourcing, building, assigning and distributing IT equipment to new colleagues.

- Failure to identify all IT equipment needs including accessibility during the onboarding process results staff receiving insufficient or inappropriate equipment leading to staff being unable to deliver their roles.
- IT equipment is not sourced from approved suppliers leading to inappropriate equipment being purchased and/or an inability to achieve value for money.
- Inadequate arrangements for granting and removing staff access privileges for new and existing staff leads to inappropriate segregation of duties and unauthorised access.
- Lack of communication and coordination with other teams in Social Security Scotland e.g. Workforce Planning Team, Onboarding Team, HR leads to ineffective ways of working and working in silos.

#### **2.4. Remit Item 3 – Change Management**

To evaluate processes for change management and continuous improvement to ensure that arrangements are sustainable and fit for purpose.

Key Risks:

- Insufficient processes for retrieving IT equipment from staff leavers leads to ineffective IT asset management and a potential loss of IT equipment.
- Changes to IT requirements and processes for staff changes are not managed timely and effectively resulting in delays and ineffective ways of working.
- Insufficient arrangements for IT Assets leads to an inability to effectively manage IT equipment.

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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 the Memorandum of Understanding agreed between Internal Audit and Social Security Scotland.

- 3.2. Due to current Scottish Government remote working requirements, this review will utilise eRDM Connect for sharing documents and screen sharing technology as necessary. It has also been agreed that some elements of fieldwork would be done onsite. Methods of undertaking fieldwork will be amended as appropriate.
- 3.3. Management are reminded of our need for timely access to people and responsiveness to information requests, to enable the reporting timetable to be met.
- 3.4. 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.