



Audit and Assurance Committee

Date of Meeting	15 February 2022
Subject	Annual Report and Accounts – continuous improvement
Agenda No.	4
Paper No.	16.3
Prepared By	[Redacted] Head of Strategy and Corporate Support
Purpose	Discuss

1. Background

- 1.1. Social Security Scotland is required by the Public Finance and Accountability Act (Scotland) 2000, to lay before Parliament its accounts, audited by the Auditor General for Scotland or a suitable appointment made by the Auditor General, within nine months of a financial year end.
- 1.2. The attached paper sets out the practical ways in which Social Security Scotland is continuing to improve both the annual accounts process and the presentation of information on annual performance through the annual report.

2. Key points

- 2.1. It is important to recognise that we start from a very positive position: the annual accounts for 2020-21 were signed off well in advance of the statutory deadline. Anecdotal evidence suggests the supporting narrative and performance information were well-received by stakeholders.
- 2.2. The focus now turns to smaller, incremental improvements that were made in the development of the 2020-21 report and the future areas for improvement. These are set out in the attached paper to further refine and develop our approach.

3. Conclusions

- 3.1. Audit and Assurance Committee Members are invited to:
 - Note the improvement work incorporated into the 2020-21 annual report
 - Offer constructive input to the improvements identified for this next cycle of the annual report and accounts (Financial Year 2021-22)



4. GOVERNANCE CHECKLIST

Please ensure that you detail which Corporate Plan Strategic Objective the paper contributes to. These strategic considerations should be used to assist you with the content of your paper.

Strategic Objective	Contribution
Dignity, fairness and respect Delivering a service with dignity, fairness and respect at its core.	The Performance Report component of the annual accounts is fully aligned with our key values of dignity, fairness and respect. The document is also structured to reflect the three themes of our Corporate Plan: <ul style="list-style-type: none"> • Helping to deliver a social security system with dignity, fairness and respect • Supporting people in Scotland to access devolved benefits that they are entitled to • Running our service in a responsible way
Equality and tackling poverty Promoting equality and tackling poverty.	These are addressed through the Corporate Plan themes identified above and wider linkages of the Agency to the National Performance Framework and Programme for Government commitments.
Efficiency and alignment Ensuring efficiency and aligning our activities with wider public sector for the benefit of the people we serve.	This paper sets out the way in which we are delivering year-on-year improvements to the annual reports and accounts process.
Economy, society and environment Contributing to our economy, society and protection of our environment.	These are addressed through the Corporate Plan themes identified above and wider linkages of the Agency to the National Performance Framework and Programme for Government commitments.

State here how the paper considers these areas and any consultation undertaken in the agency. Only complete the section(s) relevant to your paper.

Strategic consideration	Impact
Environment	
Governance	



Strategic consideration	Impact
Data	The Annual Report and Accounts actively considers all of these areas when preparing the document. Full participation is supported through the use of a quality review process and the tiers of governance supporting sign off.
Finance	
Staff	
Equalities	
Estates	
Communications and Presentation	In relation to the improvement activity highlighted in this report, a 'lessons learned' session was facilitated by Communications with key internal stakeholders.

Impact Assessment

An impact assessment is not required to support the Annual Report and Accounts improvement process.

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Background

1. Social Security Scotland is required by the Public Finance and Accountability Act (Scotland) 2000, to lay before Parliament its accounts, audited by the Auditor General for Scotland or a suitable appointment made by the Auditor General, within nine months of a financial year end.
2. Our audited annual report and accounts were considered by our Audit and Assurance Committee on 19 October 2021, signed by David Wallace, as Accountable Officer on 20 October 2021 and Audit Scotland on 21 October 2021.
3. This year's Performance Report section of the document, was based on the themes set out in our 2020-2023 Corporate Plan and also drew on feedback from the social research work that supported the Charter Measurement Framework. Key financial information and information about our key risks was into the Performance Report section[s] along with other performance data.
4. A lessons-learned exercise was carried out in late 2021 to identify areas for improvement with representation from key stakeholders in the process. Key outputs from that session are incorporated below.

Discussion

Improvements to the process and design which were incorporated into the 2020-21 annual report and accounts

5. We have worked hard to improve the format, design and overall 'readability' of this document, which we published online on Social Security Scotland's website. Changes in comparison to last year's document include a much more extensive use of infographics, to convey information in simpler and more accessible ways. We will build continuous improvement into the editorial process by better understanding which groups need to be involved at which stages as this document is cross-cutting and involves multiple people across the Agency. We committed to these changes following our verbal update to the Audit and Assurance Committee on 9 February 2021. The changes implemented to the Annual Report also respond directly to areas for development identified by Audit Scotland (below):

The 2019/20 performance report presents a fair picture of Social Security Scotland's performance. There is room to improve the presentation by introducing infographics and a clearer assessment of performance against agreed targets. Performance information is not reported in a way that supports the overall assessment and enables lessons to be learned and action taken.¹

¹ Audit Scotland, Annual Report and Accounts, Recommendation 5



Incremental improvements identified for the next cycle of reporting

6. The drafting of the Annual Report and Accounts is a labour-intensive process with input required across the organisation, requiring strong project management skills and a collective approach to be successful. As a result of Covid 19, timescales for the completion of the previous two years' audits were adjusted – essentially extending completion by a month. Audit Scotland has advised that they are reverting to pre-Covid timescales with sign-off now planned for September 2022 instead of October. They are planning to commence the audit on 27 June 2022, thereby compressing the time available.

Identifying a Project Manager

7. One of the key agreements from the lessons-learned session was the need for a Project Manager who will work with an editorial board to commission and collate content. Ownership of the content and production of the Annual Report and Accounts will change as a result – resource is available within the Governance and Strategy Team to manage the flow of information and contributions necessary to a successful outcome and a Project Manager has been identified for this work. An Annual Report and Accounts working group meeting will be convened in February 2022 to kick off the project.

Project plan and timeline

8. The Project Manager and editorial board will produce a project plan with clear timelines for content and delivery incorporating dates for availability of information including Client Survey outputs. We will seek to improve visibility and engagement of an early draft document with key groups including our Agency Leadership Team and Executive Team. Sufficient time will also needed to be incorporated within the timeline to allow for a Plain English review and to review the overall accessibility of the document.

Consistent tone of voice/ authoring

9. One of the challenges identified through the lessons-learned exercise was the impact of a lengthy quality review process, with multiple authors introducing different authoring styles or 'tone of voice' into the narrative of the annual report. This will be mitigated through a stronger role for Communications' colleagues in collating and incorporating comments from contributors. Dedicated resource will be available from Corporate Communications participating in the editorial board from commissioning stage to publication.

Trend analysis

10. Auditors have commented that the annual report does not clearly show how we have performed over the year. Whilst the Charter Measurement Framework is the tool we use to measure our performance, we need to draw out key points and trends



through the report. Analytical colleagues will be engaged early in the process to support improvements in this area.

Recommendation

11. Audit and Assurance Committee Members are invited to:

- Note the improvement work already incorporated into the 2020-21 annual report.
- Offer constructive input to the improvements identified for this next cycle of the annual report and accounts (Financial Year 2021-22). In summary, these were for a dedicated project manager role, an enhanced role for Communications and improved trend analysis in the report)

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