

Audit and Assurance Committee

Date of Meeting	15 th February 2022
Subject	Audit Recommendation Update
Agenda No.	12
Paper No.	16.11
Prepared By	Corporate Assurance Team
Purpose	Note

1. Background

- 1.1. The Audit and Assurance Committee are invited to note the progress of audit recommendations contained within this report.
- 1.2. A report of this nature will be submitted to all Audit and Assurance Committee meetings in order to provide an update of recommendations from all independent audit activity.

2. Key points

- 2.1. The report sets out the open and closed recommendations which have been made by independent audit reports. This includes Internal Audit reports, Health-check Reviews and Audit Scotland. The following information is provided:
 - Overview of all open recommendations;
 - Brief overview of closed recommendations;
 - High priority Internal Audit recommendations status update;
 - Update on the Essential and Critical recommendations from the Agency Health-check Reviews;
 - Table summarising the current outstanding Internal Audit reports;
 - Summary of Internal Audit recommendations proposed for closure;
 - Table noting progress of Audit Scotland actions;
 - Update on the Investigatory Powers Commissioners Office report.

3. Conclusions

- 3.1. The Audit and Assurance Committee is invited to note the progress of these recommendations and information contained within this report.



4. GOVERNANCE CHECKLIST

Strategic Objective	Contribution
Dignity, fairness and respect Delivering a service with dignity, fairness and respect at its core.	This report does not have any direct contributions, however there are audit recommendations made which will contribute towards each of these objectives.
Equality and tackling poverty Promoting equality and tackling poverty.	
Efficiency and alignment Ensuring efficiency and aligning our activities with wider public sector for the benefit of the people we serve.	
Economy, society and environment Contributing to our economy, society and protection of our environment.	

Strategic consideration	Impact
Environment	This report does not have any environmental implications beyond the fact that audit recommendations may be made relating to the environment.
Governance	The Corporate Assurance Team manage the progress of external audit/assurance recommendations. Governance structures are in place for how we respond to recommendations and progress will be reported to the Agency Leadership Team, Executive T and Audit and Assurance Committee.
Data	This report does not have any data implications beyond the fact that there are recommendations made relating to data management.
Finance	The report does not have any financial implications beyond the fact that there are recommendations made relating to finance.
Staff	This report does not have any staffing implications beyond the fact that there are recommendations made relating to staff.
Equalities	This report does not have any equalities implications beyond the fact that there are recommendations made relating to staff.
Estates	The report does not have any implications for the Agency estate beyond the fact that there may recommendations made relating to estates.
Communications and Presentation	Non applicable

Impact Assessment
Non applicable

Social Security Scotland – Audit Recommendation Update

1 Purpose

The purpose of this document is to provide the Audit and Assurance Committee with an update on recommendations from all independent audit activity.

2 Context

The Audit Recommendation Trackers provide a mechanism for recording, managing and updating all recommendations from independent audit and assurance activity. It is broken down by each review, giving the overall assurance rating and illustrating the number of recommendations made and priority ratings they hold. Further information is contained within the following annexes:

Annex A – Open Internal Audit Recommendations by Progress Status

Annex B – Internal Audit Actions Social Security Scotland consider as ready for closure

Annex C – Audit Scotland Recommendation Update Tracker

Annex D – Investigatory Powers Commissioners Office

Annex E – Internal Audit's Definitions of Assurance Ratings and Recommendation Categories

Annex F – Health-check Definitions of Ratings and Recommendations

3 Summary of Progress

The Corporate Assurance Team have continued to work closely with action owners to help facilitate implementation of recommendations across all divisions. Implementation is however the responsibility of each area.

Analysis has been undertaken to highlight all actions complete, but not yet closed by Internal Audit. We have noted this in Annex B. As a reminder, recommendations are closed off by Internal Audit once they have undertaken their formal follow up. If the follow up records a recommendation as 'partially implemented' or 'not implemented', the Corporate Assurance Team will actively seek updates on these on a bi-monthly basis unless a revised target implementation date is specified. Three new reports have been finalised this quarter, with a further 3 reviews at the follow up stage closed by Internal Audit. Work continues to be progressed on the 2021-22 Internal Audit Plan.

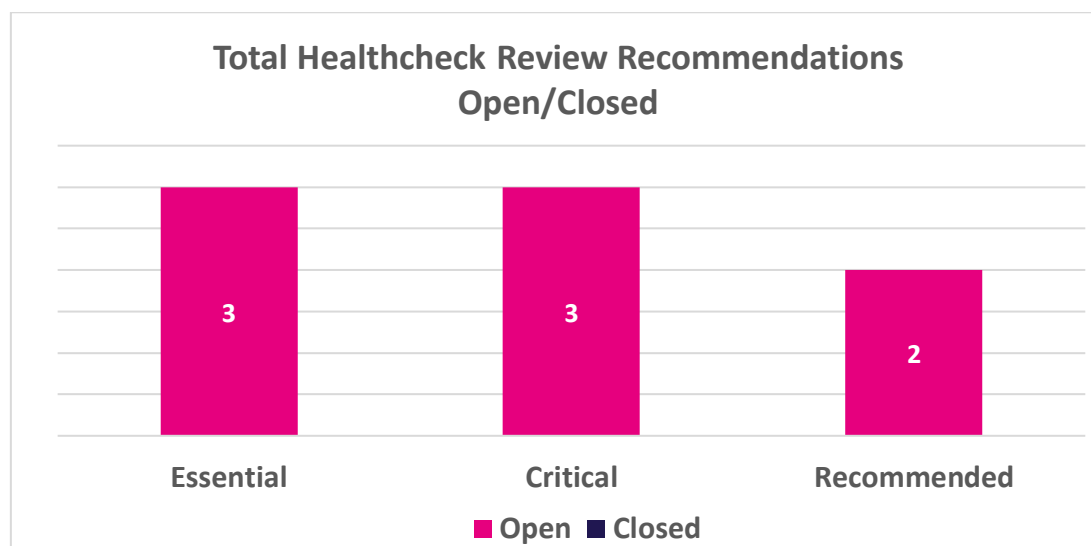
The below table indicates the overall assurance ratings given by Internal Audit reports to date, with an additional breakdown per year.

Overall Assurance Level – Internal Audit Reports	Total number of reports	2018-2019	2019-2020	2020-2021	2021-2022
Substantial Assurance Controls are robust and well managed	5	2	0	1	2
Reasonable Assurance Controls are adequate but require improvement	25	4	9	10	2
Limited Assurance Controls are developing but weak	8	1	2	5	0
Insufficient Assurance Controls are not acceptable and have notable weaknesses	0	0	0	0	0

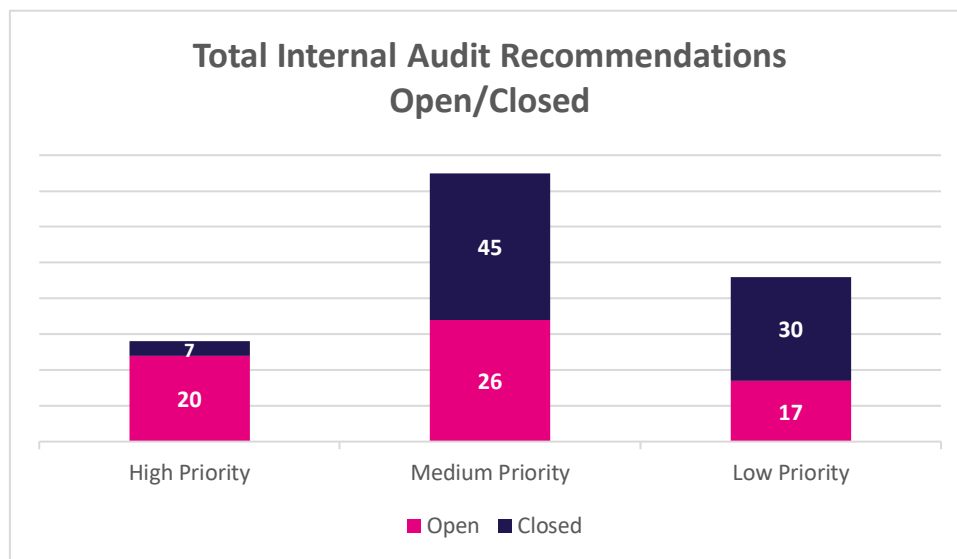
4 Open Recommendations

Graph 1 – Total Health-check Review Recommendations

The table below includes the recommendations from the two Health-check reviews, completed in 2019 and 2020. Progress continues to be made on these recommendations, but these are wide ranging strategic recommendations that will not be closed quickly, but do continue to influence future planning.



Graph 2 – Total Internal Audit Recommendations Open/Closed

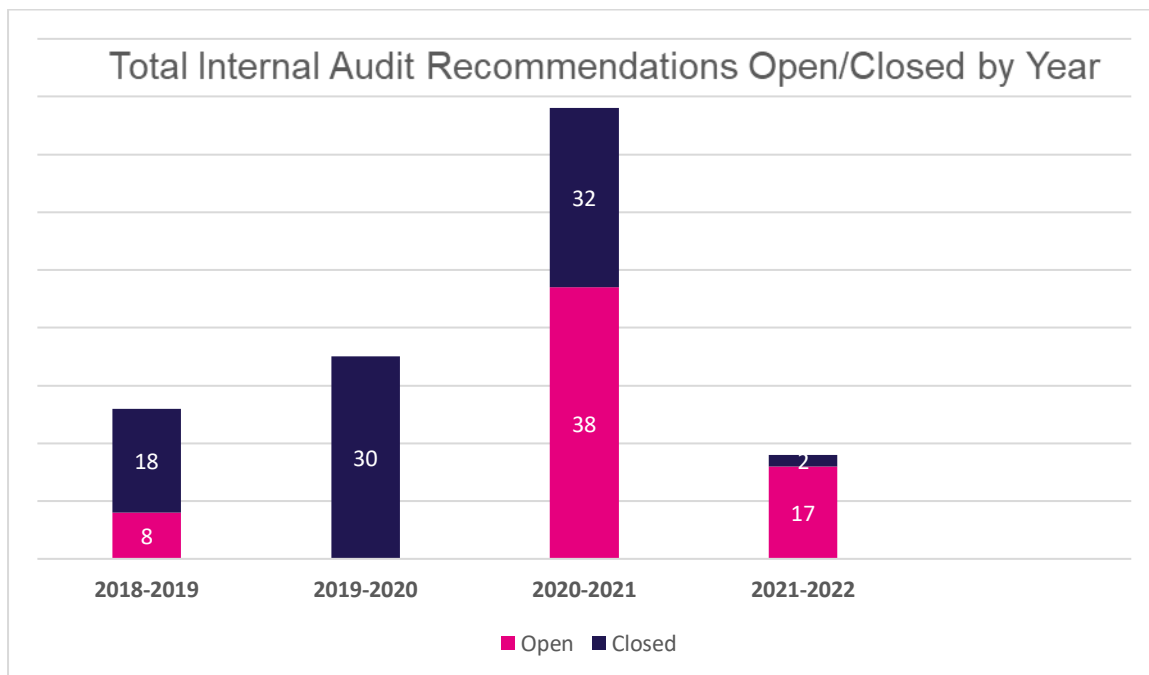


The above chart shows a total of 20 high priority recommendations that remain open, 7 high priority recommendations have been closed to date, an increase of 3 from previous report. A total of 45 medium priority recommendations have been closed to date, an increase in 4 from the previous report. A total of 26 medium recommendations remain open. Finally, a total of 30 low priority recommendations have been closed to date, with 17 low priority recommendations remaining open.

A number of reviews are underway and it is anticipated that the number of open recommendations will therefore increase in the next report.

A number of follow up reports are under way for Reporting and Assurance Functions: Roles and Responsibilities, and Key Financial Systems. As a result, we should continue to see a number of recommendations reported as closed.

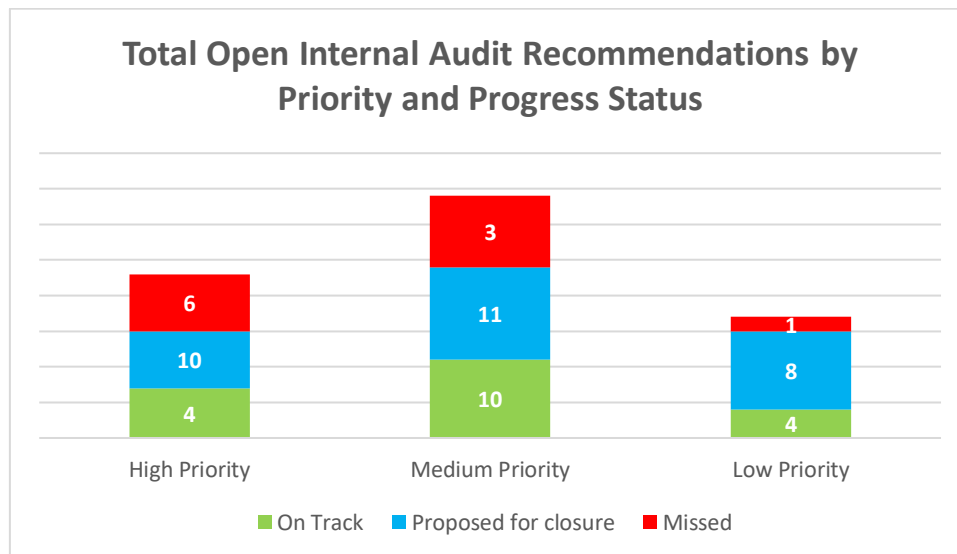
Graph 3 – Total Internal Audit Recommendations Open/Closed by Year



Graph 3 shows a breakdown by year of the open and closed recommendations.

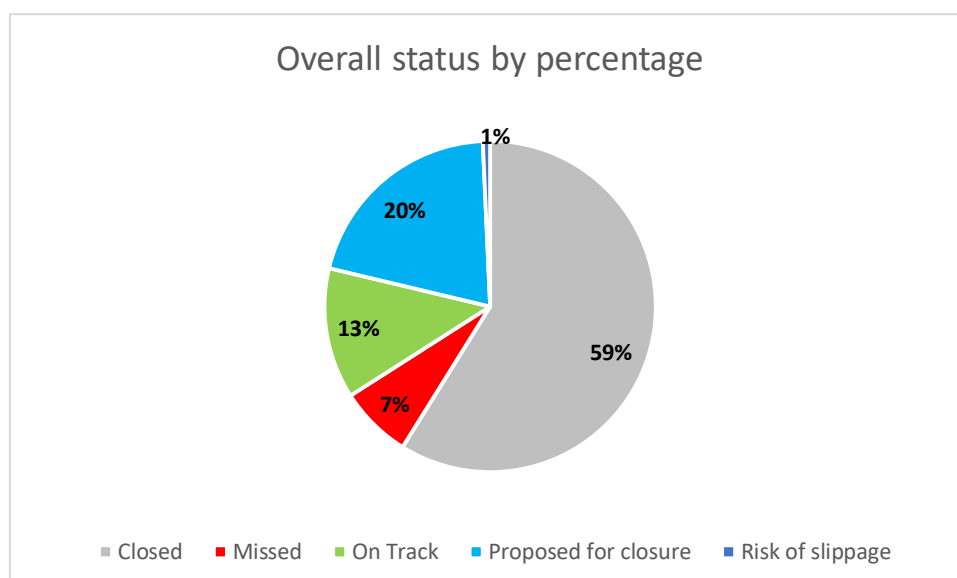
- 2018-2019 recommendations - 18 have been closed and 8 remain open. There is no change from the last report, all 8 open recommendations are from the Reporting and Assurance Functions review with 5 already proposed for closure. A Follow Up review is ongoing and is currently at fieldwork stage.
- 2019-2020 recommendations – All 30 recommendations have now been closed.
- 2020-2021 recommendations - 32 of the recommendations have been closed, with 38 remaining open. We can expect to see some of these close as a follow up review is due to be released for the Scottish Child Payment, The Child Winter Heat Assistance, Debt Management and Covid-19 Recovery. Fieldwork is ongoing for the Key Financial Systems follow up report.
- 2021-2022 recommendations – We have 17 open recommendations and expect this number to grow as more reports are completed. 2 have been closed.

Graph 4 – Open Internal Audit Recommendations by Progress Status



For a more comprehensive breakdown of the above, please see **Annex A** which provides detail on the reports that each recommendation sits against.

Graph 5 – Internal Audit Recommendations overall status by percentage



The above graph provides an overall picture of progress so far on Internal Audit recommendations. In total 59% of all recommendations have been closed to date, 20% of recommendations are currently proposed for closure, 13% of the recommendations are currently

on track and 1% are at risk of slippage. A total of 7% have missed their target deadline, but are continuing to be progressed.

A review of outstanding recommendations will take place by Internal Audit as part of the 2022/2023 internal audit plan to assess their relevance and aid closure where appropriate, date to be confirmed.

5 Closed Recommendations

Follow-up Internal Audit reports for Operations Policy, Guidance and Controls, Child Winter Heating Assistance and Covid-19 Recovery were completed. Operations Policy, Guidance and Controls and Covid-19 Recovery recommendations were all fully implemented. Child Winter Heating Assistance high and medium recommendations were also found to be fully implemented. The Corporate Assurance Team will continue to monitor the outstanding low recommendations with an aim to close in the next quarter.

6 High Priority Internal Audit Recommendations Status Update

The below table provides a current status update of the **High Priority** Internal Audit recommendations in progress, recommendations that are already proposed for closure are not included.

Scottish Child Payment			
Rec	Recommendation	Update	Status & Due date
SCP 3	<p>Action should be taken to ensure processes and controls are sufficient to minimise risk of error or fraud. This includes action to:</p> <ul style="list-style-type: none"> • [Redacted] • establish sufficient SPM filtering and task management functionality to address the difficulties of filtering tasks. • review workarounds in place for management of approvals and rejection of approvals to consider whether system functionality could prevent workarounds. • Consider the use of SPM functionality to [Redacted] • Approvers should be reminded of the need to maintain [Redacted] • strengthen processes relating to HMRC checks. Where possible this should be automated, but as a minimum the spreadsheet records should be retained and a note of the date of check recorded in the case which would allow for the approver, or anyone else reviewing the case, to refer back to the evidence. 	<p>Detective controls around staff accessing their own or a colleague's record has been tested and will be deployed into live on 12/01/22 with the first weekly report due to land 18/1/22 for analysis. This sits with Programme Cross Cutting team.</p> <p>Task management is core to SPM and the overarching design so Agency Live Service raised this with SPM Design team. This is being reviewed as part of a larger piece of technical design work with a first iteration due with ADP pilot. However, this will be an ongoing piece of work and developed based on technical improvement to SPM and user feedback.</p> <p>[Redacted] The HMRC checklist is also in the folder.</p> <p>[Redacted]</p>	<p>Original timeline - November 2021 Missed</p> <p>New Proposed timeline – March 2023</p>

	<ul style="list-style-type: none"> • Management should explore SPM functionality to flag bereavement cases, [Redacted] 		
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SPM			
Rec	Recommendation	Update	Status & Due date
SPM 1	<p>Management should establish:</p> <ul style="list-style-type: none"> • Processes for automating checks on inactive accounts. • Processes for establishing periodic checks on live accounts to ensure all are valid and have the appropriate permissions. • Improved controls around requests and creation of new user accounts. • [Redacted] <p>Administration processes for Service Desk user access should be documented.</p>	<p>Manual access control reviews have been introduced and run routinely. Access reviews for SPM are now taking place weekly for SPM to identify inactive accounts. As a result unused SPM roles have been removed from the systems.</p> <p>SPM roles and access requirements are still under review and are at the stage of requiring validation.</p> <p>[Redacted]</p> <p>Further work is underway to review our role based access requirement, including a review of security groups translating these to plain English and assessing those permissions. [Redacted].</p>	<p>Original Timeline - October 21 Missed</p> <p>New Proposed timeline – Awaiting confirmation</p>
SPM 6	[Redacted]	<p>BIRT (Business Intelligence Reporting Tool)</p> <p>The first BIRT reports were rolled into Production in July 2021 and lessons learned continue to be taken forward in subsequent releases. The most prominent of which is the desire to de-couple the rollout of BIRT reports from interim SPM releases which could increase flexibility for report deployment. Work continues in this area with the</p>	<p>Original Timeline - December 2022 On track.</p>

		<p>BIRT working group. Additional BIRT expertise has recently been secured by the Programme reducing the dependency on single points of Programme and Agency.</p> <p>Improvement in the end to end delivery process has allowed two further sets of reports to be rolled out in October 21 with more scheduled in 2022. Reports released in October encountered performance issues, importantly though the report to support CDP case transfers was fixed as a matter of urgency on 5 November. Fixes identified for the reports still experiencing issues are due to be deployed in Interim Release 8 (Feb 22) as are a further 5 new reports. This will see a total to 12 deployed BIRT reports.</p> <p>Following the February release the list of reports will include:</p> <p>Applications Details Report (database version); Funeral Support Payment; Evidence Report; Case Transfers Task; Applications Details Report (view version); Days Since Evidence; New Applications; Unassigned Cases; Payment report by benefit; Case transfer tasks by subject; Generic open task report; SRTI (Special Rules for Terminal Illness) report.</p> <p>COIT (Continuous Operational Improvement Tool)</p> <p>In addition to existing reports deployed in early 2021 a Case Transfer Status Screen allowing users to view details of individual cases and Disability Application Journey reports were included in CDP National release October 2021.</p> <p>Following a successful proof of concept in 2021 a</p>	
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		<p>Minimum Viable Product of COIT and Google Chart Integration is planned for ADP Pilot launch. This will build on COIT's current navigational capability augmented with a charting capability to assist users with Work Queue broken down by Benefit Type, Task Type, Task Subtype or User providing users with access to the content of Work Queues they have not had previously.</p> <p>Data Warehouse and Power BI The data warehouse has been operating over a year now offering a modern, scalable and powerful data warehouse solution to serve as our main source for management information data production. The solution is a key building block to having effective management information. Like other strategic data solutions there is a maturity curve for the data warehouse to track. Additional automation, data ingestion from other business critical systems and dimensional modelling are part of plans being led by the Data Architecture team in line with the development of their logical data model.</p> <p>Power BI is another strategic data solution which is vital in achieving end to end automation, removing manual steps and enabling self-service. Power BI has been endorsed by the Architecture Review Board and detailed design is underway. Power BI pro licenses have been applied to data architecture team members while we bottom out some assumptions around secure connectivity between the Microsoft Power BI Service and our AWS Redshift Data warehouse.</p>	
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		Good steps have been taken to use Power BI desktop to load data manually from the data warehouse for distribution of static visuals from Power BI. This will help improve adoption once the service is available. All daily and weekly benefit MI dashboards are now produced using Power BI.	
SPM 8	Implementation of an audit trail within SPM should be progressed. We expect on-going work to develop audit trail captures all activity in SPM, deletions, dates and time of actions. Management Information should be available from the audit trail for periodic checks and exception reporting.	<p>All on schedule with the exception of the SPM enhancements to segregation of duties which will now be delivered as part of ADP National and not ADP Pilot. [Redacted]</p> <p>New data visualisation and improved reporting tools being developed to support this will be delivered in parallel in time for re-direction of the data.</p> <p>Users' stories have been refined to define key auditable events required in SPM in collaboration with Social Security Scotland and the SPM Design team so that they can continue to deliver incremental improvements. A separate Risk and Control Discovery, preparation for which has commenced, may well introduce new requirements.</p> <p>[Redacted]The Chief Digital Office, SPM Design Team and Social Security Scotland are assessing a solution with a view to [Redacted]</p>	<p>Original Timeline - December 2021 Missed</p> <p>New Proposed timeline – Q3 2022</p>
SPM 9	<p>A) Processes should be developed for on-going review of gap analysis.</p> <p>B) Management should undertake work to review</p>	The key element we have missed is the development of product roadmaps but that has been based on the level of delivery over the past year. Our new aspiration is that	Original Timeline - August 2021 Missed

	<p>what SPM functionality has been delivered versus what should have been delivered to ensure the expected service is sufficient and meets Social Security Scotland's needs. Where it is not, action should be taken to escalate and resolve this.</p> <p>C) Management should consider analysis to quantify the number of technical difficulties and backlogs within SPM to establish whether they are reasonable and whether enough resource and capacity is available to implement improvements, and the impact these updates will have on other controls within SPM.</p> <p>D) Management should assure themselves that for those backlog issues identified there are reasonable timescales for action being taken to remedy them and that controls in place currently are sufficient to minimise risk to Social Security Scotland.</p>	<p>we have in place for Q1 2022-2023 which aligns with the Agency and Directorate work to transition Low Income Benefits. Given the delivery challenges on Live Service and pressure on addressing backlog whilst preparing for delivery of new releases, this will slip to April 22.</p>	<p>New Proposed timeline – April 2022</p>
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Client Experience Team

Rec	Recommendation	Update	Status & Due date
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CET 2	<p>A) Management should put controls in place to minimise the risk to Social Security Scotland or seek assurance from the Social Security Directorate that there are key contacts in place to assist with progressing the development of systems and processes for Client Experience.</p> <p>B) Outstanding system issues should be escalated via management, emphasising the impact of outstanding issues, and secure clear timescales of a resolution which supports business needs.</p> <p>C) Once system issues are resolved, Client Experience should move away from manual reporting processes and ensure functionality which supports the Social Security Operations and Delivery Analysis Unit to generate automated SPM reports.</p>	<p>A). A Product Owner is now in place, Client Experience Team will work closely with programme to develop and build systems/guidance/process but also have responsibility for continuous improvement.</p> <p>B) Management information and reporting team were due to pick up with [redacted] to agree the next steps, elaborate the requirements and prioritise accordingly. There is no further update to report at this moment.</p> <p>C) It is proving extremely difficult to get an area to accept to allow progression on this point as Reporting and MI Product Owner advised they do not have avenue to deliver SPM enhancements directly.</p>	<p>A) – December 2021 –Completed</p> <p>B) – March 2022 On Track</p> <p>C) – March 2022 – On Track, however this has potential for slippage</p>
CET 5	<p>Management should:</p> <p>A) Review current tracker arrangements to ensure the information captured is only what is needed and reduce the amount of personal information contained.</p> <p>B) Limit the Single Point of Contact process to relevant staff only.</p>	<p>A - Complete – Client Experience Team has confirmed that the near miss spreadsheet has been updated .</p> <p>B – No update provided at the moment due to recommendation being new.</p>	<p>A – December 2022 Completed.</p> <p>B – August 2022 On track</p>

Reporting and Assurance Functions			
Rec	Recommendation	Update	Status & Due date
R2.3/2.4	<p>3) Currently Counter Fraud and Operations are still developing process and controls, for quality assurance and error detection. Policies are drafted in some instances, however, are yet to be signed off and implemented. This includes Human Resources input into decisions around identified potential misconduct and treatment there-of.</p> <p>A hierarchy of controls should be developed to ensure that each area of risk is mitigated.</p>	<p>R2.3 - Quality Assurance framework additional resource in place, 1st stakeholder engagement session took place and further sessions are planned. Phase 1 - will be to break into 9 Work streams to gain detail on current controls, data standards and look at what good looks like. This should be undertaken during end of February and March 22, then activity to pull outputs together into overarching framework for discussion at ALT prior to movement to phase 2</p> <p>R2.4 - Counter Fraud policy statement is still outstanding, [Redacted] A risk in relation to outstanding policy elements has been raised, and mirrored on the Programme risk register.</p>	<p>Missed</p> <p>Internal Audit Follow Up Report in progress.</p>

Debt Management			
Number	Recommendation	Update	Status & Due date
DM1	A Debt Management Policy should be fully documented, agreed and made available to all relevant stakeholders. The Policy should include reference to elements of the Debt Management activities, including processes for legal action, future	Policy development work has continued with submission to Minister on approach to hardship approved early January 2021. Development of outstanding elements continue and a risk in relation to outstanding elements has been raised and mirrored by Programme.	<p>Missed</p> <p>October 2021</p>

	<p>benefit deductions as well as write-off guidance including authorisation limits and automatic write offs.</p> <p>Procedures and guidance should also be completed and made available to all relevant staff to ensure there are set guidelines, aligned with the Debt Management Policy, which staff must comply with. Any training needs for staff should also be identified as part of the development of both the policy and procedures to ensure staff are aware of and understand the policy and processes to be followed.</p>	[Redacted]	
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People Advice and Health and Safety			
Rec	Recommendation	Update	Status & Due date
PA4	<p>A) A Health and Safety Work Plan / Action Tracker should be established to help track planning and implementation of all key health and safety projects.</p> <p>B) Management should take action to address resourcing issues in the Health and Safety Team.</p> <p>C) The Health and Safety Policies and Procedures document should be finalised and signed off.</p> <p>D) The Health and Safety teams' Operational Risk Register should be updated to reflect current health and safety risks in Social Security Scotland. This should then be subject to ongoing review and</p>	<p>Jan 2021</p> <p>A) Complete</p> <p>B) Complete</p> <p>C) On track now that Health and Safety manager is in post. Display Screen Equipment policy out for comment via Health and Safety Committee.</p> <p>D) Complete</p>	<p>Ongoing</p> <p>A) May 2021 – Complete</p> <p>B) Sept 2021 - Complete</p> <p>C) April 2022</p> <p>D) July 2021 – Complete</p>

	<p>update to ensure it remains current and risks are managed effectively.</p> <p>E) The terms of reference for the Health and Safety Committee should be reviewed to evaluate the importance and adequacy of the Committee. If relevant, the Committee should be re-established.</p> <p>F) Management establish reporting arrangements to enable appropriate scrutiny of activities and ensure compliance with health and safety requirements. This should include reports on compliance, incidents, annual reports as well as Management Information and performance reports.</p>	<p>E) Complete</p> <p>F) Complete</p>	<p>E) Sept 2021 - Complete</p> <p>F) Sept 2021 - Complete</p>
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7 'Essential' and 'Critical' Recommendations Status Update – Agency Health-check Review

The below table provides a current status update of the 'Essential' and 'Critical' recommendations made in the Agency Health-check Reviews undertaken in 2019 and 2020.

2019 Report				
Rec	Recommendation	Update	Owner	Status

<p>R1 Critical</p>	<p>The Agency should acquire the resource to provide meaningful frontline contribution to Wave 2 service design and enhancements that affect customer operational experience.</p>	<p>Disability & Carers Benefits</p> <p>Child Disability Payment launched nationally on the 22nd of November 2021. Colleagues were recruited and trained in line with requirements. Operational teams, within Child Disability Payment, have continued to work with Programme colleagues. Regular two way communication, including surveys and one to one sessions, continues to influence decisions and processes to enhance the client experience.</p> <p>Adult Disability Payment pilot is scheduled to launch in March 2022. Operational colleagues have been taking a joint approach with programme. Over the past year an Operational Lead and a small team of colleagues have been working with Programme colleagues to ensure the opportunity to influence design decisions. This team also links with experts within Child Disability Payment. It is intended that this work will continue through pilot into full national launch.</p> <p>Furthermore an additional Operational Lead has been allocated to establish the live operation for pilot, through until full national launch. Colleagues required for the initial pilot launch have been recruited and are currently undertaking training. Recruitment is underway via the agency Volume Recruitment campaigns with new recruits phased to start training over the coming months. Work continues with stakeholders to review end requirements and potentially adapt the resource profile that will be in place to deliver Adult Disability Payment.</p> <p>Local Delivery</p> <p>Recruitment campaigns have now concluded and we are in the process of on boarding successful candidates. There are small number of unfilled posts that will be re-advertised, there is sufficient resource to fully staff the pilot areas, with colleagues for additional rollout areas of Adult Disability Payment being on boarded, trained and in post by April/May. Additional administrative colleagues have been recruited to meet the</p>	<p>Agency wide</p>	<p>Proposed for Closure</p>
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		<p>demand for appointments as Adult Disability Payment launches. This includes additional appointments Health and Social Care colleagues will generate. Plans are in place to ensure existing colleagues will have completed the Adult Disability Payment training bolt on, enabling full capacity as each area launches.</p> <p>A Management Information has been received detailing 9000 rising 16 cases that require appointee visits before the Childs 19th Birthday. Work will start on these cases in February, allowing us to complete the action on the majority of cases before the launch of Adult Disability Payment across Scotland.</p> <p>To support learning timelines we have seconded 20 colleagues to Learning and Development to ensure that there are sufficient facilitators to meet the requirement. The aim is that this provides a good learning experience and build support networks.</p> <p>To support clients we continue to offer face to face, video and telephone appointments to meet their individual needs. In the event of further lockdown restrictions, it has been demonstrated in the last year that a service can still be provided at the correct level to support our clients, through the video and telephone channels.</p> <p>There are still a very small number of base locations not signed off during as a result of current restrictions placed on our stakeholders. However work continues with colleagues in the Places Project and Scottish Government Property Division to progress these. There is no risk to service as face to face requirements can be met from our outreach venues.</p> <p>Outreach locations are signed off in most areas although work on securing additional outreach venues has stalled as a result of restrictions. As outreach venues are, by their nature, venues where we co-locate with other stakeholders, this work will always be subject to the restrictions our partner organisations are under and the latest Government covid advice. Engagement work continues with stakeholders to understand the latest position and ensure the use of venues at the earliest opportunity. As restrictions lift there will be a better understanding about the effect lockdown has had on our clients and stakeholders. A review of our outreach service offering will take place accordingly,</p>		
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		<p>looking for other opportunities to co-locate as our service grows. Where there are issues seeing a client in an outreach location alternative home visit offers will be made.</p> <p>Client Experience</p> <p>Recruitment campaigns have concluded for initial resourcing requirements for Adult Disability Payment pilot. Bolt on training is scheduled for existing colleagues to ensure they are prepared for the pilot launch. Learning continues to be extracted from early work in reaction to Child Disability Payment, which will influence decisions and process going forward to Adult Disability Payment.</p>		
R2 Essential	The Agency should develop measures that demonstrate its efficiency of operation consistent with its delivery philosophy.	<p>The Programme is working more and more closely with the Chief Data Officer in Social Services Scotland to continue with the change of approach that we have adopted in the last six months. That is to ensure both the Agency and the Programme have a unified approach to its data strategy.</p> <p>One element of that is the introduction of two senior groups, the Information Governance Group and the Data Governance group, the inaugural meetings for which take place in January and February 2022 respectively. One of the standing agenda items of these groups is how can we develop a valuable and efficient means of measuring the performance of Social Security Scotland, both using the existing parameters such as the Charter Measurement Framework and new Key Performance Indicators.</p> <p>To support this enhanced focus, a new Product Team, Data Strategy and Infrastructure has been formed within the Programme's Data Service.</p>	Operations/ Strategy & Client Experience	On track
R3 Critical	Priority should be given to analytical work to improve forecasting of potential expenditure on	The latest Scottish Fiscal Commission (SFC) forecasts for benefit expenditure were published in December to inform the Scottish Government 2022-23 Budget. As the forecasts were developed by the SFC, CAD analysts scrutinised the input data, models and assumptions to help improve the quality of the forecasts.	Communities Analysis Division	On track

	devolved disability benefits, given the proportion of devolved benefit expenditure this encompasses and the impact any unmet need could have on the Scottish Government's overall financial position in the future.	CAD analysts are continuing to develop an understanding of the DWP data they have access to through DWP laptops, in order to identify areas where the data can be used to improve forecasts.		
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2020 Report – This is the final formal response to the March 2020 Health-check Review. The formal response had been delayed as a result of the impact of Covid.

Rec	Risk	Update	Owner	Status
MAR R1 Essential	Social Security Scotland should work with the Social Security Programme to ensure that critical functionalities are	Child Disability Payment commenced on 26th July for pilot applications and 22nd November for the rest of Scotland.	Social Security Scotland	On track

	agreed and delivered in time for the launch of the Scottish Child Payment and Child Disability Payment.	Social Security Scotland provided Programme colleagues with our articulation of the requirements for both the Minimum and National Viable Products. Visibility of progress was tracked via our existing governance structures and forums such as Release Management Group and our new joint Disability Benefit Steering Group which meets weekly.		
R2 Essential	Social Security Scotland should map their resources against the end to end processes, including client volumes.	The Agency continues to progress work on resource mapping within the context of the financial constraint that has emerged this year and now frames the staffing demand away from exclusively delivering Social Security Operational Research (SSOR) range outcomes to capacity considerations and affordability. The Work Force Planning strategy work now in place which will reflect the importance of horizon scanning and staffing forecasts as well as capacity alternatives. More immediately, we are currently looking at resource challenges as part of the Budget 22/23 work to deliver in year and immediate horizon benefits and following release of the Work Force Planning strategy around April 22 will develop further the action plan to look at post 22/23 forecasting and resourcing requirements	Social Security Scotland	On track
R3 Recommended	Social Security Scotland should identify the specialist capabilities needed to undertake a full expert client role for all its major activities	No further update at this moment	Social Security Scotland	On track
R4 Critical	Engage with the Social Security Programme to establish the purpose of, and	Child Disability Payment commenced on 26th July for pilot applications and 22nd November for the rest of Scotland.	Social Security Scotland	On track

	key outputs required from, the Child Disability Payment pilot.	<p>Our Information Support Centres monitored progress and supported the early resolution of any issues.</p> <p>Operational colleagues from across Social Security Scotland were engaged in daily two way communication with Programme colleagues to ensure live experience gained was captured.</p> <p>A robust series of Lessons learned activity is on-going with key lessons reported back via our joint Disability Benefit Steering Group on a weekly basis.</p> <p>Detailed analysis and evaluation is currently being concluded to improve service design for Child Disability Payment national launch and future disability benefits.</p>		
R5 Recommended	Undertake work to identify and verbalise the existing culture then establish a strategy for perpetuating and embedding the core elements of that culture in all on boarding activities.	<p>We continue to implement Intelligent Kindness initiatives with the key elements of intelligence kindness now embedded in the revised Foundation Managers course, for new managers.</p> <p>Working in collaboration with Tommy Whitelaw of the Health and Care ALLIANCE Scotland we have set up a further 22 Intelligent Kindness sessions. These sessions run to March 2022 and are primarily for new recruits or those who have not yet attended a full Intelligent Kindness session.</p>	Social Security Scotland	On track

8 Conclusion

The Corporate Assurance team will continue to liaise with recommendation owners, specifically those with a rating of high, to track and report all outstanding recommendations and highlight to Internal Audit colleagues all further updates in advance of Internal Audit follow up work.

This report will continue to be used to capture all independent audit and assurance activity. The continuous tracking and reporting of progress to the Audit and Assurance Committee will ensure that the committee has the means to monitor how effectively high priority recommendations have been implemented.

Annex A: Open Internal Audit Recommendations by Progress Status.

Title of Publication	Assurance	Proposed Closed	Missed	On track	Risk of slippage
Client Services and Delivery					
Child Winter Heating	Reasonable	1			
Client Experience Team	Reasonable			4	1
Scottish Child Payment	Limited	3	1	1	
SPM	Limited	7	3	1	
Scottish Child Payment in depth	Reasonable	2		2	
Finance and Corporate Services					
Debt Management	Limited			1	
People Advice and Health & Safety	Reasonable	3	1	1	
Key Financial Systems (Final report)	Reasonable			1	
Counter Fraud Governance	Reasonable	3	3	2	
Learning & Development	Substantial			5	
Strategy and Client Experience					
Reporting and Assurance	Limited	6	2		
Stakeholder Engagement	Reasonable	3		3	

Annex B: Internal Audit recommendations proposed for closure

To provide more detailed and accurate reporting on recommendation status we have produced this annex to outline the internal audit recommendations Social Security Scotland now deem as ready for closure this quarter. These recommendations cannot be closed until Internal Audit undertake their follow up reviews, but as these are scheduled for specific time's it can mean that a number of recommendations that are completed are left open until then.

Report	Assurance Level	Priority level	Recommendation	Update
Counter Fraud Governance	Reasonable	H	Management should seek assurances that a decision on the plans for a fraud case management system is finalised as soon as possible to progress procurement of a strategic solution. Management should aid discussions with appropriate Programme colleagues to agree the approach ensuring solutions are fit for purpose, fully functional and budget and ownership is clear	Programme are progressing with procurement activity to repurchase the previous fraud case management solution via the G cloud, period is 2 years + 6 months + 6 months, funding for licences, anti-virus and support from agency, all development and implementation from Programme.
Counter Fraud Governance	Reasonable	L	Management should consider fraud training needs of other roles across the organisation to ensure all roles within the organisation have a clear understanding of their responsibility and are also encouraged to report fraud concerns.	Training packages are now implemented across the entire agency. Suggest this is now closed.
Counter Fraud Governance	Reasonable	M	Management should seek assurances from the Programme Directorate that the independence of the unit is considered and a solution will be delivered in a reasonable timescale. Management should consider possible interim solutions in consultation with Chief Digital Office such as administration system access which could mitigate the risk while solutions are in development.	Ongoing discussions in relation to identification and prioritisation of requirements are proving to be fruitful and Programme/Agency plan to collaborate on a refresh of the strategy for fraud and agreed understanding of MVP for the fraud service. Accepted position is that the solution to this will be delivered as part of phase 2 of

				ATRS and in the meantime tactical provisions will hold.
People Advice and Health & Safety	Reasonable	M	<p>a) Management should ensure arrangements are in place to provide all new staff joining Social Security Scotland with an overview of the services on offer and make them aware of their roles and responsibilities, particularly in relation to health and safety.</p> <p>b) Existing training requirements for new line managers in Social Security Scotland should be reviewed and consideration should be given to whether training for new line managers should be made mandatory.</p>	All now in place.
People Advice and Health & Safety	Reasonable	L	Management should consider if guidance documents should include document controls which would allow for audit trail of changes and evidence of review.	Document control has been introduced to all guidance documents template letters, or other official documents created or altered.
People Advice and Health & Safety	Reasonable	L	People Advice and Support and Health and Safety teams to progress with development of skills matrices for their teams and utilise these to ensure that the required skills and knowledge are available and to allow them to take action where gaps are identified.	<p>People Advice will regularly review our skills matrix and use this as a tool for continuous improvement. The skills matrix has now been updated and all members of the team have completed this twice, identifying training needs and areas of high proficiency.</p> <p>This recommendation can now be closed.</p>
Scottish Child Payment	Limited	H	<p>Management should:</p> <p>A) Consider reviewing Operations resource modelling methodology to include consideration of elements such as staff turnover, succession planning, productivity and acceptable timescales for clients to wait.</p>	Modelling required to be updated as the situation changed. It was not that resource was not planned correctly more that the situation changed putting pressure on resource.

			<p>B) Progress with reflecting on lessons learnt from current modelling and sufficiency of resources for benefit launch and feed this into current and future arrangements. As part of this the volume of work actually generated following the launch of the benefit should be considered and comparisons with projected volumes and target dates for payment of benefits within planned timescales should also be considered with any lessons learnt captured and factored into future forecasting and resource modelling activities.</p> <p>C) Consider if there is any knowledge gaps in the absence of a Product Owner for Scottish Child Payment and address any gaps identified.</p>	<p>Reference evidence in Objective connect which demonstrates the various head of work scenarios is what was created on the back of SCP to help provide visibility to different situations occurring. The paper used some of this information and set out other key factors that might impact the head of work for the leadership team. This happening was the learning from SCP.</p> <p>In terms of SSOR(Social Security Operational Research) are reviewing models regularly, reference evidence in objective connect (evidence also provided to internal audit) providing evidence of the modelling and updates and also a document that was published setting out the main changes following the SSOR recent review of all the models.</p>
Scottish Child Payment	Limited	H	<p>Management should:</p> <p>A) Ensure there are effective processes in place to disseminate information on system or process changes or updates ensuring this is available to all relevant colleagues and held in a central location which is easily accessible should it need to be referred to at a later date.</p> <p>B) Review Client Advisory guidance and training for Scottish Child Payment to address gaps and weaknesses identified such as telephony guidance on change of circumstances legal requirements, action to take for bereavement cases and guidance on integrated cases.</p>	<p>eRDM folder is in place - Extract of update tracker by benefit uploaded - reference evidence in objective connect.</p> <p>Roles and responsibilities have been created and will be included in relevant routeways with effect from January. Low Income Benefit managers will assess any retrospective gaps with existing staff and will use these tools to support in normal performance & development discussions. Ref evidence in objective connect.</p>

			<p>C) Ensure training and guidance considers a live environment and include a range of scenarios.</p> <p>D) Ensure suitable guidance and training is developed to support Team Support Officers, Team Managers, Performance Managers and any other roles beyond Client Advisors, enabling consistent, effective and efficient delivery of their objectives.</p> <p>E) Work closely with Programme colleagues to ensure guidance is timely and allows sufficient time for clearance processes prior to release of new system functionality or benefit launches.</p>	
Scottish Child Payment	Limited	M	<p>A) Management should ascertain if there are any trends in reasons for cases being rejected at approval stage.</p> <p>B) Based on any trends identified from the above review and the points raised from our findings, guidance should be reviewed to ensure it is sufficient and take action to enhance the guidance where necessary.</p> <p>C) Further training should also be considered, where gaps or weaknesses are identified.</p> <p>D) Client Advisors should be reminded of the need to comply with guidance and follow the correct processes. Where they are unsure of the action to take they should ask for support.</p> <p>E) Management should confirm there are sufficient processes in place to identify any tasks or applications open for long periods of time and ensure steps taken to address outstanding actions.</p>	<p>Checklist for approvers now in Internal Knowledge hub</p> <p>Operations error trend analysis report now available.</p> <p>Reference Scottish Child Payment folder in objective connect.</p>

Child Winter Heating	Reasonable	L	It is recommended, as best practice, that items discussed, decisions made and actions agreed at team meetings be recorded. This will ensure that key information is available to members of the team through eRDM for reference and to maintain a record of discussion.	This is likely to be closed during the next quarter. The cluster folders are set up and a tracker is in place to host all key information/changes. It is accepted that this is the best option as having a centralised place for updates is more beneficial than hosting all meeting minutes which would result in a large number of file. The advisor would need to spend a considerable amount of time reading and searching – this is not practical. The tracker has each benefit as a different tab, a link to guidance and dates for ease of use. This has not been updated since September 2021 however a request to use this document has been sent to management. We will review and once we are happy it is being used consistently we will close off recommendation.
SPM	Limited	M	<p>A) Management should ensure all staff, including staff out with the Client Advisor role, have sufficient guidance to enable them to undertake their duties.</p> <p>B) As part of this processes should be put in place between the Programme Directorate and Social Security Scotland to ensure guidance is available soon after all system changes or benefit launches and ensure administration processes are documented.</p> <p>C) Management should consider if any SPM e-learning is mandatory and establish a process for reviewing compliance with completion of e-learning.</p>	<p>Live Service update to all live benefits is ongoing. Areas that sit in Programme remit have been escalated to cover off.</p> <p>2b - Content are producing update notes and videos to target key changes. Continual feedback on these are sought to ensure it is meeting user needs. This will be ongoing and continual as we iterate and build our service so recommend for closure.</p>

SPM	Limited	M	Management should work to establish the root cause of payment batch failures and take action to prevent recurring issues.	Batch issues no longer occurring on Best Start Foods and are paying as per service design process, we are working to develop better testing model to minimise risk to deliver further functional changes.
SPM	Limited	H	<p>A) Following the review being undertaken to capture and quantify the number of workarounds required within SPM and assess the impact on resources and productivity a clear, prioritised action plan should be developed to address workarounds with reasonable target dates.</p> <p>B) Management should also ensure, where possible, any current or new manual processes or workarounds being introduced are assessed for impact on current workarounds and Operational staff to ensure any further workarounds being implemented are appropriate before being applied.</p>	<p>Live Service have collated a list of workarounds and are deploying on average every 6-8 weeks to address the defects that they link towards. We have also made attempts to separate workarounds over manual processes as part of our ongoing guidance reviews.</p> <p>B) We continue to deploy workarounds to ensure clients claims are progressed when defects arise in the service. We work with all operational areas when impacting and fully test in live like environments prior to deploying. We monitor through the defect and prioritise.</p>
SPM	Limited	M	Management should establish the root cause of the error tasks issue and ensure resolution and lessons learnt to prevent this issue re-occurring.	This was related to a defect which was resolved by the Agency Live Service Team on the 26 February 2021.
SPM	Limited	M	<p>A) Roles and responsibilities should be clear and documented within Live Service Team, Chief Digital Office and other key stakeholders.</p> <p>B) Management should consider continuity arrangements within the Live Service Team to ensure sufficient knowledge and cover is available to support delivery of technical improvements and prevent any delay.</p>	Live Ops team for PO have been filled for Low Income Benefits space and workforce plan are in development for future products.

SPM	Limited	M	Management should ensure action is taken to provide timescales for implementation of updated guidance and SPM functionality to minimise the risk of instances of over/under payments due to such technical errors.	<p>After undertaking review, the biggest cause of issues seen was advisor error while amending evidence in the Integrated Case within SPM and immediately applying the changes. Resulting in multiple Product Delivery Cases being created.</p> <p>The change introduced with Child Disability Pilot, introduced validation making the client advisors consider the impact prior to applying change. It will advise the running of the manual eligibility check. Which will reduce impact across all active Product Delivery Case's. Guidance was updated as a result and Operation Readiness and Continuous Improvement team are monitoring impact.</p>
SPM	Limited	L	Management should undertake analysis of system issues which impact Operations, prioritise and create an action plan for resolution to minimise disruption to Client Advisors ability to process applications.	The Product Owner is working to with Ops stakeholders regularly to understand the day to issues which are then linked back to ongoing system delivery and/or guidance updates. This is ongoing and iterative as the code base and services are being updated and Product Owner will continue to work with Operational teams to address.
Scottish Child Payment – In Depth	Reasonable	L	Management should remind staff of the need to ensure that version control tables on guidance documents are completed fully and consistently.	The Live Service Management team have reminded the importance of updating control tables.
Scottish Child Payment – In Depth	Reasonable	M	Management to investigate the issue about SPM not processing requests for further evidence from clients and update guidance if appropriate.	Management response sets out that it is not a system issue and the Information Knowledge Hub (IKM) shows correct process for evidence being requested.

Reporting & Assurance Functions	Limited	H	<p>The Agency should;</p> <ul style="list-style-type: none"> - Undertake an exercise to collate all existing Memorandum of Understandings and ensure that relevant business areas are notified of their responsibilities. - Liaise with Programme colleagues to ensure that Memorandum of Understandings being developed, containing cross border audit requirements are identified and communicated at an early stage, to ensure necessary provision is allocated within the Internal Audit Plan. 	<p>All relevant areas within the organisation are aware of the obligations placed on them by the various formal agreements. Moving forward, more proactive “contract” management of the formal agreements led by [Redacted] team are currently recruiting a dedicated B3 grade to lead this work.</p>
Reporting & Assurance Functions	Limited	H	<p>1) A decision on the necessary action for pending checks generated since September 2018, should be made by the relevant board.</p>	<p>Following continuous improvements a final process was agreed, signed off by all relevant Stakeholders and implemented w/c 16/3/2020.</p> <p>All Searchlight Users have undertaken refresher training and for new staff the new Guidance has been updated and included in L&D e-Learning/Facilitator led partially to ensure key messages are delivered.</p> <p>Following implementation of the final process 3 weekly checkpoints are in place to monitor compliance/quality issues. Feedback loops have been established and are in place between Validators/Operations. This mechanism allows reporting of issues/non-compliance and where standard was not met. Findings</p>

				<p>are taken forward by Line Managers and mitigation actions taken e.g. 1-2-1 discussions, further learning etc., where trends are identified. Early findings are that volumes of cases with issues are decreasing monthly, moving forward dialogue will continue to monitor improvements and address issues found.</p> <p>In terms of outstanding checks there was a partial process in place and as the formal process had not been signed off/agreed then it was felt that we could not go back and validate the cases which go back to September 2018. Risk based approach in the absence that Agency was being stood up and absence of a process used as Mitigation due to no end-to end process being put in place when access to CIS was given. Agency did not have validator roles in place until after August 2019 when the process was rolled out initially. The one validator had to then recruit their team which they have done and since August 2019 to March 2020 which then led to the implementation of final process in operation currently.</p>
Reporting & Assurance Functions	Limited	H	2) Business reliance - ensure that more than one person is permitted and trained to retrieve and validate eSEF (European Single Electronic Format) percentage checks.	There are a pool of Secure Print Officers in place all based in the Dundee and Glasgow Mail room Teams. They are able

				to cover absences so that the Secure Print Officer role is covered every day.
Reporting & Assurance Functions	Limited	H	4) To provide clarity for all staff these should be clearly defined within any future policies and guidance.	<p>We are continuing to work on the development of an Assurance Framework, however the impact of Covid-19 has slowed pace on the development.</p> <p>Over the past few months further conversations have been had with critical friends across the organisation and it has been agreed a Framework and Routemap will be developed (Agreed at ALT on 12 October 2020). We are stalling work on the mapping, as pilots have demonstrated that this is adding little value at the moment as the organisation grows.</p> <p>Focusing specifically on the recommendation on terminology I do think this has become clearer, and this is not simply through this work. It links into work undertaken by the Social Security Programme Product Owner on Audit, work on the Quality Assurance Framework and other documentation. Definitions are clearer and people's understanding has increased. My view is that this recommendation should be closed.</p> <p>We are continuing to work on the development of an Assurance Framework, for the Agency supported by an Assurance</p>

				<p>Mapping exercise. Work in this area has been delayed due to conflicting priorities and to some extent by the impact of Covid-19, however not the Corporate Assurance Team has increased resource work has been started again.</p> <p>We have presented an outline of our work to the Agency Leadership Team (link provided), and our next step is to produce an Assurance Map for the Strategy and Client Experience Division.</p> <p>The Corporate Assurance lead is to start drafting the Assurance Framework and within in this will address the main risk of the terminology issue. The plan will be to start this work in July.</p>
Reporting & Assurance Functions	Limited	H	<p>A formal structured communication channel between Agency and Programme should be established to provide feedback on products and there sufficiency to delivery Agency requirements. This should also provide clarity over delivery timescales of backlog issues.</p>	<p>The Data Warehouse continues to expand is delivery of extracts and reports aligned with the expansion of the Agency and Programme service. Child Disability Payment reports have been delivered and work continues in preparation for Adult Disability Payment and many cross cutting extracts.</p> <p>In addition to “what” data we provide, how we present the information continues to evolved too [Redacted]</p>

Reporting & Assurance Functions	Limited	H	<p>The Agency should put in place a mechanism to review policies, processes and controls periodically. This will provide a stop and review point, and any relevant amendments to either policy or process as each product or benefit release develops.</p>	<p>The action we undertake to mitigate this risk remains as is. As a consequence of working in an agile environment, the Social Security Programme design systems and processes and Social Security Scotland develop the operational policy based on what we receive.</p> <p>This will continue to be the case throughout the programme of work. We do however work closely with the Social Security Programme on this. We would on follow up of this review consider this recommendation as closed - there is a process in place, however the issue is mainly with the risk described which is as a result of an agreed development methodology.</p>
Stakeholder Engagement	Reasonable	M	<p>A) Management to establish meaningful ways of measuring and evaluating performance of stakeholder engagement activities that would allow for measuring effectiveness and progress against agreed objectives.</p> <p>B) Management should ensure the Activity Log referred to in the Stakeholder Engagement Plan is regularly reviewed and updated in order to track ongoing activities and progress against stakeholder engagement plan objectives. As part of this consideration of whether progress is on track should be reflected and evidence of any remedial action being taken where objectives are not being achieved.</p>	<p>Risk Register training has been carried out for the team in Autumn 2021, and training on risk will be part of the team's ongoing learning and development, and the risk register now updated. Risk is part of the internal discussion and is highlighted in the internal co-ordination situation report.</p>

			C) Management should ensure that any operational risk registers in place are considered and updated regularly to ensure they stay current and reflect the current risks posed to the teams, impact they may have and controls in place to manage and mitigate these risks.	
Stakeholder Engagement	Reasonable	L	<p>A) Management ensure all staff involved in stakeholder engagement activities have clear roles, responsibilities and objectives which, where relevant, include reference to stakeholder engagement.</p> <p>B) Where no training routes have been identified, a file which brings together key documents and resources for new staff members should be introduced to make on-boarding process as efficient and effective as possible. Management should also consider methods for recording and tracking completion of training to ensure all staff have the skills, knowledge and information to undertake their roles.</p>	Relevant staff have clear objectives in place. A learning and development plan is in place and kept under regular review. Time is ring-fenced on a regular basis to allow staff to complete relevant team and personal training. Staff completion of training is monitored. Clear induction plans are in place.
Stakeholder Engagement	Reasonable	L	<p>National Engagement Team, in discussion with Management, should ascertain the level of detail and frequency of reporting. This agreement should be documented for audit purposes.</p> <p>Where possible reporting should be automated in order to maximise effective use of resources and minimise the risk of error.</p>	<p>Discussion held with senior managers about how this information will be reported in the future. Monthly meeting now in place with Chief Executive and Head of Strategy, Change, Engagement and Data to talk through progress.</p> <p>Quarterly updates of plans and stakeholder sentiment for Executive Team and reporting to the Agency Leadership Team through the new Insights and Engagement Group.</p>

				First meeting of that group took place on 26 August 2021. For the launch of Disability Benefits we have in place a robust measurement and evaluation in place including use of feedback surveys, and attendance and the tools here will be used for future engagement.
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Annex C: Audit Scotland

The recent Annual Audit Report from Audit Scotland provided a follow up of recommendations from 2019/2020. Audit Scotland have agreed the two recommendations are now considered complete and the remaining were superseded by recommendations on the new 2020/2021 action plan.

Audit Scotland Recommendations 2020/2021 – Action Plan

Number	Issue/Risk	Recommendation	Agreed Management action/timing
1.	SPM system may not be appropriate for the more complex benefits The use of an MVP approach means that the initial system that is delivered may not contain all of the required functionality. As the benefits being delivered increase in complexity the need for system controls increases. There is a risk that the MVP is not delivering the minimal functionality to support the Scottish social security system.	The establishment of a generic baseline MVP should be finalised as soon as possible to support the delivery of a robust core system for the roll out of new benefits.	Programme have taken steps to clearly define the contents of the Minimum Viable Product and National Viable Product deliveries for both Child Disability Payment and Adult Disability Payment in the form of a scope documentation and baseline documentation presented to the Disability Benefit Steering Group. This has been supplemented with a service catalogue for Adult Disability Payment. This is a welcome step and these documents are continuously being reviewed by Agency/Chief Digital Office to ensure alignment to Agency business needs. Agency colleagues have provided feedback to Programme with the aim of ensuring that Agency's needs are reflected in the documentation. This is an ongoing concern given the speed and nature of the programme deliveries and is being closely monitored by Agency Stakeholders.

			There is also significant work being carried out by various transitioning projects to ensure delivery artefacts and technologies are complete and fit for purpose. This work also feeds into the continuous improvement and technical debt work streams.
2.	<p>The technical backlog continues to increase</p> <p>The extent of the technical backlog continues to increase impacting on system functionality and the arrangements for fraud and error. There is a risk that the system functionality is adversely impacted from the reliance on manual work-arounds particularly as the more complex benefits become operational.</p>	A structured approach should be introduced to address the increasing technical backlog and ensure a strong system control environment is in place to support fraud and error prevention and detection.	<p>The Social Security Scotland live service team has recently accepted responsibility for the Continuous Improvement of all Low Income Benefits, this is subject to formal ratification by the Transition Steering Group and agreement on funding arrangements with Programme. We understand that funding arrangements for 22/23 are close to agreement with provision of circa. £2.7 million being provided from Programme subject to endorsement from Finance Board. The delivery landscape for the remainder of the calendar year is extremely busy with much of the capacity dedicated to the delivery of new benefits e.g. Adult Disability Payment and Scottish Child Payment (2). We are also anticipating challenges in securing adequate provision in the congested release landscape</p>
3.	<p>Fraud and error arrangements</p> <p>Fraud and error are an inherent risk in a social security system that is driven by individual claims. Social Security</p>	The Fraud and Error team must develop its understanding of the associated risks of fraud and error within the range of	We have continued to strengthen arrangements over the past year, introducing further improvements to our detective and investigative capabilities. We have identified

	<p>Scotland is still reliant on the DWP for many fraud and error estimates as well as developing its own arrangements for the benefits being delivered directly. There is a risk that fraud and error arrangements are not sufficiently developed in advance of the launch of disability and carer's benefits.</p>	<p>benefits being delivered, including those currently delivered by the DWP.</p>	<p>further objectives to further mature these arrangements in operational year 2022/23, which include continuation of work to identify our methodology for estimating the monetary value of fraud and error in our caseload. Our second inspection from the Investigatory Powers Commissioners Office resulted in a positive report, with no recommendations made.</p>
4.	<p>Financial planning The financial impact of the pandemic on Social Security Scotland will extend across several years and the impact is not yet fully understood and reflected in the financial planning. There is a risk that without robust long-term financial plans Social Security Scotland may not adequately capture the underlying cost implications of decisions.</p>	<p>Social Security Scotland must revise its financial planning to reflect the long-term impact of the Covid-19 pandemic on benefit delivery arrangements and underlying costs.</p>	<p>The recommendation for financial planning is on-going. We are doing what is set out in the intended actions and will continue to update our plans</p>
5.	<p>Workforce planning The Workforce Strategy has not yet been finalised and should cover both numbers and skillsets to meet the needs of the more complex benefits. There is a risk that without a long-term workforce plan Social Security Scotland</p>	<p>A long-term workforce plan, built on the current timetable for benefit delivery, must now be prepared. This should support wider decision making to ensure that there is a sustainable workforce to</p>	<p>Work has already commenced on development of an Agency Workforce planning strategy drawing together the threads and activities that were described at audit.</p> <p>This is currently at an Agency engagement stage to develop the strategy elements with reference to the Agency's People Plan framed</p>

	will not be able to deliver future benefits to the current timetable.	deliver the Scottish social security system.	<p>around agreeing scope, outlining key strategic choices around workforce planning, defining key stakeholders and designing stakeholder involvement and leadership interaction; we are working to an Apr 22 deadline for issue.</p> <p>The long term workforce plan will then be an implementation element developed from this referencing spending review work already undertake</p>
6.	<p>Residency Social Security Scotland are implementing new tailored guidance for each new benefit. The guidance will be complex, and staff will need adequate training.</p> <p>There is a risk that guidance and training for residency status for upcoming benefits will not be robust enough.</p>	The new residency rules for future benefits will be more complex. Guidance needs to be correctly applied by staff to ensure that residency criteria is assessed fairly and consistently.	<p>Work was undertaken with colleagues within Social Security Scotland Directorate and with Learning & Development in relation to residency, for the launch of Child Disability Payment. This was included within learning routeways with guidance provided within the Internal Knowledge Management Hub, for colleagues to refer to.</p> <p>Work continues in relation to Adult Disability Payment, prior to launch this year. In addition a recent internal audit reviewed residency and any recommendations will be considered. Furthermore internal audit are about to commence an in depth audit of Child Disability Payment which will review compliance with guidance. Continued work on a Quality</p>

			Assurance framework will support and provide greater assurance.
7.	<p>Performance Management</p> <p>Performance management arrangements are not adequately developed to support robust decision making.</p> <p>There is a risk that Social Security Scotland will not be able to demonstrate value for money.</p>	<p>Robust and transparent performance management arrangements should be further developed to support decision making and ensure the delivery of a quality benefits service.</p>	<p>Social Security Scotland does not use performance targets as such, external measurement of performance is principally through our Charter Measurement Framework. This was co-designed with stakeholders with lived experience of the benefits system and takes a person-centred, experiential approach to organisational performance. In the 2020-21 Annual Report, the Charter Measurement Framework therefore provided the core of information presented in the performance report. This will allow for consistent measurement over time, to identify trends and patterns.</p> <p>This approach addresses the findings identified in paragraphs 97-99 and will allow meaningful trend analysis over time. Supporting evidence is included as follows.</p> <p>Annual Report and Accounts 2021-22 (pages 5-33)</p> <p>Measuring our Charter 2020-21</p>

Annex D: Investigatory Powers Commissioner's Office (IPCO) Report – Key Findings

All recommendations from the Investigatory Powers Commissioner's Office Inspection Report (September 2019) have now been completed and closed. An interim inspection successfully took place on 13 April with no follow up actions required.

Annex E: Definition of Assurance Ratings and Recommendation Categories

Internal Audit use the following grading structure and this has been applied to all Internal Audit recommendations within this report.

Assurance

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

Recommendations

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

Annex F: Agency Healthcheck Review – Delivery Confidence Assessment RAG

The below table applies to the recommendations made in Section 7 “‘Essential’ and ‘Critical’ Recommendations Status Update – Agency Healthcheck Review”

<u>RAG</u>	<u>Criteria Description</u>
Green	Successful delivery of the programme/project to time, cost and quality appears highly likely and there are no major outstanding issues that at this stage appear to threaten delivery.
Amber /Green	Successful delivery appears probable. However, constant attention will be needed to ensure risks do not materialise into major issues threatening delivery.
Amber	Successful delivery appears feasible but significant issues already exist requiring management attention. These appear resolvable at this stage and, if addressed promptly, should not present a cost/schedule overrun.
Amber /Red	Successful delivery of the programme/project is in doubt with major risks or issues apparent in a number of key areas. Urgent action is needed to ensure these are addressed, and establish whether resolution is feasible.

Each recommendation given in the Agency Healthcheck Review has been given Critical, Essential or Recommended status. The definition of each status is as follows:

Critical (Do Now) – To increase the likelihood of a successful outcome it is of the greatest importance that the programme/project should take action immediately.

Essential (Do By) – To increase the likelihood of a successful outcome the programme/project should take action in the near future.

Recommended – The programme/project should benefit from the uptake of this recommendation.