Social Security Scotland
Tèarainteachd Shòisealta Alba

Audit and Assurance Committee

Date of Meeting	Tuesday 25 August 2020
Subject	Audit Recommendations Update
Agenda No.	8
Paper No.	8.7
Prepared By	[Redacted]
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, the Agency's Health-check Reviews and Audit Scotland. The following information is provided:

- the context and purpose of this document including impacts as a result of Covid,
- a summary of progress,
- a brief overview of open and closed recommendations,
- an in depth status update of Internal Audit High Priority recommendations and Healthcheck Review recommendations,
- a table noting overall progress of Internal Audit and Agency Healthcheck Review recommendations.
- a table noting progress of Audit Scotland Actions and Investigatory Powers Commissioners Office recommendations.

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3.   Conclusions

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

3.2. Comment is welcomed from the Audit and Assurance Committee on the formatting and level and depth of information contained within

4.   GOVERNANCE CHECKLIST

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 reporting to both the Senior Leadership Team 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 data implications beyond the fact that there are recommendations made relating to staff.
Equalities	The report does not have any equalities implications.
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	N/A

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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.	

Impact Assessment
N/A

Social Security Scotland – Audit Recommendation Update

1   Purpose

The purpose of this document is to provide the Audit and Assurance Committee with an update of current open recommendations from all independent audit activity. It follows on from an extensive exercise carried out to identify the impact of Covid on the implementation of audit recommendations and to take account of the Committee previous comment on the report regarding outstanding recommendations.

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 what priority ratings they hold. Further information is contained within the following annexes:

Annex A – Internal Audit Recommendation Tracker
Annex B – Agency Health-check Review Recommendation Tracker
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 – Heatmap by Division

All recommendations in **Annex A** are rated as according to Internal Audit scoring. For the purposes of this report, this rating structure has been applied to Internal Audit recommendations only, with all others following their own rating structure.

For the first time in this report we have also been able to provide an update on the recommendations made by the Investigatory Powers Commissioners Office at **Annex D**. You should be pleased to note that two of the four recommendations are now closed, with the remaining two in progress.

Annex F provides a Heatmap of reports and their assurance levels, broken down by division at the Deputy Director level and rated in accordance with the assurance ratings in **Annex E**.

3   Summary of Progress

With increased resource, the Corporate Assurance Team is now taking a more involved role in gathering evidence wherever possible when following up on the implementation of all audit recommendations.

At the last Audit and Assurance Committee we agreed that an analysis would be undertaken on all open audit recommendations. This was to acknowledge the number still open, and to provide additional assurance that work was still in progress. At the same time, Covid occurred and therefore the analysis took account of this, and asked for each action owner to consider their recommendations and advise where this had an impact on timescales. Where there is ,we have noted this with the Annex A.

Within the team we have also assigned leads to each Division. This will allow us develop a good understanding of the work in each area and enable updates to be provided more regularly.

As a reminder the Corporate Assurance Team will not close off any recommendations. This will only be done by the Internal Audit Directorate once they have undertaken their formal follow up. If the follow up records a recommendations 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.

The below table indicates the overall assurance ratings given by Internal Audit reports to date.

| Overall Assurance Level – Internal Audit Reports	Number of Reports
Substantial Assurance Controls are robust and well managed	2
Reasonable Assurance Controls are adequate but require improvement	11
Limited Assurance Controls are developing but weak	3
Insufficient Assurance Controls are not acceptable and have notable weaknesses	0

As things stand, three reports containing high priority recommendations have been issued by Internal Audit. This includes the report on Reporting and Assurance

Functions, The Resilience - Business Continuity and the Operations. Further information regarding the high priority recommendations is contained within section six of this report.

4   Open Recommendations[1]

The first table presented covers the recommendations from latest two Healthcheck Reviews, the most recent which completed in March 2020. You will see later on in the report that positive progress has been made on the recommendations made in 2019, and work has begun on the response to the most recent. These recommendations are wide ranging, and as a result implementation is not immediate. The Corporate Assurance Team will work with teams to agree an appropriate closure and present this to the Audit and Assurance Committee in due course.

Graph 1 – Total Health-check Review Recommendations
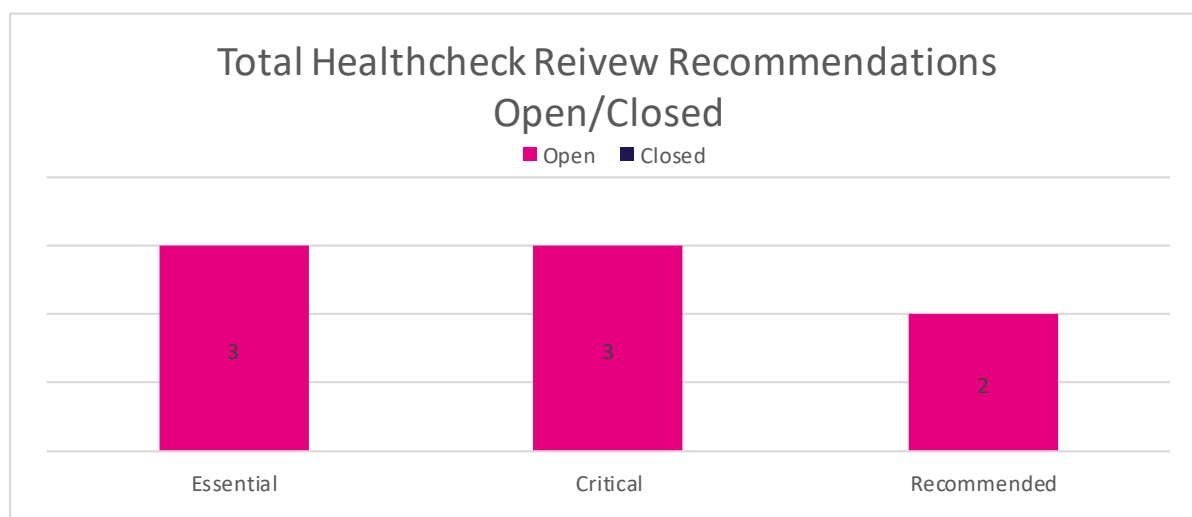
The chart above shows the total of open and closed recommendations from the Healthcheck Review. It can be seen we have 3 open at essential status, 3 open at critical status and 2 open at recommended status.

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[1] Please note that within some recommendations there are multiple aspects with different action owners. In instances where the progress of each aspect is at different stages of implementation, the progress will be recorded as that of the lowest performing aspect, i.e. if parts 1(a) and 1(b) of a recommendation have been fully implemented but part 1(c) is likely to be delayed, the recorded status of that recommendation would be 'at risk of slippage'.

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Graph 2 – Total Internal Audit Recommendations Open/Closed

Total Internal Audit Recommendations Open/Closed

Priority	Open	Closed
High Priority	17	
Medium Priority	22	15
Low Priority	8	10

■ Open ■ Closed
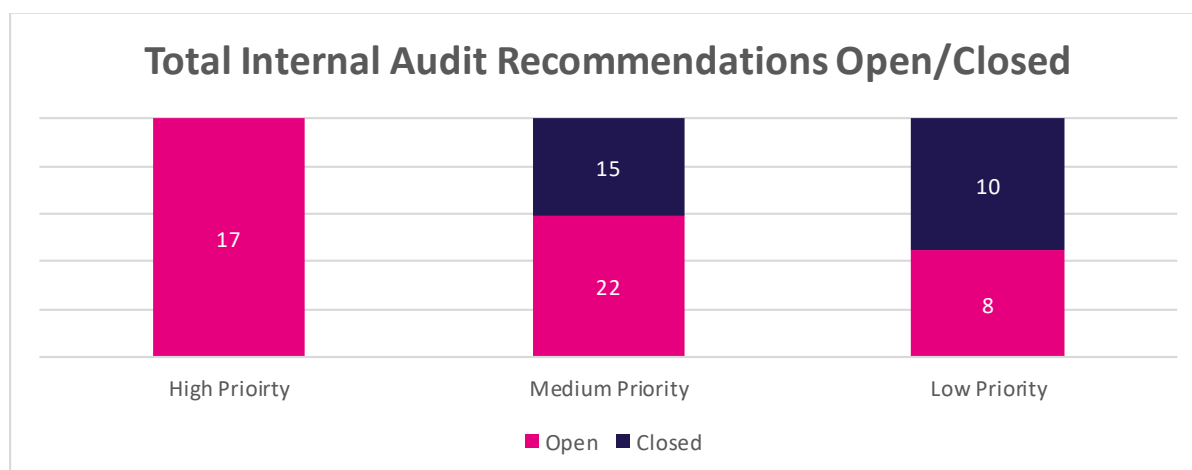
The current status of open internal audit recommendations, including those with multiple aspects within one recommendation, can be seen in the above graph.

You will note there has been an increase in high priority recommendations and this is as a result of the most recent reviews into Operations and Resilience. Updates on progress are provided later in the report, however in regards to the Operations Review resource between the Change and Transformation Team and Operations has been identified with a specific focus on these recommendations and they will be working in collaboration with Social Security Programme colleagues to secure their implementation. A follow up review of the Reporting and Assurance review is also expected soon where we expect to close off a number of these high priority recommendations.

Graph 3 – Internal Audit Recommendations by Progress Status

Total Internal Audit Recommendations by Priority and Progress Status
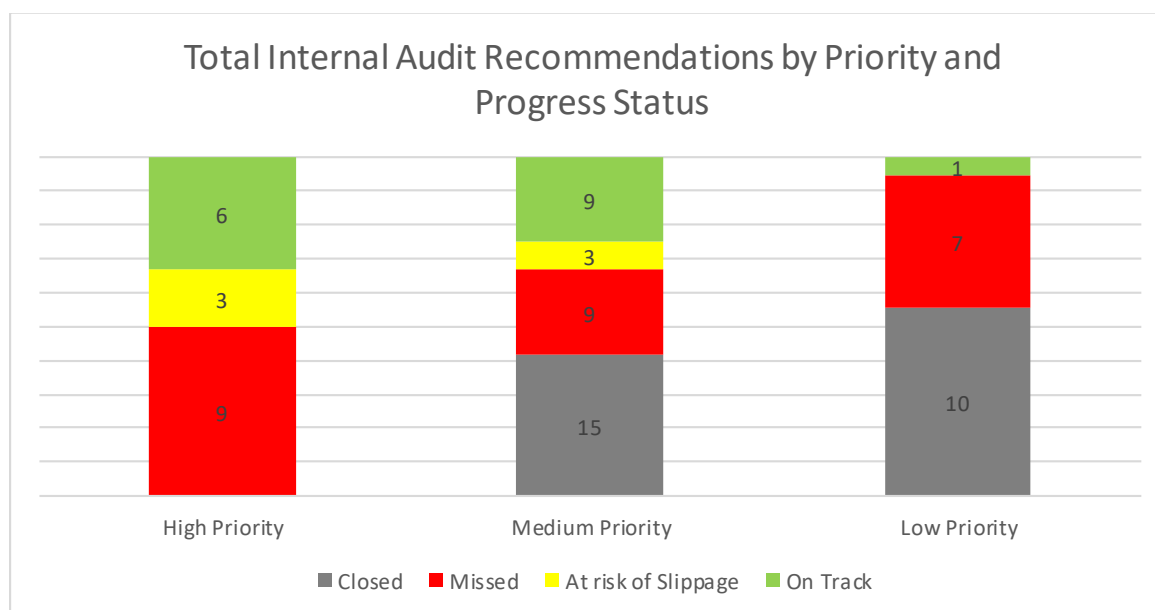
For a more comprehensive breakdown of the above please see **Annex A** which illustrates which report each recommendation sits against and provides an overview of their current status.

You will note there are a number that have been missed and some at risk of slippage. Much of this has been as a result of Covid, and to provide more context please see the graph below. While this is a disappointing, it is not surprising, however over the past few weeks we have seen activity in these areas resume so we would expect progress to be made. We will however work with Internal Audit to consider changing some of the timescales.

Graph 4 – Internal Audit Recommendations Missed due to COVID
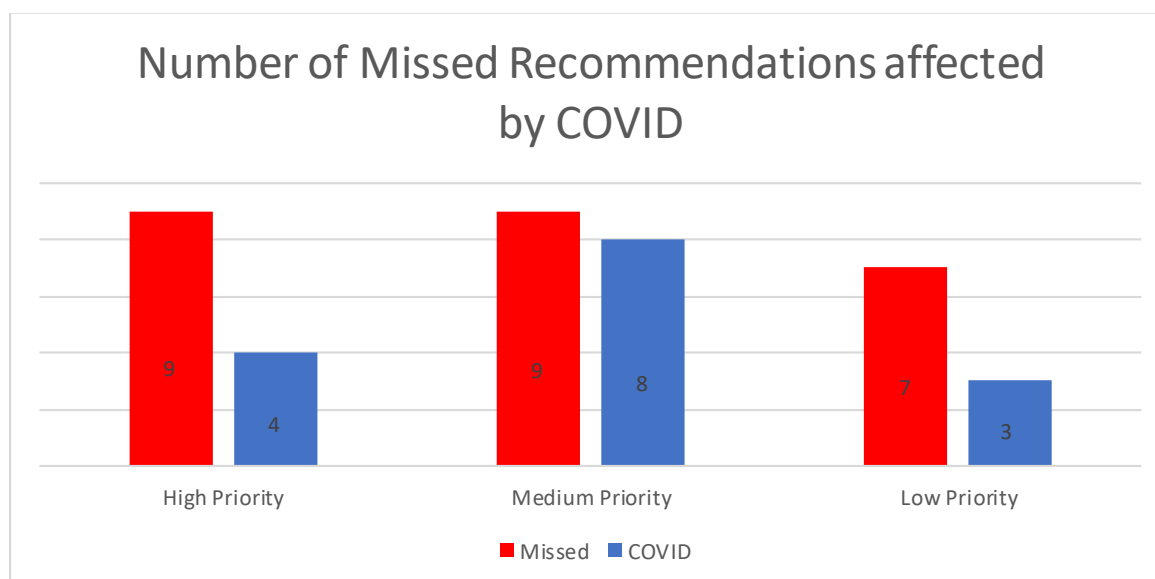
Shown above, is a chart showing out of the total number of missed recommendation the number affected by COVID.

- Out of a total of 9 missed High priority recommendations, 4 of these were due to COVID.
- Out of a total of 9 missed Medium priority recommendations, 8 of these were due to COVID.
- Out of a total of 7 missed Low priority recommendations, 3 of these were due to COVID.

5   Closed Recommendations

Follow-up Internal Audit reports into Risk Management, GDPR and Data Handling, Interim IT Systems: Support and Maintenance have been completed and issued. All recommendations have now been fully implemented from these reviews.

The follow-up Internal Audit report into Development of Key Performance Indicators (KPIs) found one recommendation has been partially implemented, this remains open and actions are being taken to implement.

6 High Priority Recommendations Status Update

The below table provides a current status update of the **High Priority** recommendations only, as made by Internal Audit. The update in this area has increased due to recommendations made on both the Business Continuity and Operations reviews undertaken towards the end of 2019/20 financial year. It is worth noting that there have been particular delays with the implementation of the Business Continuity Review as a result of Covid, and as a result discussions will be held with Internal Audit to agree revised implementation deadlines.

Report and Source	Recommendation	Update	Status & Due date
Resilience – Business Continuity Planning			
Resilience - Business Continuity Planning Rec 1	Business continuity documentation including the Business Continuity Framework and individual plans are still to be completed and published. .	A) The Business Continuity Framework was presented to the Executive Team and Agency Leadership Team in January 2020 and has been approved. B) Some initial work was done in December 2019 to create incident log and incident reporting documents. There has been no further developments as a result of Covid, as all Business Resilience resource has very much focused on Covid-19. With Covid-19 ongoing it is difficult to suggest new deadlines - possibly end Oct 2020 for all templates to be created. C) Again, Covid has delayed any activity in this area. Once part B) is complete and we have the necessary templates in place work will begin on creating the training course.	Risk of slippage a) End Feb 2020 b) End June 2020 c) Jun-Dec 2020

Resilience - Business Continuity Planning Rec 2	a) At present no exercise has been undertaken to identify the Critical Activities, prioritisation of these and timescales for recovery to enable the continued operation of Social Security Scotland. b) In addition, for third party suppliers who play a role in Social Security Scotland's business continuity and continuation of the critical activities, it is not clear whether agreements with the third party suppliers reflect business continuity needs to ensure the required level of support and service is provided in the event of the business continuity plans being invoked.	No further developments in this area as a result of Covid. Discussion will be held with Internal Audit to agree new deadlines.	Risk of slippage a) Jun - Dec 2020 b) Jun - Dec 2020

Resilience - Business Continuity Planning Rec 4	Prior to new benefit launches some impact assessments were undertaken and workarounds were considered in case of failure. However, there has not been any ongoing scenario testing or rehearsals in relation to business continuity since Social Security's inception.	A desktop exercise was conducted in October 2019 and an exercise report was created and issued to those in attendance. Further live incidents occurred in Dec 2019, and lessons learnt and debriefs issues to relevant parties. Covid-19 has been a significant Business Continuity exercise too, with the requirement to have all staff working from home with very little planning time. Several business continuity solutions have been designed and implemented to allow us to continue delivery of our key services and products.	Risk of slippage Jul 20 – Jan 21 Jul 20 – Jan 21

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Report and Source	Recommendation	Update
Operations		
R 2	**[Redacted]**	The project team leading on the response to this review is currently arranging meeting with various operational stakeholders to discuss strategies to effectively address these issues. Further work is also underway to identify and replicate the examples that were highlighted in the test environment for correction. **[Redacted]**
R 3	Processes and Procedures Through our testing we identified some gaps in current methodologies **[Redacted]**	Work is on-going, a Business Analyst has been assigned to work on a solution for this recommendation. Meetings have been arranged with Operational stakeholders to review the approach. Discussions with the policy and legal team are planned, to seek further advice regarding defining the Approvals and Denials process.
R 4	Issue:- SPM & Systems Technical Issues A number of technical issues were identified through-out our testing:	Progress has been made on this recommendation and some issues have been addressed.

	Letters generated on SPM with status Not Processed **[Redacted]** Only being able to view 100 cases (not in any order) in any work queue, for example; suspended cases.	[Redacted]
R 5	[Redacted]	You will note update on Quality Assurance Framework referenced in other recommendation updates. Operations continue to undertake appropriate line management assurance checks and sample checking on approved and denied cases to identify training issues, gaps in guidance and potential fraudulent activity.
R 6	Issue:- Management Information There is a limited amount of management information available from SPM in relation to benefit applications including: Work queues - for example suspended cases **[Redacted]** Applications out with processing Service Level Agreements	Work is ongoing to introduce a reporting tool into SPM. This will assist Operations to have a better overview of applications, assist with some management information and allow for better modelling.

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Report and Source	Recommendation	Update	Status & Due date
Resilience – Reporting and Assurance			
Rec 1	MOUs There were a number of Memorandum of Understandings (MOUs) indicated during the review, in place between SSS or SG core and DWP. Our concern is these seem to be in place with individual areas and may not have been collated to ensure that responsibilities under each MOU have been communicated to the relevant business area (including internal audit requirements) or indeed if there are any gaps.	Meetings have now taken place with both the Operations and the Data Protection Teams. These two teams are the principal 'owners' of obligations from the formal agreements. They are now fully aware of their obligations and able to ensure that the organisation is adhering to these. New obligations are captured and shared with relevant owners as and when new agreements are signed. Overall, the Quality Review process is working well and awareness of this area across the organisation has steadily increased. Due to current situation, the frequency of Quality Reviews has slowed, allowing some time to reflect on and improve processes.	Missed – (Complete) Internal Audit Follow Up due.

Rec 2	Quality Assurance and Checking Processes and Controls [Redacted]	Following continuous improvements a final process was agreed, signed off by all relevant stakeholders and implemented w/c 16/3/2020. All Searchlight Users have undertaken refresher training and for new staff the new guidance has been updated. Following implementation three weekly checkpoints are in place to monitor compliance/quality issues and feedback loops have been established. Early findings are that volumes of cases with issues are decreasing monthly, moving forward dialogue will continue to monitor improvements and address issues found. [Redacted]	Missed – but work in progress. Internal Audit Follow Up due.
Rec 2.2	2) We noted also that only one person has access rights to retrieve the data from the eSEF system.	There are a pool of officers in place all based in Dundee -Mail room Team. They are able and cover absences so that this is covered every day.	Missed – complete Internal Audit Follow Up due
Rec 2.3/2.4	3) Currently Counter Fraud and Operations are still developing process and controls, for quality assurance and error detection. [Redacted]	Since the previous update there has been a refresh of thinking and work has begun to ensure that the Quality Assurance Framework sets out our approach not only to Operational Quality Assurance but also our approach to the Clinical Quality Assurance that will be required for the Wave 2 benefits. An Agency Project Owner has been appointed, key stakeholders identified and additional resource secured to support this work. Workshops have taken place during early June and further workshops will take place throughout the month. A draft has also been presented to Agency Leadership Team for review. Social Security Programme has recently appointed a new Product Owner to take	Missed – but work in progress. Internal Audit Follow Up due.

		forward the development of the audit Minimum Viable Product for Scottish Child Payment. A number of workshops and meetings have been held throughout June. Work to formalise the Risk and Controls framework at First Line level has begun, with Operational Finance now complete and Fraud and Error Resolution in progress. All business areas will be supported in this process before consideration is given to Second Line controls. It is anticipated this will continue throughout 2020/21. Work to finalise the policy statement relating to collaboration between Internal Investigations and Controls and People Advice and Support continues. [Redacted]	
Rec 2.5	Terminology relating to performance/management / percentage/audit/fraud etc. is inconsistent and confusing across Agency and Programme.	We are continuing to work on the development of an Assurance Framework for the Agency . Work in this area has been delayed due to conflicting priorities and to some extend by the impact of Covid-19, however now the Corporate Assurance Team has increased resource work has been started again. We have presented an outline of our work to the Agency Leadership Team.	Missed – but work in progress. Internal Audit Follow Up due.
Rec 3	Issue:- [Redacted]	[Redacted]	Missed but in progress
Rec 4	The nature of programme delivery means that Operational Policies are	The risk here is a consequence of Agile and such we review and update guidance as agile systems develop. That continues to be the case and we review guidance and processed in conjunction with product owners as systems develop.	In progress

		not developed by the Agency prior to processes and controls being designed. This will likely lead to process development which require retrospective amendment.		

7   'Essential' and 'Critical' Recommendations Status Update – Agency Healthcheck Review

The below table provides a current status update of the 'Essential' and 'Critical' recommendations made in the two most recent Agency Healthcheck Review (2019 and 2020). We would note that while we have accepted the recommendations from the 2020 review, a formal response to the recommendations has not yet been submitted as a result of Covid. We are engaging with the Social Security Programme and below is an indication of our planned responses and work in progress.

Report and Source	Risk	Update	Owner	Status
2019 Report				
R1 Critical	The Agency should acquire the resource to provide meaningful frontline contribution to Wave 2 service design and enhancements that affect customer operational experience.	[Redacted] From **Fraud/Finance** we have significantly added to our headcount and built capacity across all areas of finance, counter fraud, error and debt to assist with wave 2 service design. We continue to encourage the programme to take a strategic and coherent approach to the design of internal control for all benefits, including those for wave 2. From **Operations**, this exercise has been completed and the successful candidates in place. We are looking to bring those on reserve lists on board before the end of 2021. The launch date for Child Disability Payment has changed due to the impact of Covid. All recruitment was paused for a time, we are looking to recommence recruitment to have staff in place for the new launch date.	Agency wide	On track

R2 Essential	The Agency should develop measures that demonstrate its efficiency of operation consistent with its delivery philosophy.	[Redacted]	Operations and Strategy and Client Experience	On Track

R3 Critical	Priority should be given to analytical work to improve forecasting of potential expenditure on 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.	• Communities Analyst Division quality assured all of the Scottish Fiscal Commission forecasting models as part of the forecasting rounds for the development of the Scottish Fiscal Commission forecasts that will inform the 2020-21 Scottish Government budget. • To support the monitoring of expenditure, since the last update the Benefit Forecasting Review group had their regular monthly meetings on 12 Dec 2019 and 23 Jan 2020.	[Redacted]	On Track

Report and Source	Risk	Update	Owner
2020 Report			
R1

[Redacted] | Social Security Scotland should work with the Social Security Programme to ensure that [Redacted] | [Redacted] | Change and Transformation Team |
| R2

[Redacted] | Social Security Scotland should [Redacted] | [Redacted] | Agency Wide |
| R3
[Redacted] | Social Security Scotland should identify the [Redacted] | [Redacted] | Agency Wide |

R4 [Redacted]	Engage with the Social Security Programme to establish [Redacted]	[Redacted]	Operations/Strategy and Client Experience
R5 [Redacted]	[Redacted]	[Redacted]	Agency Wide

8   Conclusion

It is clear that there has been an impact of Covid on the implementation and response to a number of our audit recommendations. This is not unexpected and is an impact being felt across the public sector. We have however moved closer towards business as usual activity, and in liaison with audit areas have seen progress in many areas.

Further work is required to ensure that all outstanding recommendations are implemented and to monitor additional recommendations made throughout the year. The Corporate Assurance Team will work with the new Divisional Business Support Network to support this.

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 the high priority recommendations have been implemented.

Feedback is sought from the Audit and Assurance Committee to contribute towards ongoing improvement in respect of improving the overall recording and reporting mechanisms to ensure a robust approach to the management of recommendations and to provide assurance to the Accountable Officer.

Title & Date of Publication	Priority Rating	No. Open & Priority				Comments	Owners
		Closed	Missed	On track	At risk of Slippage		
Interim IT Systems – Support and Maintenance Final Report: 22/10/19 Follow-up Report: 24/06/20	H					Internal Audit have published the follow up report confirming these have all been closed.	Chief Digital Office
	M	3					
	L	2					
Assurance Rating:	Reasonable						

Title & Date of Publication	Priority Rating	No. Open & Priority				Comments	Owners
		Closed	Missed	On track	At risk of Slippage		
Resilience - Business Continuity Planning Final Report: 27/01/20 Follow-up Report: TBC	H			1	3	These recommendations are being progressed, however they have all been impacted by Covid. Some recommendations can only be partially completed until plans are in place.	Operations
	M		1	1	3		
	L						
Assurance Rating:	Limited						

Title & Date of Publication	Priority Rating	No. Open & Priority				Comments	Owners
		Closed	Missed	On track	At risk of Slippage		
Local Delivery Final Report: 16/04/20 Follow-up Report: TBC	H						
	M		2			The missed recommendations are due to the impact posed by COVID. A new deadline is to be agreed with Local Delivery and will be reflected in next report.	
	L						Operations

Assurance Rating: `Reasonable`

Title & Date of Publication	Priority Rating	No. Open & Priority				Comments	Owners
		Closed	Missed	On track	At risk of Slippage		
Operations Final Report: 06/05/20 Follow-up Report: TBC	H			5		Progress is being made to complete these recommendations. A product lead has been assigned for all Operations recommendations	
	M			1			
	L						Operations

Assurance Rating: `Limited`

Title & Date of Publication	Priority Rating	No. Open & Priority				Comments	Owners
		Closed	Missed	On track	At risk of Slippage		
Interim Estates Management Arrangements Final Report: 31/01/20 Follow-up Report: TBC	H						Corporate Services
	M		2			Due to COVID progress has delayed completion of these recommendations. Actions are underway but a revised deadline date will be agreed.	
	L		2			As above	
Assurance Rating:	**Reasonable**						

Title & Date of Publication	Priority Rating	No. Open & Priority				Comments	Owners
		Closed	Missed	On track	At risk of Slippage		
Management of Shared Services Final Report: 29/01/20 Follow-up Report: TBC	H		1			Recruitment for recommendation 1 has been completed and will commence from September 2020	Corporate Services
	M		1			Recruitment delayed due to resource being pulled back.	
	L		1			As above delayed due to resource	
Assurance Rating:	**Reasonable**						

Title & Date of Publication	Priority Rating	No. Open & Priority				Comments	Owners
		Closed	Missed	On track	At risk of Slippage		
Budgets, Expenditure, Monitoring & Reporting Final Report: 18/03/20 Follow-up Report: TBC	H						
	M	1	2			The two missed have been delayed due to COVID pause on recruitment. New date to be agreed.	
	L		2			As above delayed due to resource	Finance
Assurance Rating:	Reasonable						

Title & Date of Publication	Priority Rating	No. Open & Priority				Comments	Owners
		Closed	Missed	On track	At risk of Slippage		
Travel Management Final Report: 04/05/20 Follow-up Report: TBC	H						
	M			2		Saltire review is currently being worked on and tested prior to release to the Agency	
	L		1			There was an initial roll out of the recommendation, but due to COVID has caused delays. Work has now restarted and should be completed by October.	Corporate Services
Assurance Rating:	Reasonable						

Title & Date of Publication	Priority Rating	No. Open & Priority				Comments	Owners
		Closed	Missed	On track	At risk of Slippage		
Report and assurance function Final Report: 26/7/19 Follow-up Report: TBC	H		8			We are aware that the deadlines for each of these recommendations have been missed. We can provide assurance that work however is in progress, and we will be able to demonstrate further progress as part of the expected follow up review which is soon. See above for further detail on progress	Agency Wide
	M						
	L						
Assurance Rating:	Limited						

Title & Date of Publication	Priority Rating	No. Open & Priority				Comments	Owners
		Closed	Missed	On track	At risk of Slippage		
Risk Management Final Report: 26/7/19 Follow-up Report: 30/01/20	H					The one recommendation on track is a low level risk that Internal Audit have indicated risk has been mitigated.	Organisational Strategy, Operational Policy and Corporate Assurance
	M	3		1			
	L						
Assurance Rating:	Reasonable						

Title & Date of Publication	Priority Rating	No. Open & Priority				Comments	Owners
		Closed	Missed	On track	At risk of Slippage		
Business Planning Final Report: 04/04/19 Follow-up Report: TBC	H					The Corporate plan was initially due for Spring 2020, this date has now been moved to Autumn 2020.	Organisational Strategy, Operational Policy and Corporate Assurance
	M			2			
	L						
Assurance Rating:	**Reasonable**						

Title & Date of Publication	Priority Rating	No. Open & Priority				Comments	Owners
		Closed	Missed	On track	At risk of Slippage		
Change management Final Report: 04/05/20 Follow-up Report: TBC	H					Progress on these recommendations have begun. Due to COVID there were delays in starting. As a result a review of the timeline has been made	Change and Transformation Team
	M			2			
	L		1	1			
Assurance Rating:	**Reasonable**						

Title & Date of Publication	Priority Rating	No. Open & Priority				Comments	Owners
		Closed	Missed	On track	At risk of Slippage		
Governance Final Report: 10/01/19 Follow-up Report: 04/06/19	H					**Recommendations 1** has not been implemented. Decision was made to take an alternative approach to allow Executive Advisory Body to mature. **Recommendations 2** is Partly implemented, a revised governance paper will be presented to Senior Leadership Team.	Strategy and Client Experience
	M	4	1				
	L						
Assurance Rating:	**Reasonable**						

Title & Date of Publication	Priority Rating	No. Open & Priority				Comments	Owners
		Closed	Missed	On track	At risk of Slippage		
Development of Key Performance Indicators (KPIs) Final Report: 5/4/19 Follow-up Report: *16/03/20*	H					All recommendations fully implemented	Organisational Strategy, Operational Policy and Corporate Assurance
	M	2					
	L						
Assurance Rating:	Reasonable						

Title & Date of Publication	Priority Rating	No. Open & Priority				Comments	Owners
		Closed	Missed	On track	At risk of Slippage		
General Data Protection Regulation (GDPR) Final Report: 27/8/19 Follow-up Report: 18/06/20	H					All recommendations fully implemented	Data Protection and Information Governance
	M	**2**					
	L	**4**					
Assurance Rating:	Reasonable						

Agency Healthcheck Review Recommendations Progress Tracker

Priority Grading Key	C	Critical		E	Essential	R	Recommended

Title & Date of Publication	Priority Rating	Number Open & Priority Grading				Comments	
		Closed	Missed	On track	At risk of Slippage		
Agency Healthcheck Reviews **May 2018 February 2019 March 2020**	C			2		Five of the recommendations on track are from the most recent review. Our response to the most recent review is in its final stage taking account of the impact of Covid on those recommendations.	
	E	1		7			
	R			2			

Assurance Rating:	Amber / Green	Please see Annex C for definition

Audit Scotland Recommendations – Action Plan			
Recommendation number and Issue	**Status**	**Comments**	**Owners**
1. SPM System Controls	On track	Work is ongoing working with programme to improve the system controls within SPM. As we work in an agile environment this will be remain an area of ongoing development. A working group led by Change and Transformation Team has also been set up to respond to recommendations relating to this identified through Internal Audit.	Deputy Director for Finance and Corporate Services
2. Assurance from Department for Work and Pensions	On track	Further discussion with the Department and Work of Pension have been held, covering the main points outlined in the recommendation. There are weekly calls arranged to agree [Redacted]	Deputy Directory for Strategy and Client Experience
3. Fixed Asset Register	Closed	The detailed information relating to this recommended will be provided as part of the external Audit. The recommendation is now complete and can be closed.	Finance
4. [Redacted]	On track	In progress. Programme is working with Agency Live Operations Team to introduce a more robust Ordinary Residence check for low income benefits. This is scheduled to go live on 14th September.	Organisational Strategy, Operational Policy and Corporate Assurance
5. Preventing Fraud and Error	On track	Good progress made, investigative arm of the business is now live. [Redacted]	Fraud and Error Resolution Unit
6. Monitoring Fraud and Error	On track	Work has commenced and analytical colleagues from Social Security Operations and Delivery Analysis have been commissioned and a plan for development of this work is being agreed. Intention is for this piece to be commissioned out to ensure a robust and independent approach. In the meantime, the tactical solution will continue to apply.	Fraud and Error Resolution Unit

7. Medium to Long Term Financial Planning	On track	In progress, Workforce Planning Group in place.	Deputy Director for Finance and Corporate Services
8. Performance Management Arrangements	On track	Social Security Scotland's Strategy, Policy and Corporate Assurance Team are aware of the need for objectives and KPIs to have measurable metrics and work is in hand, in partnership with analysts, to identify appropriate metrics. Systems to capture data for collation into reports are still in development and we are engaging closely with Programme colleagues on this . We will also consider this in the context of us being a growing organisation. This means developing a performance reporting framework that accurately reflects the stage that the Agency is at in its life. We expect that the output of this work, in the form of published performance metrics and milestones will be included in the Agency's refreshed Corporate Plan (Autumn 2020)	Organisational Strategy, Operational Policy and Corporate Assurance

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

The table below is an update on progress made on the list of recommendations published from the Investigatory Powers Commissioner's Office Inspection Report (September 2019).

Number	Recommendation	Updates
R1	[Redacted]	[Redacted]
R2	[Redacted]	[Redacted]
R3	[Redacted]	[Redacted]
R4	[Redacted]	[Redacted]

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.

Agency Healthcheck Review – Delivery Confidence Assessment RAG

The below table applies to the recommendations made in Annex B and in Section 7 "'Essential' and 'Critical' Recommendations Status Update – Agency Healthcheck Review" (pp.12-14)

RAG		Criteria Description
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 Heathcheck 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.

Recommendation Heat map

The below Heat Map provides an overview – the colour grading structure is applied as per the definitions given in Annex C and offers a general recommendation priority landscape, broken down by Deputy Director Divisions.

Recommendation Heat Map