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Directorate for Internal Audit and Assurance

Audit and Assurance Committee Progress Report

Social Security Scotland 2021-22

15 February 2022

Directorate for Internal Audit and Assurance

Issue Date: 7-02-2022

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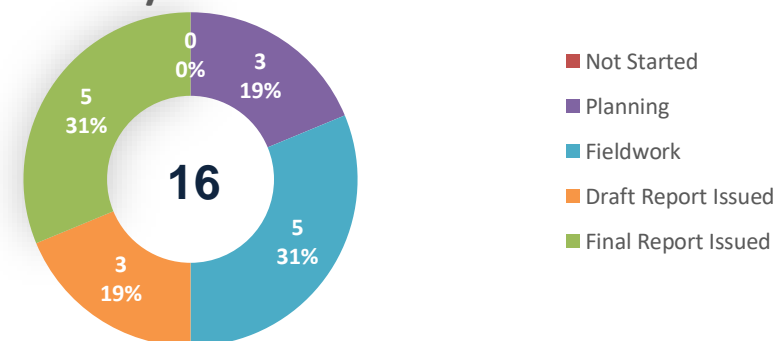
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1. Progress Highlights

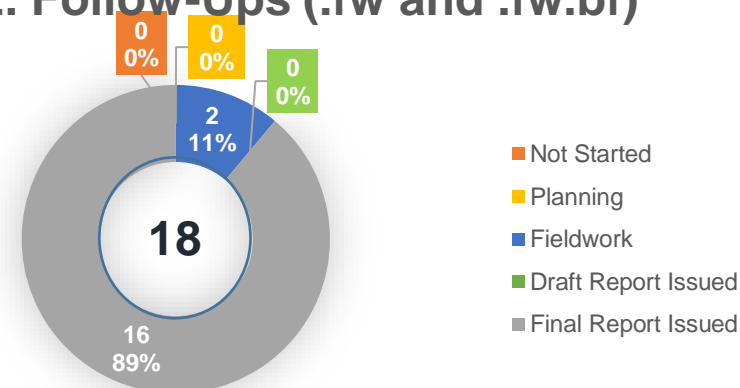
1.1. Key Messages

- Progress is being made against the Annual Plan. The diagrams opposite summarise progress made as at 1st February 2022. We are on track to deliver the Social Security Scotland Internal Audit Plan in full by the end of the year.
- An update on the Assurance work undertaken since the previous Audit and Assurance Committee is detailed in [Table 1](#) in [Annex A](#).
- Further detail of Advisory work undertaken during the year is provided in [Table 2](#) in [Annex A](#).
- Progress on the follow up reviews completed since the last meeting, highlighting managements progress with the implementation of agreed high and medium priority recommendations is provided in [Table 3](#) in [Annex A](#).

1. 2021/22 Assurance Reviews



2. Follow-Ups (.fw and .fw.bf)



- Revised Annual Plan is shown in [Annex B.](#)
- The latest Internal Audit Strategic Matters, Integrated Assurance and Strategic Best Practice / insight sharing is provided in Section 2 below.

2. Directorate for Internal Audit and Assurance Strategic Update

2.1. Internal Audit Strategic Matters

- 2.1.1.** At the time of writing this report the 2022/23 Social Security Scotland Draft Annual Plan was still being discussed with Management. We will provide a verbal update on development of the plan, including late circulation of the detail if that has been possible. If details are not circulated, we will provide members with the final proposed plan for comment via correspondence.
- 2.1.2.** The co-source partnership with EY is now into its third year, and continues to perform well. EY has provided a range of resource to supplement the Internal Audit service, and has also undertaken a number of assignments directly for clients. There has been strong continuity of engagement from the EY senior team and their staff have developed a very good working knowledge of the Scottish Government and its systems. As a result, the Internal Audit Division has benefited from a range of added value and insights activity which has contributed to the continuous improvement programme.

2.2. Integrated Assurance Update

- 2.2.1.** The Head of Counter Fraud Profession within the Directorate for Internal Audit and Assurance is currently drafting a strategic Counter Fraud Plan. Clear actions have been set out, with a focus on establishing the Scottish Government's fraud risk profile through fraud risk assessments throughout Director General areas, developing the Scottish Government's counter fraud culture through communication, engagement and training, and building counter fraud networks, and a range of measures to improve fraud risk assurance.
- 2.2.2.** The Head of Counter Fraud Profession is engaging with individual Director General areas with the intention to map out key areas of Scottish Government spend activity. Work will follow to determine inherent fraud risks and provide the Scottish Government with

a high level fraud risk assessment. It is hoped this work will be complete by April 2022 and the output then used for the assessment of resource requirements, as well developing the Scottish Government's 'Fraud Universe' – a fraud risk register covering core Scottish Government activities.

2.3. Strategic Best Practice

- 2.3.1.** The Deputy Director of the Public Bodies and Third Sector Unit conducted an Accountable Officer development event in December 2021. The event provided an overview of the AO role along with the challenges and opportunities faced, reflections from DG Communities, case studies as well as updates from Audit Scotland and the clerk to the Public Audit Committee. A copy of the presentation has been provided for members.
- 2.3.2.** The Government Internal Audit Agency has published “Government Functional Standard GovS 009: Internal Audit” (July 2021), which sets the expectations for internal audit activity to enhance the effectiveness and efficiency of governance, risk management and control in government organisations. Although it is primarily intended for UK Government organisations, it is relevant to the SG and Scottish public bodies and is consistent with Public Sector Internal Audit Standards. We will be using it to inform our future Internal Quality Assessment activity and would likewise encourage our client Accountable Officers and Audit Committees to use the document to benchmark the internal audit services we are providing. [Government Functional Standard GovS 009: Internal Audit - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/government-functional-standard-govs-009-internal-audit)

Annex A Internal Audit Plan and Progress 2021-22

The below table sets out the current status of each review.

Table 1 – Assurance Work

Audit Title	Planned Quarter	Progress to Date	Comments
Operations Compliance	All Year	Fieldwork Complete	Sample testing of live Low Income Benefits and Client Experience Redeterminations, Internal Reviews and Appeals is now complete and we have shared with management the detailed findings from this work. A draft report has been prepared and will be included in our next update to the Audit and Assurance Committee once finalised.
Disability and Carer's Benefits Readiness	All Year	Fieldwork Ongoing	Fieldwork for this review is ongoing. We have completed our review of training and guidance and a management letter has been drafted. The next phase will consider resourcing readiness, and finally we will consider the processing journey and the interaction between teams involved in the process. A final report will be issued at the end of the year which will be shared with the Audit and Assurance Committee.
Internal Controls	All Year	Fieldwork Ongoing	Fieldwork commenced at the beginning of November 2021. This review is focussing on benefit eligibility criteria and assessing the controls in place to assess eligibility for benefit applications. A report will be produced at the end of fieldwork and shared with the Audit and Assurance Committee at our next meeting.

Chief Digital Office (CDO) Transition into Social Security Scotland	1	Draft Report Issued	The draft report has been issued and an initial management response has been received. The final report will be shared at the next Audit and Assurance Committee
Residency	1	Draft Report Issued	The draft report has been issued and an initial management response has been received. The final report will be shared at the next Audit and Assurance Committee
Covid-19	2	Final Report Issued	Final report shared at last meeting
Equalities and Diversity	2	Final Report Issued	The final report was issued on the 1st February with Reasonable Assurance. Please see Annex C
Client Experience	2	Final Report Issued	Final report shared at last meeting
Social Security - Scottish Child Payment In-depth Review	2	Final Report Issued	The final report was issued on the 22 nd December with Reasonable Assurance. Please see Annex D
Agency Agreements	3	Fieldwork Ongoing	Due to an earlier than expected transition of the Formal Agreements Team, this has been changed to an Advisory review to assess the arrangements being established by the team in Social Security Scotland.
Budget Setting	3	Draft Report Issued	Fieldwork for this review has now been completed and the draft report issued. The final report will be shared with the Audit and Assurance Committee at the next meeting.

Learning and Development	3	Final Report Issued	The final report was issued on 12 th January with Substantial Assurance. Please see Annex E
SPM / Technical Debt	3	Draft Report Issued	The draft report has been issued and an initial management response has been received. The final report will be shared at the next Audit and Assurance Committee
Counter Fraud/Error	3	Fieldwork Ongoing	As reported at the last meeting, this review is now being undertaken as Advisory, with a focus on Payment Correction Cases. Fieldwork is ongoing and a management letter will be issued once complete.
Recruitment	4	Fieldwork Ongoing	Fieldwork for this review commenced in January and due to completed in February. The final report will be shared with Audit and Assurance Committee members at the next meeting.
Productivity and Efficiency	4	Planning Underway	Planning is underway for this review, with further discussions to agree the scope to be held on 9 th February and fieldwork to commence at the end of February.
Workforce Planning	4	Fieldwork Starting	The scope of this review has been agreed with management. The fieldwork is due to commence on 7 th February 2022. Final Report will be shared at the next Audit and Assurance Committee.
Child Disability Payment In-depth review	4	Fieldwork Starting	The scope of this review has been agreed with management. The fieldwork is due to commence on 7 th February 2022. Final Report will be shared at the next Audit and Assurance Committee.

Table 2 – Advisory Work

Advisory Title	Status	Progress to Date
Culture	Complete	<p>We shared output from our work with Social Security Scotland via a slide deck to detail the work undertaken, the feedback we obtained through all of our focus groups and discussions and a listing of some suggestions for future consideration.</p> <p>Our Overall Culture Assessment:</p> <ul style="list-style-type: none"> • Good foundations are in place in relation to culture, this is despite the organisation continuing to grow at pace, developing processes, as well as new ways of working as a result of the pandemic and home working. • As a maturing organisation, Social Security Scotland have a solid foundation of values to build upon, which are embedded across the organisation. • The organisation however faces challenges in maintaining a positive culture as it continues to grow rapidly and barriers may dilute culture over time. <p>There is a need to ensure management safeguard the good practice established and prioritise and continue to review and improve risks/issues identified in relation to culture from various streams of work.</p>
Governance	Ongoing	We plan to undertake a post implementation assessment of the governance structure reforms to determine how the implementation has progressed and whether desired outcomes have been achieved.
Decision Support Team Processes	Complete	Providing advice to colleagues as methodologies and processes for the Decision Support Team are developed.

Clinical Division Recruitment	Complete	Discussions regarding lessons learned following their recruitment campaign.
Quality Assurance Framework	Ongoing	Work is ongoing in both Social Security Scotland and Programme in relation to Quality Assurance Framework. Internal Audit are providing advisory support as and when requested.
Corporate Assurance Team	Ongoing	Provision of support and information to new members of the Social Security Scotland Corporate Assurance Team
Audit is your friend sessions	Complete	Participation in sessions in October and November to advise on the role of Internal Audit and the processes we undertaken in order to raise awareness and enable the continuation of good working relations with colleagues involved in Internal Audits during the year.
Business Owner Branch Development	Ongoing	Social Security Scotland are considering establishing a Business Owner Branch and Internal Audit are providing advisory support as requested
Data Protection Assurance	Ongoing	Social Security Scotland are establishing a Data Protection Assurance Process. Internal Audit have reviewed initial documentation and the pilot assessment and have provided feedback on the processes being established, making suggestions for improvement for managements consideration.
Governance Advocacy	Deferred	Social Security Scotland are developing arrangements for Governance Advocacy. Initial discussions have been held, however no input is required from Internal Audit at this stage. This will be kept under review as work progresses.
Sensitive Cases Processes Quality Review	Ongoing	Work is being undertaken to develop processes and controls in relation to the management and administration of sensitive cases in SPM. Internal Audit

		provided Quality Review feedback to the initial options appraisal and will continue to provide advisory support as this piece of work progresses.
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Table 3 – Follow Up

The following table is an overview of the follow up activity progress since the last Audit and Assurance Committee in November 2021.

Please note, our follow ups only focus on High and Medium priority recommendations.

Report Title	Recommendations	Progress to Date
Reporting and Assurance Functions Roles and Responsibilities	4 High	Fieldwork Ongoing
Operations 2020/21	4 Medium	Complete All recommendations fully implemented
Child Winter Heating Assistance	2 High 1 Medium 3 Low	Complete Two fully implemented, One superseded
Scottish Child Payment – Application Process (2020/21)	3 High 2 Medium	Fieldwork Ongoing
Key Financial Systems	2 Medium 2 Low	Complete Both fully implemented
Debt Management	1 High 3 Medium 1 Low	Complete Two fully implemented Two partially implemented
Covid 19 Recovery	1 High 1 Low	Complete Fully implemented

Annex B Revised Annual Plan

Activity Title	Estimated Budget Days	Activity Type	Outline of Scope	Original Quarter	Revised Quarter	Comments
Agency Agreements	20	Assurance changing to Advisory		Q3	Q3/4	<p>The Formal Agreements Team transitioned into Social Security Scotland on 1st December 2021. This was earlier than initially expected.</p> <p>Following planning discussion it was agreed that as Social Security Scotland were still in the process of establishing their arrangements for Agency Agreements this work would be best undertaken as Advisory so as to assist with this.</p>



Directorate for Internal Audit and Assurance

Internal Audit Report

Social Security Scotland 2021-22

Equality and Diversity

Audit Personnel

Head of Internal Audit:	[Redacted]
Internal Audit Manager:	[Redacted]
Internal Auditor	[Redacted]

Report Distribution

Chief Executive and Accountable Officer*	David Wallace
External Audit*	Audit Scotland
Audit Sponsor	[Redacted], Head of People Services
Key Audit contacts	[Redacted], Business Manager (replaced by [Redacted], Corporate Assurance Team Lead) [Redacted], Head of People Policy, Advice & Wellbeing [Redacted], Statistician [Redacted], Statistician [Redacted], Statistician Social Security Scotland Corporate Assurance Team

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1. Introduction

1.1. Introduction

This review of Social Security Scotland's Equality and Diversity arrangements formed part of the Audit Plan agreed by the Accountable Officer and noted by the Audit and Assurance Committee on 9th February 2021. The Accountable Officer for Social Security Scotland is responsible for maintaining sound systems of governance, risk management and internal control that supports the achievement of the organisations policies, aims and objectives.

1.2. Audit Scope

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

The agreed Terms of Reference for this review is attached at [Annex C\(1\)](#).

1.3. Assurance and Recommendations

Assurance Category	Reasonable		
Recommendations Priority	High	Medium	Low
	3	1	3

Our review has identified three high, one medium and three low priority recommendations. A reasonable assurance rating has been provided as we were able to identify a significant amount of good practice during our review. However our review has highlighted three high priority recommendations which increases the risk that corporate and legislative requirements may not be achieved. As a result, while we believe that a positive assurance opinion is justified 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. We do recognise that there are some external factors that Social Security Scotland have limited control over that influence these risks.

Findings are summarised against recommendations made in the [Management Action Plan](#).

Full details of our findings, good practice and improvement opportunities can be found [in section 3 below](#).

Please see [Annex C\(2\)](#) for the standard explanation of our assurance levels and recommendation priorities.

2. Management Action Plan

Our findings are set out in the Management Action Plan below

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
1	<p>Issue: <u>Roles and Responsibilities</u></p> <p>a) Insufficient evidence to demonstrate that all Equality & Diversity activities are joined up across the whole of Social Security Scotland.</p> <p>b) The Equality Lead is the only key contact for assistance with Equality Impact Assessments. This as a single point of failure and a possible sustainability issue.</p> <p>Risk: There is a lack of clear leadership with no clear lines of responsibility, authority or accountability.</p>	<p>Management should review existing Equality & Diversity activities across Social Security Scotland and ensure that:</p> <p>a) activities are joined up and aligned across the whole of the organisation. Following this, staff across Social Security Scotland should be made aware of their specific roles and responsibilities in relation to Equality, Diversity and Inclusion.</p> <p>b) there is sufficient resilience across Social Security Scotland to ensure there are no single points of failure and there is sufficient support and knowledge to ensure equality and diversity activities are undertaken as required.</p>	H	<p>Response:</p> <p>a) Our Internal Equalities Network contains representatives from across the organisation and assists in delivering cross-working on activities. Quarterly meetings are held between Corporate Assurance, People Services and the Statistical Team to support a more joined up approach to our Equalities work.</p> <p>b) We have had challenges around specific recruitment but are reviewing the resource required that we need across the organisation to lead in this work. This will help to address the issues of single points of failure and will provide clarity on roles and responsibilities .</p> <p>Action:</p>	

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
				<p>a) Review existing equalities activities and working groups to ensure they are joined up and aligned across the organisation</p> <p>b) New posts to be recruited to supplement resources already working in this area.</p> <p>Action Owner(s): [Redacted], Head of Corporate Strategy and Communications / [Redacted], Head of People Policy, Advice & Wellbeing</p>	<p>May 2022</p> <p>May 2022</p>
2	<p>Issue:</p> <p><u>Published Target Timescales</u></p> <p>There was some delay to finalising and publishing the Equality Strategy, as a result some of the short term target dates have now passed as timescales were not updated, making them unachievable.</p> <p>Risk:</p>	Where publication of any strategy becomes delayed, this should be reflected in timescale commitments within the strategy action plan, prior to publication, to ensure all target timescales are SMART (Specific, measurable, achievable, realistic and timely).	L	<p>Response: The Equality Strategy is a one year document and will be reviewed shortly to produce a longer term strategy based on learning from what has been achieved to date and revised priorities.</p> <p>Action: Equality Strategy to be reviewed prior to end of life of existing document to include SMART (Specific, Measurable, Achievable, Realistic and Timely) timescales.</p>	June 2022

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	Published timescales for implementing plans are unachievable as a result Social Security Scotland is unable to deliver on published commitments increasing the likelihood of reputational damage.			Action Owner(s): [Redacted], Head of Corporate Strategy and Communications / [Redacted], Corporate Assurance Team Lead	
3	<p>Issue: <u>Corporate Strategies</u> The Social Security Scotland Learning and Development Strategy is now due for review.</p> <p>Risk: Corporate Strategies do not fully consider equality, diversity and inclusion increasing the risk that Social Security Scotland do not meet their corporate or legislative responsibilities.</p>	Any future reviews of corporate strategies and policies should include consideration of, and reference to, equality, diversity and inclusion.	L	<p>Response: Work is underway to review the Learning and Development Strategy and this will include how this addresses equality, diversity and inclusion.</p> <p>Action: Review of Learning and Development Strategy to be conducted.</p> <p>Action Owner: [Redacted], Head of People Services</p>	March 2022

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
4	<p>Issue: <u>Equality and Diversity Data</u> There is a range of equalities data available to Social Security Scotland, however there are limitations on this due to data availability being reliant on others collecting/recording this information.</p> <p>Risk: Data available may be incomplete and insufficient to enable Social Security Scotland to fully understand the current status and may limit the organisations ability to make changes and improvements.</p>	<p>Management review the data currently available and determine if this is sufficient for their needs. Where the data is found to be insufficient determine how this can be improved and take appropriate action. This could include:</p> <p>a) Management identifying what data they require and raising their data needs with Scottish Government HR to request that they gather and share additional data needed by Social Security Scotland.</p> <p>b) Promoting the need for staff to update their details accurately and when necessary (e.g. when they move role, etc).</p>	M	<p>Response: New corporate systems being procured by Scottish Government should assist in the gathering of data from staff to give a more complete picture of the diversity of the workforce. Discussions take place with Scottish Government where specific requests are made for data which is not normally gathered or produced and Social Security Scotland is one of only two agencies who proactively publish quarterly data on staffing.</p> <p>Action:</p> <p>a) We will continue to feed in requirements to Scottish Government and contribute to the process of improvement via procurement of new corporate systems.</p> <p>Action Owner: [Redacted], Statistician / [Redacted], Head of People Policy, Advice & Wellbeing</p>	Ongoing with review Summer 2022

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
				<p>b) We will regularly reinforce messages regarding the importance of staff providing their diversity information in order that we can ensure we are meeting the needs of our workforce.</p> <p>Action Owner: [Redacted], Head of People Policy, Advice and Wellbeing</p>	Ongoing with review Summer 2022
5	<p>Issue: <u>Equality Impact Assessments</u> A number of weaknesses were identified in the arrangements for undertaking Equality Impact Assessments.</p> <p>Risk: The level of assurance over Equality Impact Assessments given to senior management and the Accountable Officer is not</p>	<p>We recommend that there should be an improved governance mechanism to monitor Equality Impact Assessments across individual business areas and the organisation as a whole. This should include robust controls to provide the accountability, governance and oversight of Equality Impact Assessments and ensure that assessments are undertaken where required, completed to a high quality</p>	H	<p>Response: Additional governance has been introduced allowing Agency Leadership Team to delay sign off on new work/strategies where relevant Equality Impacts Assessments have not been conducted. There has also been an active programme of learning delivered across the organisation in respect of completion of equality impact assessments. Equality Impact Assessments are tracked by the Corporate Assurance Team, providing oversight of the activity taking place in this area.</p>	

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	robust and adequate to mitigate risks over statutory, stakeholder and policy development.	and embedded within development and decision making processes.		<p>The newly established People and Place Forum will have proactive role in the co-ordination and completion of Equality Impact Assessments.</p> <p>Action: Consideration to be given to governance mechanism to monitor completion and quality of Equality Impact Assessments and ensure robust controls in place for accountability.</p> <p>Action Owner: [Redacted], Head of Corporate Strategy and Communications / [Redacted], Corporate Assurance Team Lead</p>	June 2022
6	<p>Issue:</p> <p><u>Social Security Directorate and Product Development</u></p> <p>We were unable to identify a specific team/individual within Social Security Directorate with</p>	Social Security Scotland obtain assurance from Social Security Directorate that they have sufficient and robust arrangements to ensure required Equality Impact Assessments are being undertaken and considered	H	<p>Response: Social Security Scotland has begun to work with Social Security Directorate to ensure robust controls are in place to complete Equality Impact Assessments as part of the product development and decision making process. As an organisation, we are</p>	

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	<p>responsibility for ensuring that Equality Impact Assessments are completed to ensure appropriate consideration of equalities as part of the planning and development of products, systems and services, in line with corporate and legislative requirements.</p> <p>During our review a number of weaknesses in systems and applications used by Social Security Scotland were identified. These systems were not fully accessible to all employees when they went live and some systems were not compatible with applications used to aid users with specific disabilities.</p> <p>Risk:</p>	<p>as part of the product development and decision making process. This should include assurance that Social Security Directorate have robust controls to provide the accountability, governance and oversight of Equality Impact Assessments and share relevant information with Social Security Scotland.</p>		<p>aware that it does result in increased risk to Social Security Scotland Agency when products are handed over for live running but there is limited influence the Agency has over this.</p> <p>Action: Continue to work with Social Security Directorate on the Equality Impact Assessment process and determine how we, as an organisation, will receive relevant updates and be assured that relevant governance and oversight is in place within the Directorate in relation to this process.</p> <p>Action Owner: [Redacted], Head of Corporate Strategy and Communications</p>	Ongoing

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	An increased risk that corporate and legislative requirements may not be achieved and system accessibility may be insufficient. This poses a significant reputational risk to Social Security Scotland.				
7	Issue: <u>Monitoring and Reporting</u> Whilst it was advised that activity will be undertaken to track progress with implementing agreed actions set out within recently developed strategies and the Charter Measurement Framework that will allow for tracking of some elements of these strategies, there are no defined plans for tracking all progress to ensure strategic objectives are achieved.	Management should ensure effective means for monitoring and reporting on equality and diversity are put in place. As part of this teams should consider existing reporting activities such as the Social Security Scotland Charter' Measurement Framework rather than create isolated arrangements, in order to avoid duplication.	L	Response: We currently report on Equalities and Diversity outcomes and information in a number of publications such as our Charter Measurement Framework, Annual Report and Staffing reports. It has been recognised that Social Security Scotland could benefit from an effective means to monitor and report on equality and diversity activity across the organisation. Action: Establish means to effectively monitor and report on all equality and diversity activity taking place across the organisation.	End 2022

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	Risk: Lack of arrangements for internal and external reporting on achievement of the equality and diversity strategy commitments.			Action Owner: [Redacted], Head of People Policy, Advice and Wellbeing, [Redacted], Head of Corporate Strategy and Communications	

3. Findings, Good Practice and Improvement Opportunities

3.1. Good Practice

- 3.1.1. The aims of Social Security Scotland to reflect the diversity of Scotland through its workforce and to deliver services with dignity, fairness and respect are both evident across all strategic documents - Corporate Plan, Charter, Equality Strategy, People Plan, Stakeholder Engagement Strategy and others.
- 3.1.2. Social Security Scotland's Charter is based on the key principles of Section 1 of the Social Security Scotland Act 2018 which refers to equality and diversity.
- 3.1.3. The Social Security Scotland Equality Strategy, Mainstreaming Equality Progress Report and Equality Outcomes explain the organisation's approach to equality and diversity and explain legal responsibilities under the Equality Act 2010 and Social Security Scotland Act 2018.
- 3.1.4. The 2020-2023 Corporate Plan clearly outlines commitments regarding equality, diversity and inclusion in the identified themes and objectives and contributes to the wider outcomes of the National Performance Framework:
 - a) human rights – we will treat people with dignity, fairness and respect and provide a high-quality service to our clients, and
 - b) poverty – we will contribute to tackling poverty in Scotland.
- 3.1.5. Social Security Scotland demonstrates that it considers staff, client and stakeholder views in development of plans, strategies and procedures. One example of this is The Equality Strategy that was developed following extensive internal and external consultation and with consideration of staff and stakeholders' feedback. Similar with People Plan and Corporate Plan.
- 3.1.6. Social Security Scotland has made the decision to include having care experience as a protected characteristic. This was evident in the Corporate Parenting Action Plan for 2021- 2023 and the ambition Social Security Scotland has to improve outcomes for people of all ages who have had experience of care. This goes beyond legislative requirements with Corporate

Parenting legislation only referring to people with care experience up to the age of 26.

- 3.1.7. Social Security Scotland communication, marketing and event materials and guidance show a wide range of considerations for people they want to serve (materials can be provided in audio, Braille, easy read, large print or alternative languages).
- 3.1.8. There are well established processes for gathering feedback from staff and clients. There is an established Internal Equality Network with 14 members from across Social Security Scotland. There is also an established External Equalities Network with representatives from 16 stakeholder organisations (organisations with an interest in Social Security Scotland's work). An Inclusive Communications working group and a Stakeholder Engagement working group also consider equality, diversity and inclusion. This will be further strengthened once a new stakeholder management system is introduced.
- 3.1.9. Social Security Scotland have established policies and processes in relation to the collection and publication of client diversity information. A recent Scottish Government review has highlighted good practice in relation to client equalities data and there are regular publications issued which provide detailed information on the diversity of the clients Social Security Scotland serve.
- 3.1.10. A pilot series of training workshops, called Understanding Protected Characteristics, facilitated by members of Social Security Scotland's External Equalities Network, were offered to Social Security Scotland staff. The aim of these workshops was to enable participants to gain a deeper understanding of the potential impacts of Social Security Scotland decision making.
- 3.1.11. There are plans in place to roll out an Inclusive Communications standard across the whole of Social Security Scotland, with training, guidance and support available to all staff through the National Engagement Team.

- 3.1.12. There are number of methods for data collection to help understand where Social Security Scotland sits in relation to its equality, diversity and inclusion goals and legal responsibilities. One example of this is the all client survey that seeks information around clients interactions with Social Security Scotland, such as barriers, discrimination and protected characteristics. The Charter Measurement Framework is utilised to show performance against outcomes, with results published on the Social Security Scotland website.
- 3.1.13. The Resourcing team looks at data at each stage of recruitment every six months for trends. Trends are published and used to inform decision making. There is also a significant amount of regular engagement with stakeholders to develop the service provided. This was evident in the volume recruitment exercise.

3.2. Improvement Opportunities

Roles and Responsibilities

- 3.2.1. Some roles and responsibilities relating to equality and diversity have been clearly defined. Throughout fieldwork we engaged with the Equality Lead who is responsible for coordinating activity across Social Security Scotland in relation to compliance with legislation and colleagues within HR/People Advice who were able to advise on their individual and collective roles and responsibilities in relation to equalities. We also noted that a new role for an HR Diversity and Inclusion Manager had been identified and advertised to focus on delivery of workforce diversity outcomes included in the People Plan, although it was advised at the end of our fieldwork that recruitment for this role was unsuccessful.
- 3.2.2. However we did not identify sufficient evidence to demonstrate that all Equality and Diversity activities are joined up across the whole of Social Security Scotland, which would help avoid duplication of efforts and enable alignment of Equality and Diversity activities. The Internal Equalities Network is established and is utilised for promoting breadth of understanding and co-ordinate activities across the organisation. However this could be further strengthened. It was also noted that the Equality Lead is currently the only person noted as a key contact for assistance with equality impact

assessments. As such we are highlighting this as a single point of failure and a possible sustainability issue as the organisation grows or as Social Security Scotland raises awareness of Equality Impact Assessments which is likely to result in a higher demand for help/assistance from staff. [\(Please see Recommendation 1\)](#)

Policies & Procedures

- 3.2.3. The Equality Strategy, published in June 2021, contains a plan with timescales which sets out the aims that are to be achieved during the strategy's lifetime. These are split into short, medium and long term goals and should allow for effective monitoring. It was noted that there was some delay to publishing the plan, and as a result some of the short term target dates have now passed. Where publication of any strategy becomes delayed, this should be reflected in timescale commitments within the strategy action plan. This was not done for the 2021-22 Equality Strategy with the result that some implementation timescales were not updated making them unachievable. (i.e. delivery of short term goals by June 2021) [\(Please see Recommendation 2\)](#)
- 3.2.4. From discussion it was identified that the Social Security Scotland Learning and Development Strategy was developed in 2018 and now needs replacing/refreshing to capture current arrangements, responsibilities, commitments and ways of working. An internal audit focussing on Learning and Development is due to be undertaken later this year and as such we did not review this strategy in detail. However as part of this audit we are highlighting that any review of the Learning and Development Strategy should include consideration of, and reference to, equality and diversity, the overall aims of Social Security Scotland and training & learning responsibilities with regards to equality, diversity & inclusion. [\(Please see Recommendation 3\)](#)

Equality and Diversity Data

- 3.2.5. Whilst it was confirmed that there is a range of equalities data available to Social Security Scotland, there are limitations on this. Social Security Scotland has limited ability to access and analyse data owned by core Scottish Government. Some of the data is received via the quarterly Management Information data pack provided by Scottish Government HR (who are owners

of the data). Other data is available from information recorded by staff in eHR (the HR management system used to hold information about all staff). Although it is noted that there are weaknesses in the data being captured through this means as the categories staff select from, e.g. disability categories, are out-of-date. Our review showed that as data availability is reliant on both Scottish Government HR and individual staff members collecting/recording this information there is an increased risk that the data available is incomplete and insufficient to enable them to fully understand the current status and limits their ability to make changes and improvements, especially around equality and diversity. [\(Please see Recommendation 4\)](#)

Equality Impact Assessments

3.2.6. From review of the arrangements for undertaking Equality Impact Assessments we noted a number of weaknesses.

- There is no central system/database/location for storing and recording Equality Impact Assessments that would help track all Equality Impact Assessments and their stages to confirm that they are completed as part of the development process and not done retrospectively. As such we were unable to confirm whether or not Equality Impact Assessments were being undertaken as part of the planning and decision making process for all relevant projects/processes/decisions. While we were provided with two specific examples, we were not provided with a population from which we could independently select samples for review to confirm whether any Equality Impact Assessments that were being completed were being done fully and accurately. We recommend that there should be an improved governance mechanism to monitor Equality Impact Assessments across individual business areas and the organisation as a whole. This finding is consistent with the findings of the Policy Impact Assessments Internal Audit review undertaken within Core Scottish Government, where the Auditor was unable to identify any consistent method or system that would provide reliable, regular and evidenced assurance on whether Impact Assessments had been undertaken where they should be.
- The cover sheet for all papers going to the Agency Leadership Team, and the Executive Team contains a section for Equality Impact Assessment which should help ensure that Equality Impact Assessments are

developed and considered at the planning and decision making stage, rather than retrospectively. However, we found no evidence that these sections are completed in all instances and that the information contained within is considered as part of the discussion. As such there is an increased risk that the completion and consideration of Equality Impact Assessments is not sufficient and embedded.

- We were unable to evaluate whether action points and recommendations identified through Equality Impact Assessments are tracked, implemented and whether there are checks in place to determine whether the actions taken lead to the desired result. As such there is a risk that identified actions are not implemented and identified issues remain, leading to issues which could result in non-compliance with corporate and legislative requirements, a negative impact on staff and potential reputational damage.

3.2.7. These findings are similar to those identified during the Policy Impact Assessments Internal Audit review undertaken within Core Scottish Government. That review identified that further work was required to disseminate, embed, monitor, report, and to provide assurance to Director Generals and/or Accountable Officers that Policy Impact Assessments are being completed in all relevant cases, at the earliest opportunity in policy decision making or to an agreed level of quality.

3.2.8. The Equality Lead was aware of weaknesses in the Equality Impact Assessment process and had concerns regarding a potential lack of awareness of staff responsible for impact assessments being aware of their roles and responsibilities. In response a draft proposal for an Equality Impact Assessment improvement plan had been prepared, however at the time of our fieldwork it was not clear how this was to be progressed and what action was to be taken to improve staff awareness and the effectiveness of the Equality Impact Assessment process and ensure it is embedded in the activities of the organisation and fully considered as part of planning and decision making.

[\(Please see Recommendation 5\)](#)

Social Security Directorate and Product Development

- 3.2.9. From our discussions with various colleagues in Social Security Directorate and Social Security Scotland we were not able to identify if there is a specific team/individual within Social Security Directorate who is responsible for ensuring that Equality Impact Assessments are completed to ensure appropriate consideration of equalities as part of the planning and development of products, systems and services, in line with corporate and legislative requirements. From discussions we were able to determine that teams of staff work on each product and as part of product development they should be completing Equality Impact Assessments but we were unable to determine clear arrangements for ensuring this takes place and is considered as part of the development and decision making process. As such there is an increased risk that corporate and legislative requirements may not be achieved and system accessibility may be insufficient.
- 3.2.10. During our review a number of weaknesses in systems and applications used by Social Security Scotland, including the new telephony system and SPM (the main client management system used for administering benefits) were identified. These systems were not fully accessible to all employees when they went live and some systems were not compatible with applications used to aid users with specific disabilities. Whilst it is acknowledged that action is being taken in relation to these issues, this poses a significant reputational risk to Social Security Scotland and also increases the risk that the organisation is not able to comply with legislative requirements. [\(Please see Recommendation 6\)](#)

Monitoring and Reporting

- 3.2.11. Whilst it was advised that activity will be undertaken to track progress with implementing agreed actions set out within recently developed strategies (for example the People Plan, Equality Strategy and Procurement Strategy) at the time of our fieldwork these were still to be established. The Charter Measurement Framework measures performance against some equality and diversity outcomes and many teams across Social Security Scotland carry out various analysis on existing data. This will allow for tracking of some elements of the strategies. However without defined plans for tracking all progress

there is an increased risk that activities may not be undertaken as planned, leading to an inability to achieve strategic objectives in relation to equalities and diversity. Management should ensure effective means for monitoring and reporting on progress are put in place where existing reporting activities do not meet their needs. [\(Please see Recommendation 7\)](#)

Annex C(2) Definition of Assurance and Recommendation Categories

Assurance Levels

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.

Recommendation Priority

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

Annex C(1) – Terms of Reference



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Directorate for Internal Audit and Assurance

Internal Audit Terms of Reference

Social Security Scotland 2021-22

Equality and Diversity

Directorate for Internal Audit and Assurance

Issue Date: 16-07-2021



Key Audit Contacts

Audit Year:	2021-22
Client Accountable Officer:	David Wallace, Chief Executive
Client Audit Contact(s):	[Redacted], Head of People Services [Redacted], Business Manager [Redacted], Head of People Policy, Advice & Wellbeing [Redacted], Statistician [Redacted], Statistician [Redacted],, Statistician
Head of Internal Audit:	[Redacted],
Internal Audit Manager:	[Redacted],
Internal Auditor	[Redacted],

Estimated Reporting Timescale

Fieldwork Starts:	July 2021
Fieldwork Ends:	August 2021
Draft Report Issued:	August 2021
Final Report Issued:	September 2021
Estimated Resource Days:	30

1. Introduction

- 1.1. This internal audit review forms parts of our planned audit coverage agreed by the Accountable Officer and noted by the Audit and Assurance Committee on 09 February 2021.
- 1.2. The aim of this review is to assess and provide assurance on Social Security Scotland's approach to equality, diversity and inclusion. As part of this audit we will consider the internal arrangements which have been established including consideration of relevant strategies, policies, procedures and guidance and the processes. We will also focus on the recruitment process, and on-going support within the organisation, assessing how Human Resources can support this.
- 1.3. As well as considering internal policies and guidance, this audit will also consider Social Security Scotland's approach to equalities in relation to the benefits they deliver and the clients they serve.
- 1.4. Social Security Scotland have included in the strategic risk register the following risk:
IF our Equality Impact Assessments are not informing our decision making process THEN we risk developing policies and delivering services that will fail to meet our statutory equality obligations RESULTING IN reputational damage to public perception and profile, with potential for future legal repercussions.

- 1.5. It is specified in the organisations Values and Charter that everyone will be treated equally and with dignity, fairness and respect. As such it is essential that Social Security Scotland put in place arrangements which allows them to achieve this as well as ensuring compliance with relevant policy and legislative requirements including the Equality Act 2010 and Social Security Scotland's Equality Strategy and the identified Equality Outcomes.

2. Scope

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

- 2.2. Remit Item 1 – Governance, Accountability and Oversight

To ensure Social Security Scotland have appropriate governance and accountability arrangements in place in relation to equality and diversity.

Key Risks:

- There is a lack of clear leadership with no clear lines of responsibility, authority or accountability.
- No appropriate mechanisms and/or processes in operation in order to effectively steer activities and monitor progress to achieving objectives in relation to equality and diversity.
- There is insufficient oversight of legislative requirements and mechanisms in place to monitor for changes and developments allowing the organisation to be proactive in its approach to equality and diversity, leading to instance of non-compliance.
- There is a lack of understanding of the risk of non-compliance and the impact this could have on Social Security Scotland, its staff and its stakeholders.

- 2.3. Remit Item 2 – Policies, Guidance, Training and Communications

To assess the extent to which there is appropriate consideration of equality and diversity in Social Security Scotland's policies and procedures and the communication in place to make all staff and stakeholders aware of these. Also to ensure Social Security Scotland has put in place and is implementing an appropriate equality and diversity strategy.

Key Risks:

- Social Security Scotland has no established strategy stating how the organisation will meet its legal duties in relation to equality and diversity.

- Social Security Scotland policies and procedures, in relation to both staff, clients and the benefits the organisation delivers, include discriminatory bias and do not make clear the organisations policies in relation to inappropriate behaviours for both staff and clients.
- There is insufficient communication, engagement and training in relation to equality and diversity issues resulting in an inability to promote positive attitudes in relation to equality and diversity and a lack of understanding and awareness of acceptable behaviours, staff roles and responsibilities in relation to equality and diversity and the legal rights of both staff and clients.
- Staff and stakeholders are unable to raise concerns regarding discrimination due to insufficient mechanisms for receiving and recording such concerns.
- Insufficient mechanisms in place for effectively dealing with any reported incidents of discrimination, harassment or victimisation resulting in a loss of staff and/or stakeholder confidence, an inability to live by the values of Social Security Scotland and an inability to achieve strategic objectives.

2.4. Remit 3 – Data Collection and Analysis

To determine the arrangements in place for gathering, analysing and effectively utilising data in relation to protected characteristics of staff and clients in order to inform decision making and ensure statutory commitments are achieved.

Key Risks:

- Methods for data collection and analysis are not robust resulting in inaccurate or insufficient data being held and decisions being made on the basis of data which is insufficient or incorrect.
- An inability to achieve statutory monitoring and reporting commitments
- An inability to accurately and effectively utilise data to inform workforce planning activities.
- Insufficient and ineffective arrangements for performance monitoring in relation to equality and diversity commitments.
- Lack of arrangements for internal and external reporting on achievement of the equality and diversity strategy commitments and compliance with legislation

2.5. Remit Item 4 – Equality Impact Assessments

To assess the arrangements in place for undertaking Equality Impact Assessments and ensuring any outcome from these are actioned and implemented.

Key Risks:

- Lack of understanding of what Equality Impact Assessments are, when and how they should be undertaken and who should undertake them resulting in assessments not being undertaken or completed incorrectly meaning they cannot be utilised effectively to inform decision making.

- Social Security Scotland do not place Equality Impact Assessments at the centre of quality, evidenced and robust decision making.
- There is no sound and robust quality assurance of Equality Impact Assessments leading to inconsistency and error.
- Recommendations identified through Equality Impact Assessments are not implemented meaning desired actions are not taken which increases the risk of non-compliance with legislative requirements and an inability to improve.

3. Approach

- 3.1. We will undertake the audit in compliance with the Internal Audit Charter and the Memorandum of Understanding agreed between Internal Audit and Social Security Scotland.
- 3.2. At the conclusion of the audit a customer satisfaction questionnaire will be issued to the main client audit contact. Internal Audit appreciate feedback and to facilitate continuous improvement, we would be grateful if you could complete and return the questionnaire.
- 3.3. Client is reminded of our need for timely access to people and responsiveness to information requests, to enable the reporting timetable to be met.

Directorate for Internal Audit and Assurance

Internal Audit Report

Social Security Scotland 2021-22

Scottish Child Payment In-Depth Review

Audit Personnel

Head of Internal Audit:	[Redacted], Senior Internal Audit Manager
Internal Audit Manager:	[Redacted], Internal Audit Manager
Internal Auditor	[Redacted], Internal Auditor

Report Distribution

Chief Executive and / or Accountable Officer*	David Wallace, Chief Executive
External Audit*	Audit Scotland
Audit Sponsor	[Redacted], Head of Operations Wave One and Live Running
Deputy Director	Janet Richardson, Deputy Director Operations
Key Audit contact	[Redacted], Operations Support Lead [Redacted], Operations Lead [Redacted], Operations Lead [Redacted], Assurance Manager (SSD) [Redacted], Business Analyst (SSD)
Internal Audit Business Support Hub*	[Redacted],

* Final Report only

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1. Introduction

1.1. Introduction

This internal audit of Social Security Scotland – Scottish Child Payment In-Depth Review formed part of the Audit Plan agreed by the Accountable Officer and noted by the Audit and Risk Committee on 09 February 2021. The Accountable Officer for Social Security Scotland is responsible for maintaining a sound system of governance, risk management and internal control that supports the achievement of the organisations policies, aims and objectives.

1.2. Audit Scope

The scope of this review was to evaluate and report on the controls in place to manage the risk surrounding Social Security Scotland's delivery of Scottish Child Payment benefits.

This audit focussed on the end to end arrangements for delivery of Scottish Child Payment, which was launched in November 2020. This review followed on from our Scottish Child Payment Application Process review undertaken in 2020/21 and assessed the processes and controls in place for the delivery of Scottish Child Payment, in order to provide assurance on the efficiency and effectiveness of these.

The agreed Terms of Reference for this review is attached at [Annex D\(2\)](#).

1.3. Assurance and Recommendations

Assurance Category	Reasonable		
Recommendations Priority	High	Medium	Low
	0	3	1

Our review has identified three medium and one low priority recommendation. A reasonable assurance rating has been provided. Some improvements are required to enhance the adequacy and effectiveness of procedures. There are

weaknesses in the risk, governance and/or control procedures in place but not of a significant nature.

The rationale for this is that processes and controls in place for the delivery of Scottish Child Payment are developing at a good pace. Our review showed that teams involved in the Scottish Child Payment process were aware of weaknesses and areas for improvement and were working towards addressing these.

Recommendations highlighted in other previous low income benefits reviews and our 2020/21 SPM review identified crosscutting themes such as strengthening segregation of duties, introducing training packages/route ways for Team Support Officers and Team Managers and developing skill matrices, which will help achieve a more reliable framework of controls.

Findings are summarised against recommendations made in the [Management Action Plan](#).

Full details of our findings, good practice and improvement opportunities can be found [in section 3 below](#).

Please see [Annex D\(1\)](#) for the standard explanation of our assurance levels and recommendation priorities.

2. Management Action Plan

2.1. Management Action Plan

Our findings are set out in the Management Action Plan below

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
1	<p><u>Guidance</u></p> <p>Issue: Guidance in the Knowledge Hub is regularly updated however we found that the document version control tables did not include consistent information and were not always fully populated.</p> <p>Risk: Poor communication of guidance and processes leading to lack of staff knowledge and an inability to deliver benefits resulting in poor quality and diminished service levels, financial loss and reputational damage.</p>	Management should remind staff of the need to ensure that version control tables on guidance documents are completed fully and consistently.	L	<p>Response: Agency Live Service Team content writers regularly update information within the Knowledge Hub and should update control tables as part of this process.</p> <p>Action: Content writers to be reminded about the importance of version control tables being maintained.</p> <p>Action Owner: [Redacted],</p>	December 2021

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
2	<p>Training</p> <p>Issue</p> <p>Staff do not always process applications correctly. This was evident in our review of a sample of ten Payment Correction Cases where seven of these were found to have been caused due to operational error/Client Advisor's mistake.</p> <p>From our discussions and review, guidance and training on [Redacted], were highlighted as weak spots.</p> <p>The work underway in relation to a skills matrix for staff working on Scottish Child Payment may assist with this, but at the time of fieldwork this was not yet in place.</p> <p>Risk:</p>	<p>Management should:</p> <p>a) review the current training in place for Scottish Child payment and ensure this is fit for purpose and provides the necessary detail staff need to administer Scottish Child Payment. This should include training [Redacted], that were highlighted as weak spots during our sample testing.</p> <p>b) finalise the skills matrix currently in development which will then assist with ensuring all staff have completed training relevant to their role.</p>	M	<p>Response:</p> <p>The importance of processing applications accurately, following guidance is continually reinforced with colleagues.</p> <p>Routine checks and trend analysis monitors accuracy of colleagues and enables additional support to be directed as required.</p> <p>Action:</p> <p>a. Training is in place for colleagues working within Scottish Child Payment, this is provided by a training routeway and consolidation period. Additional informal training and coaching is provided on an ongoing basis. Client Services Delivery will work with Learning & Development colleagues to</p>	May 2022

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	Ineffective training for staff and poor communication of guidance and processes leading to lack of staff knowledge and an inability to deliver benefits resulting in poor quality and diminished service levels, financial loss and reputational damage.	c) remind staff of the need to comply with guidance, follow processes fully and not deviate from the agreed processes.		review the training packages [Redacted] b. Work continues to populate the skills matrix document to provide a snapshot of training and knowledge. c. Reminders are distributed to colleagues at team meetings and within the Client Services Delivery daily bulletin. Action Owner: [Redacted]	January 2022
3	<u>SPM Notes</u> Issue Notes recorded on SPM by Client Advisors are not always sufficient. From the sample of ten Payment Correction Cases reviewed we found that nine were missing notes / audit trail.	Management should highlight the importance of leaving notes to provide an audit trail of action taken and justification of decisions made to all relevant staff.	M	Response: The importance of creating an audit trail of actions taken on cases is raised with colleagues regularly. Standardised notes, within SPM, e-learning has been provided to colleagues. Action:	November 2021

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	Risk: Insufficient audit trail/notes on the system results in inefficient way of working where teams reviewing Payment Correction Cases lack information to deal with the cases timely and efficiently.			Regular accuracy checks will identify any ongoing issues in relation to notes and will be monitored within trend analysis. Team Managers will be reminded to review notes as part of their case management activities. Standardised notes e-learning will be included in future colleague routeways. Action Owner: [Redacted]	January 2022
4	SPM Letters Issue Through our testing we were made aware of issues where Client Advisors requested further evidence through SPM but the system failed to action the request and issue	Management to investigate the issue about SPM not processing requests for further evidence from clients and update guidance if appropriate.	M	Response: Request for further evidence letters within SPM are not automated, which is set out in guidance within the Knowledge Hub. Colleagues should request manual letters.	December 2021

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	<p>the letter to the client. Client Advisors are not required to check that their request was processed. As such this can go unnoticed until the 14 day deadline for receiving evidence approaches when the Client Advisor will check for receipt of the evidence.</p> <p>Risk: Processes being inefficient and/or ineffective leading to:</p> <ul style="list-style-type: none"> o Requirement for increased resources to process applications; o Delays in issuing payments to clients who are eligible. 			<p>Action: Colleagues will be reminded of the process for sending additional evidence letters.</p>	

3. Findings, Good Practice and Improvement Opportunities

3.1. Good Practice

Policies, procedures and guidance

- 3.1.1. Both Social Security Scotland and Scottish Government websites contain sufficient information and updates on Scottish Child Payment benefit policy.
- 3.1.2. Scottish Child Payment legislation is currently being reviewed by the Scottish Ministers with the aim of expanding the detail and clarity for Scottish Child Payment competing claims (where more than one applicant applies for the benefit in relation to the same child). This will help resolve issues where, due to the wording of the current legislation, individuals eligible and entitled to receive Scottish Child Payment [Redacted]. A Ministerial submission was compiled and teams are taking a proactive approach in resolving this issue.
- 3.1.3. A Scottish Child Payment Product Owner for Social Security Scotland is now in place. This was an issue highlighted in our previous review of the Scottish Child Payment Application Process and we are pleased to note that progress has been made in relation to this.
- 3.1.4. We were notified about ongoing Organisational Readiness and Continuous Improvement (ORCI) team research in relation to communicating and landing information with colleagues more effectively. This has led to showcases being prepared to present upcoming changes and releases to relevant colleagues within which Scottish Child Payment is included.

Processes and Controls

- 3.1.5. Daily Scottish Child Payment team meetings are taking place and a Daily Bulletin is compiled and shared with all staff.
- 3.1.6. Bulletins are used as a key source of updates/changes to guidance and regular Change Update - Mini Release reports are being published that summarise updates, bug fixes and actioned tickets. These are stored centrally

on eRDM for easy access to all staff. We confirmed that there are now folders for each team.

- 3.1.7. Weekly team performance statistics are monitored. Data is gathered for each Client Advisor including the number of approvals, rejections and denials they processed. An Excel spreadsheet is used to monitor how many cases have been processed by each Team Manager. We note that this is a useful process in the absence of an automated workforce management tool.
- 3.1.8. Performance analysis and evaluation processes are in place where monthly Denial Error Trends and Approval Error Trends reports are being compiled. These reports highlight the top three errors for the given period. We would also like to highlight that a working group has been set up to help monitor recommendations highlighted in these reports and that the team shared plans for introducing dashboards to have a better overview of reoccurring errors. Management should ensure that appropriate action is taken in relation to the recommendations highlighted in the reports to ensure weaknesses are remedied and the likelihood of reoccurring errors that lead to incorrect determinations and payments is decreased.
- 3.1.9. One hundred percent of Scottish Child Payment applications are subject to approval checks, prior to payments being made or cases denied. This process is automated within SPM. Due to the volume of approvals needing processed an Approval Recovery Plan is currently in place, where approvals are redirected from Team Managers work queues to Performance Managers work queues and then shared across those with permission to approve applications. Whilst resulting in a need to take remedial action, from our review we were able to confirm that management were being proactive in their approach to recovery. We note that management confirmed that prior to any decision being made to reduce the percentage of cases subject to approval, an assessment of whether there are sufficient controls in place to minimise the risk of incorrect decisions and payments being made (reliable systems & sufficient guidance in place) will be undertaken.

3.2. Improvement Opportunities

Policies, procedures and guidance

- 3.2.1. We have noted significant improvements in guidance and training available since our review of the Scottish Child Payment Application Process undertaken last year, with staff praising the level of detail included in guidance materials. There is an established procedure for putting temporary guidance in place where gaps are identified and we noted efforts of the Client Services Delivery Managers to bring those who process changes to guidance into team meetings to share knowledge. However our review confirmed that [Redacted]
- 3.2.2. While guidance on the Knowledge Hub is regularly being updated to capture improvements in processes and similar, we found that the document version control tables did not include consistent information. The table did not always include the detail of the changes made, which represents a risk where staff may fail to identify the changes made in the guidance if this is not highlighted.
[\(Recommendation 1\)](#)
- 3.2.3. While there is an established process for dealing with Scottish Child Payment related requests and tickets for issues with guidance, we noted from our review that the team processing queries are dealing with a lot of requests coming from across Social Security Scotland. This means that Client Services Delivery staff feel they do not always get a timely response to their queries which impacts on their ability to process applications. We note that a risk relating to staffing concerns in the Change Implementation and Readiness team is currently captured on the Client Services Delivery Risk Register. The risk highlights a potential negative impact on oversight, escalation, prioritisation and management of change activities resulting in delays to necessary improvements. Having the risk recorded is positive in assurance terms, as this risk is being now being monitored and managed. As such, no recommendation has been made but this situation should be kept under review to minimise the risk becoming an issue.
- 3.2.4. Training for processing Scottish Child Payment applications is available for Client Advisors, our review however showed that existing arrangements need to be strengthened as staff do not always process applications correctly. This was evident in our review of sample selection of ten Payment Correction

Cases. Seven out of the ten cases were found to have been caused due to operational error/Client Advisor's mistake. Guidance and training [Redacted] were highlighted as weak spots during our review and as such, we would recommend that arrangements in these areas are appropriately strengthened.

- 3.2.5. While we have confirmed that work has started on a skills matrix for staff working on Scottish Child Payment, this is currently still a work in progress. A skills matrix is in development for Low Income Benefits which will capture the main learning areas and benefit product lines. Once in place, this should provide a platform for tracking additional training identified by Client Services Delivery Managers and areas of weaknesses identified in performance reports prepared by Performance Managers. [\(Recommendation 2\)](#)
- 3.2.6. Guidance and bespoke training packages for Team Support Officers, Team Managers and Performance Managers involved in the administration of Scottish Child Payment are yet to be completed. This has been identified as a common theme across the Internal Audit reviews of benefits last year, however, the Team Manager we spoke to felt that competence and experience of Team Managers and Team Support Officers need strengthening so that they could provide adequate support and guidance to Client Advisors and so that they could carry out the approval process effectively. The end of fieldwork meeting confirmed that this is in development where routeways for these roles have already been drafted. We were also informed about discussions with Learning and Development colleagues who are preparing training packages to address this gap. As recommendations in relation to this have been raised in our previous review and action is now progressing to minimise this risk, no further recommendation will be made in this report.

Workforce Planning

- 3.2.7. It was advised that established processes for Scottish Child Payment workforce planning and modelling were in place and will be evaluated in the 2021 follow up of last year's Scottish Child Payment Application Process audit. Lack of a Workforce Planning Management tool means that this process is not automated. As teams do not use timesheets and productivity monitoring

is limited, data provided to the workforce planning team includes estimates which hinders forecasting and workforce projections. We note that this was recognised by the team at the end of fieldwork meeting. We are not highlighting this in the recommendation table as workforce planning will be reviewed in greater detail by Internal Audit later this year, however we thought it relevant to highlight the potential risk here.

SPM Notes

- 3.2.8. With regards to processing applications, we identified that notes recorded on SPM to detail action taken are not sufficient. Our review of the sample of Payment Correction Cases showed that nine out of ten Scottish Child Payment cases on SPM were missing notes/ audit trail. This has been highlighted in previous audit reviews, we would however like to repeat that not including audit trail/notes on the system results in inefficient way of working where teams reviewing Payment Correction Cases lack information to deal with the cases timely and efficiently.

(Recommendation 3)

- 3.2.9. While eligibility controls for each element of Scottish Child Payment are automated within SPM, there are internal and external system issues impacting processing of Scottish Child Payment applications. Internal issues include [Redacted] we however note that Social Security Scotland management are taking actions to remedy this. Examples include continuously improving guidance for Client Advisors on system limitations, and negotiations with Department for Work and Pensions/HM Revenue and Customs. The Internal Audit review of Payment Correction Cases, due to be undertaken later this year will consider this issue in more detail, as such no recommendation has been made in this report.

Issue of Letters to Request Additional Evidence

- 3.2.10. Where evidence is requested and application is paused, this is tracked and further action taken to request that clients provide this to ensure efficient processing. We however were made aware of issues where Client Advisors requested further evidence through SPM but the system failed to action the request and failed to issue the letter to the client. Guidance on the Internal

Knowledge Hub does not require Client Advisors to check that their request was processed, which can lead to delays in the application process as this may not be noticed until the fourteen day deadline for receiving evidence approaches. [\(Recommendation 4\)](#)

Annex D(1) Definition of Assurance and Recommendation Categories

Assurance Levels

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.
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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.

Recommendation Priority

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

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Directorate for Internal Audit and Assurance

Internal Audit Terms of Reference

Social Security Scotland 2021-22

Scottish Child Payment In-Depth Review

Directorate for Internal Audit and Assurance

Issue Date: 30-08-2021



Key Audit Contacts

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Estimated Reporting Timescale

Fieldwork Starts:	7 th September 2021
Fieldwork Ends:	30 th September 2021
Draft Report Issued:	15 th October 2021
Final Report Issued:	29 th October 2021
Estimated Resource Days:	20

1. Introduction

- 1.1. This internal audit review forms parts of our planned audit coverage agreed by the Accountable Officer and noted by the Audit and Assurance Committee on 09 February 2021.
- 1.2. The Social Security Scotland Strategic Risk Register includes the following risk:
- IF we are not clear on our requirements to deliver services effectively, efficiently and to budget with its dependants (e.g. Chief Digital Officer and the Programme) THEN the Agency staff could be underprepared to deliver services RESULTING IN a service that lacks quality, efficiency and economy with financial and reputational impact on the Agency and Scottish Government.*
- 1.3. To aide understanding it is important to clearly set out the relationship between Social Security Scotland and the Social Security Directorate (Programme). Social Security Directorate is responsible for developing the policies and designing and building the new Scottish social security services and is delivering the components on an incremental day to day basis through an agile environment. Minimal Viable Products are designed by the Social Security Directorate, in collaboration with Social Security Scotland from early discovery through to transition when Social Security Scotland will be supported to develop these as necessary.
- 1.4. This review follows on from the review of Scottish Child Payment Application Process undertaken in 2020/2021. This audit will provide an in-depth focus on the end to end arrangements for delivery of Scottish Child Payment, which was launched in November 2020. The review will assess the processes and controls in place for the delivery of Scottish Child Payment, with the overall aim to provide assurance on the efficiency and effectiveness of these.
- 1.5. We met with [Redacted] Head of Client Services Operations, [Redacted], Operations Support Lead and [Redacted] Operations Lead, to discuss relevant risks and agree the details of this review on 02 July 2021.
- 1.6. Our key risks below have been developed through these discussions and our knowledge of Social Security Scotland and its objectives.

2. Scope

2.1. To evaluate and report on the controls in place to manage the risk surrounding Social Security Scotland's delivery of Scottish Child Payment benefits.

2.2. Remit Item 1 – **Policies, procedures and guidance**

To review policies, procedures and guidance in relation to Scottish Child Payment to confirm that these are sufficient to support delivery of the benefit payments consistently and effectively.

Key Risks:

- A failure to establish timely policies and procedures and guidance leading to an inconsistent or ineffective approach to delivery increasing the possibility that payments will not be administered correctly resulting in ineligible or incorrect payments being made.
- Ineffective training for staff and poor communication of guidance and processes leading to lack of staff knowledge and an inability to deliver benefits resulting in poor quality and diminished service levels, financial loss and reputational damage.
- Ineffective resourcing leading to the inability to process the benefit resulting in possibility that payments will not be administered correctly resulting in delays in payments being made.

2.3. Remit Item 2 – **Processes and Controls**

To assess the processes and controls in place for the administration of Scottish Child Payment and assess for efficiency and effectiveness. This includes consideration of how recipients are identified and applications are received and processed, how payments are authorised and processed , arrangements for redeterminations and appeals, arrangements for payment exceptions and management information and reporting.

Key Risks:

- Social Security Scotland encountering financial loss and reputational damage due to:

- Scottish Child Payment being paid to individuals who are not eligible including where there has been a change in the clients circumstances.
- Scottish Child Payment not being paid to individuals who are eligible.
- Incorrect amounts being paid to recipients.
- Processes and controls being circumvented leading to instances of fraud or error.
- Processes being inefficient and/or ineffective leading to:
 - Requirement for increased resources to process applications;
 - Delays in issuing payments to clients who are eligible.
- Processes and controls requiring manual workaround leading to instances of fraud or error.
- Payments being made without the required approval checks and authorisation.
- Reputational damage due to ineffective arrangements for dealing with client feedback in relation to Scottish Child Payment.
- An inability to identify instances of error and non-compliance which could result in fraudulent or erroneous payments being made.

3. Approach

- 3.1. We will undertake the audit in compliance with the Internal Audit Charter and Memorandum of Understanding agreed between Internal Audit and Social Security Scotland.
- 3.2. Due to current Scottish Government remote working requirements, this review will utilise eRDM Connect for sharing documents and screen sharing technology as necessary. Methods of undertaking fieldwork will be amended as appropriate.
- 3.3. Social Security Scotland is reminded of our need for timely access to all systems and teams involved in the delivery of benefits and responsiveness to information requests, to enable the reporting timetable to be met.

Annex E



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Directorate for Internal Audit and Assurance

Internal Audit Report

Social Security Scotland 2021-22

Learning and Development

Directorate for Internal Audit and Assurance

Issue Date: 18-01-2022



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Internal Auditor	[Redacted], Internal Auditor

Report Distribution

Client Accountable Officer	David Wallace, Chief Executive
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* Final Report only

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1. Introduction

1.1. Introduction

This Internal Audit review of Social Security Scotland – Learning and Development formed part of the Audit Plan agreed by the Accountable Officer and noted by the Audit and Assurance Committee on 09 February 2021. The Accountable Officer for Social Security Scotland is responsible for maintaining a sound system of governance, risk management and internal control that supports the achievement of the organisations policies, aims and objectives.

1.2. Audit Scope

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

As part of this review, we considered whether Learning and Development opportunities in Social Security Scotland were aligned with staff need and strategic objectives. The arrangements for the future model for learning and approach to delivery were also considered for new benefits and also for what is becoming business as usual in Social Security Scotland.

The agreed Terms of Reference for this review is attached at [Annex E\(2\)](#).

1.3. Assurance and Recommendations

Assurance Category	Substantial		
Recommendations Priority	High	Medium	Low
	0	1	4

Our review has identified one medium and four low priority recommendations. A substantial assurance rating has been provided. 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.

The rationale for this is that the Learning and Development team in Social Security Scotland has recently grown and from our fieldwork there was clear evidence that a proactive approach was being taken to developing the arrangements for learning, development and training, with the new roles in the team continuously driving improvements. We would like to highlight that the split of the Learning and Development Senior Management Team into two areas of work (focus on culture and organisational development and focus on benefits) helps ensure that future learning and development models are considered for both areas of work.

We note that some of the learning and development processes have only just been introduced or are at the design or pilot stage, such as the Management/Leadership Development Programme and the Learning Solutions Strategy, which means that we were not able to assess the effectiveness of these. We would suggest that the newly established processes are subject to ongoing review and assessed for effectiveness once they are more established to ensure that they are helping achieve planned outcomes.

Findings are summarised against recommendations made in the [Management Action Plan](#).

Full details of our findings, good practice and improvement opportunities can be found [in section 3 below](#).

Please see [Annex E\(1\)](#) for the standard explanation of our assurance levels and recommendation priorities.

2. Management Action Plan

2.1. Management Action Plan

Our findings are set out in the Management Action Plan below

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
1	<p><u>Monitoring and Reporting Arrangements</u></p> <p>Issue 1: Reporting arrangements are still being established. More formal periodic reporting to a relevant forum within the new Social Security Scotland governance structure would enable greater management oversight and information sharing across the organisation.</p> <p>Issue 2: Action plans and trackers are not used consistently at a more granular level to help monitor progress towards achieving established Social Security Scotland Learning and Development commitments stated in the new strategies that have been developed by the team.</p>	<p>Management to:</p> <p>a) Agree appropriate reporting arrangements on activities undertaken by teams within the Learning and Development division.</p> <p>b) Where relevant, introduce action plans and trackers across the Learning and Development Team to help monitor and evidence progress towards achieving agreed Learning and Development commitments.</p>	L	<p>Response: Issues accepted and action planned below.</p> <p>Issue Action: New Learning Manager: Planning & Evaluations joins the team from 24th January. Senior Learning & Development Manager will work with Learning Manager: Planning and Evaluations to agree and develop the required reporting arrangements</p>	31/12/2022

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	Risk: Lack of management oversight of learning and development activities leading to insufficient use of resources and an inability to achieve strategic objectives.			(content and frequency) and action plans/ trackers. Action Owner: [Redacted]	
2	<u>Processes for survey evaluations and tracking for update of training materials</u> Issue 1: The Evaluation strategy draft has not been finalised with last changes made in 2020. Issue 2: Actions identified from evaluation survey responses are not tracked to ensure agreed actions are implemented. There is also no mechanism for allocating action owners and timescales for completion, making monitoring of this difficult. Issue 3:	a) The Evaluation Strategy to be reviewed and finalised to reflect: <ul style="list-style-type: none"> • current evaluation and reporting arrangements • monitoring arrangements (i.e. checklist) that would allow for audit trail/monitoring of 1-4 evaluations • current evaluation survey templates. b) Management to ensure that there are mechanisms in place that allow for update of	M	Response: Issues accepted and action planned below. Action 1 & 2: New Learning Manager: Planning & Evaluations joins the team from 24 th January. Senior Learning & Development Manager will work with Learning Manager: Planning & Evaluations to agree updates to the evaluation strategy and our approach	31/12/22

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	<p>The overall process for tracking requests for changes to existing training materials needs to be strengthened. An action tracker for changes to training materials highlighted through feedback from the Organisational Readiness and Continuous Improvement was developed in November 2021, however due to only just being implemented we could not assess its effectiveness and there was no clarity on the arrangements for ongoing review, update or scrutiny of this.</p> <p>Risks:</p> <p>Lack of strategy for evaluation arrangements represents a risk where lack of agreed objectives and processes adversely impact the ability to analyse, evaluate and improve the Learning and Development service offering in a consistent manner.</p> <p>Inappropriate learning materials which are out of date, incomplete and/or inaccurate, leading to staff</p>	<p>training materials and for monitoring and evaluating feedback obtained through feedback surveys. This could be through inclusion of such detail in the Organisational Readiness and Continuous Improvement updates tracker which has recently been put in place, to avoid creation of multiple trackers, or a similar database.</p> <p>The tracker should help track actions identified from various sources, action owners should be allocated along with timescales for completion and these trackers should be subject to regular review, update and scrutiny.</p>		<p>to tracking actions and improvements.</p> <p>Action 3: Senior Learning & Development Manager will work with Learning Manager: Engagement & Design to confirm, develop and evaluate improvements to the training material update process that has been implemented.</p> <p>Action Owner: [Redacted]</p>	

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	undertaking training which is not fit for purpose leading to an inability to effectively deliver services.	c) Management should also consider whether this process could be automated to allow for data/trend analysis.			
3	<p><u>Training Routeways</u></p> <p>Issue:</p> <p>While we obtained a number of examples of routeways as part of the fieldwork stage of the audit, we did not receive an overarching plan which would clearly set out which roles in Social Security Scotland need a training routeway, which do not, the decision making for this and completion of the routeways.</p> <p>Risk:</p> <p>Increased risk that all required routeways have not been identified with clear details of the training that should be completed for each role which could lead to</p>	Management should compile an overarching plan for training routeways that are in place across Social Security Scotland to help ensure every role is supported by appropriate training, that the creation and completion of routeways packages is monitored and to allow for management oversight.	L	<p>Response: Issues accepted and action planned below.</p> <p>Action: Senior Learning & Development Manager will work with Learning Manager: Delivery & Client Services to document guidance for when a routeway is required and create a list of the volume roles where routeways meet the criteria and have been</p>	31/12/22

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	staff in these roles not having the required skills or abilities to successfully fulfil their role.			<p>created. All other roles in the organisation will have local bespoke onboarding plan as required by the role and individual.</p> <p>Action Owner: [Redacted]</p>	
4	<p><u>Document Controls</u></p> <p>Issue:</p> <p>Not all strategic learning and development plans and documents are dated with review dates or contain version control details which should note when updates have been completed and what changes have been made. Some of the documents referred to a 'regular' review but there was no reference to a minimum requirement.</p> <p>Risk:</p>	Document controls should be introduced for all strategic learning and development plans and documents.	L	<p>Response: Issues accepted and action planned below.</p> <p>Action: Senior Learning & Development Manager will work with Learning Manager: Continuous Development to identify and implement the required document controls.</p>	31/12/22

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	Plans and documents may not be subject to sufficient ongoing review which could result in them being out of date and lead to inconsistent or ineffective approaches to Learning and Development.			Action Owner: [Redacted]	
5	<p><u>Records Management</u></p> <p>Issue:</p> <p>Not all Learning and Development materials are held on eRDM as the Learning and Development team utilised shared drive in the past for storing files. While this issue has already been identified and a process of transferring files onto eRDM has commenced we recommend that this is given appropriate attention to ensure that the Learning and Development team complies with Social Security Scotland Records Management Policy.</p> <p>Risk:</p> <p>Staff are unable to access training which meets their needs resulting in an inability to effectively deliver</p>	Management should ensure that all Learning and Development materials are held on eRDM and establish a process for making sure that these are kept up to date.	L	<p>Response: Issue accepted and action planned below.</p> <p>Action: Senior Learning & Development Manager to work with Learning Manager: Engagement & Design and Learning Manager: Planning & Evaluations to continue work already underway to move training materials to eRDM.</p>	31/12/22

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	services, negative impact on staff culture and morale and an inability to retain staff.			Action Owner: [Redacted]	

3. Findings, Good Practice and Improvement Opportunities

3.1. Good Practice

Governance

- 3.1.1. Training and development activities are aligned to the organisation's priorities and strategic objectives, including links to Social Security Scotland's values and objectives.
- 3.1.2. The role of the Senior Learning and Development Team has been split to focus on a) Operations and External Delivery (benefits) and b) Culture and Organisational Development. This helps mitigate against the risk that all efforts are focussed on the delivery of benefits resulting in wider Social Security Scotland learning and development priorities becoming neglected. A Continuous Development Manager focuses on business as usual activities.
- 3.1.3. Roles and responsibilities in relation to learning and development have been clearly mapped out in the Learning Solutions Strategy. The teams Organogram included detail of the up to date structure of the Learning and Development team and brief introductory power point slides highlight the team's commitments.
- 3.1.4. Due to the recent expansion of the Learning and Development team guidance and processes for Learning and Development activities are in development. This includes strategies and plans in place to help ensure consistency of day to day working practices (i.e. Learning Solutions Strategy, Quality Assurance Strategy, Mentoring, Quality Assurance Framework).
- 3.1.5. Arrangements for identifying and prioritising staff training needs have been established and summarised in the Learning Solutions Strategy, which was published in November 2021. This highlights the roles of Learning Managers and Learning Partners who are responsible for working in close collaboration with the Senior Learning and Development Managers and managers from across the organisation.

- 3.1.6. The Learning and Development operational risk register is being managed by the Planning team in the Learning and Development team. Risk owners are identified and mitigating actions and risk status updated on a regular basis.

Learning and Development Materials and Delivery

- 3.1.7. A Learning and Development Commissioning Process and a Learning and Development Commissioning Template are in place for staff to contact the Learning and Development Team to discuss options and enable access to training specific to their needs.
- 3.1.8. All Social Security Scotland staff have access to the Pathways e-learning platform which contains mandatory, voluntary and role specific compulsory (i.e. routeways) training. Furthermore, a new suite of eLearning content that supports Social Security Scotland knowledge of health inequalities and enhanced lived experience has been launched in collaboration with Public Health Scotland.
- 3.1.9. Monthly conversations templates and Personal Learning Plans are also available to line managers to help identify and address training needs of the staff that they line manage.
- 3.1.10. A team of Training Facilitators is in place and managed by the Planning team through a planning excel calendar. This calendar shows all upcoming training sessions and also considers upskilling time for Facilitators. This helps ensure that Facilitators are equipped to deliver training content and support to staff they are training.
- 3.1.11. There has been a proactive approach to making the SPM (Social Programme Management, the client management system used by Social Security Scotland for administering benefits) training environment more reliable and more user-friendly. User stories for the SPM training system were mapped out and forwarded onto the team of developers. We noted good practice where the Learning and Development team showed that they were future focused when they requested an evaluation to ensure that the training system would

be able to accommodate more than 600 users, which is the current primary concern.

- 3.1.12. Regular meetings and established channels of communication with Social Security Directorate help inform training, planning and design processes.
- 3.1.13. The Planning team tracks whether staff attend role specific compulsory training and reach out to Team Managers where this is not the case. Pathways also allows for tracking of completion of mandatory, voluntary and role specific compulsory training. Team Managers will be able to run reports through the platform going forward in order to monitor training completion for their own staff.
- 3.1.14. Social Security Scotland demonstrated that it is keen to develop and involve all staff in the learning and development process. We also evidenced the establishment of an inclusive staff-led Mentoring scheme that aims to embed peer learning and cross organisational collaboration within Social Security Scotland and promote voluntary social learning built on horizontal and vertical relationships to address a wide range of development needs.

Future Learning and Development Model

- 3.1.15. We found many examples of good practice where feedback was used to drive improvements.
- 3.1.16. Despite the role of the Planning and Evaluation Manager being vacant at the time of the fieldwork, the Planning team was doing a great job at planning for future learning and development needs. A risk related to future resource needs is monitored through the Learning and Development Risk Register.
- 3.1.17. The team engages with the Onboarding and Resourcing teams to obtain data on future recruitment, which then informs Learning and Development forecasting. Comprehensive spreadsheets are used and stored on eRDM for relevant staff to access.

- 3.1.18. A Management/Leadership Development Programme is currently being piloted across Social Security Scotland. The overarching programme is aligned to the governance, talent management and decision making objectives of the 2020-23 People Plan. We confirmed interaction with the People Advice Team in development of the programme.

3.2. Improvement Opportunities

Governance

- 3.2.1. Various Learning and Development activities (such as the Learning Solutions Strategy published in November 2021) refer to Social Security Scotland Learning and Development commitments and priorities, however, an overarching up to date Learning and Development Strategy is currently not in place. This increases the risk that work being undertaken is not aligned with the overall aims and objectives of the division. This gap was highlighted in the Equalities and Diversity 2021 Internal Audit Review, which recommended that *‘any future reviews of corporate strategies and policies should include considerations of, and reference to, equality, diversity and inclusion’*. In response Management have advised that they are committed to reviewing the Learning and Development Strategy with an aim of completing this by the end of the financial year. As such no further recommendation has been made.
- 3.2.2. While regular team meetings take place and there is a regular interaction within the team, reporting arrangements are still being established. The first report on training statistics was prepared by the Planning team in October 2021 and basic dashboard reporting to the Head of People Services had recently been developed. We were provided with evidence showing that Learning and Development activities were communicated to the Executive Team and Executive Advisory Body in November 2021 as part of the Human Resources Report and this included updates on activities undertaken from July to September 2021. However, we feel that more formal periodic reporting to a relevant forum within the new Social Security Scotland governance structure should be established to enable for greater management oversight and information sharing across the organisation. [Recommendation 1](#)

- 3.2.3. We note that trackers and action plans are in place for development of benefit specific training. Also some elements have been factored into staff member's objectives and in the Corporate Strategy. However, action plans and trackers at a more granular level have not been introduced for all areas of work to help monitor progress towards achieving established Social Security Scotland Learning and Development commitments stated in the new strategies that have been developed. [Recommendation 1](#)
- 3.2.4. The draft Evaluation strategy has not been finalised, with the last changes made in 2020. Lack of an agreed strategy for evaluation arrangements represents a risk where lack of agreed objectives and processes adversely impact the ability to analyse, evaluate and improve the Learning and Development service offering in a consistent manner. The team should ensure that this document is updated to reflect current ways of working, recent improvements and include references to up to date survey templates. Furthermore, reporting requirements on Learning and Development activities should also be contained within the strategy and checklists to monitor that Level 1-4 evaluations are completed should be introduced. [Recommendation 2](#)

Learning and Development Materials and Delivery

- 3.2.5. The importance of Continuous Improvement has been identified and specific roles have been created for this. This is not yet business as usual and currently materials are updated on a reactive basis, i.e. when feedback is received and lessons learned introduced or where the team receives updates from the Organisational Readiness and Continuous Improvement (ORCI) team highlighting updates to guidance and bug fixes. These are submitted to the central Learning and Development mailbox or through conversations with Social Security Directorate colleagues. We confirm that a Request for Changes template is also available for Facilitators and other staff in the organisation who identify discrepancies in training materials.
- 3.2.6. While we obtained evidence that there are established trackers for the design stage of new benefits which clearly track forthcoming guidance, we feel that

the overall process for tracking requests for changes to existing training materials needs to be strengthened. An action tracker for changes to training materials highlighted through feedback from the Organisational Readiness and Continuous Improvement team was developed in November 2021, however due to only just being implemented we could not assess its effectiveness and there was no clarity on the arrangements for ongoing review, update or scrutiny of this. [Recommendation 2](#)

- 3.2.7. While the process for obtaining and acting on feedback that allows for analysis, evaluation and improving on the Learning and Development service offering is developing and improving and the Planning team is currently reviewing the feedback survey questions to make them more meaningful for the use by the Design and Delivery teams, we feel that actions identified from evaluation survey responses are not tracked on a consistent basis to ensure agreed actions are implemented. There is also no mechanism for allocating action owners and timescales for completion, making monitoring of this difficult. The team might also want to consider if this process can be automated to allow for data analysis. Without an effective means for capturing and tracking progress on agreed actions there is an increased risk that lessons from feedback may not be learned and required actions may not be taken resulting in an inability to effectively achieve continuous improvement. [Recommendation 2](#)

- 3.2.8. Benefit specific training materials are developed to align with the relevant guidance for each benefit. While a Quality Assurance framework, a Quality Assurance Strategy and a robust Quality Assurance process for developing training for all benefits are in place, there are ongoing issues due to the final signed off versions of guidance not being made available to Social Security Scotland in sufficient time to allow for the final quality assurance stage of the training materials before the training goes to Training Facilitators for delivery. This is partly mitigated by regular channels of communication and engagement of the Design team with colleagues in Social Security Directorate who are developing the guidance. Social Security Directorate have also created a new role for a Product Owner who is responsible for managing the coordination of new guidance and the delivery of it. The team also obtain data

through pilot training sessions and previous stages of the quality assurance process also help minimise the volume of final changes needed. Evidence showed that colleagues in Social Security Directorate do consider Learning and Development colleagues in their plans, however slippage often leads to delays and guidance not being provided in time which impacts Social Security Scotland quality assurance processes and delivery of training. We note that we were informed that Social Security Directorate currently only track and manage content, however, engagement to ensure that guidance fits with the end to end process is set to commence from spring 2022. We also note that this area of weakness is currently being reviewed by Internal Audit as part of the Disability and Carer's Readiness Internal Audit review, hence no formal recommendations will be raised as part of this review to avoid duplication.

3.2.9. Personal Learning Plans / Personal Development plans are available for use by all staff, our sample testing however showed that these were not used consistently across the organisation. From responses we noted that many staff preferred to use the monthly conversation template for identifying and monitoring training needs of staff that they line manage. We are not going to raise any formal recommendation for this area of work, however management should consider how Personal Learning Plans are used across the organisation. Management could explore whether Personal Learning Plans can be embedded within the Pathways platform as we obtained evidence, which showed that line managers were being encouraged to use the platform for monthly conversations. Arguably, embedding Personal Learning Plans within the platform may help promote a consistent approach to identifying staff learning and development needs. Management could then explore options for running trend analysis (this can be done through the HR system).

3.2.10. We noted good practice where training routeways are being introduced for some roles in Social Security Scotland. However, while we obtained a number of routeways as part of the fieldwork stage of the audit we did not receive an overarching plan which would clearly set out which roles in Social Security Scotland need a training routeway, which do not, the decision making for this and evidence of completion of all routeways required. As such there is an increased risk that all required routeways have not been

identified with clear details of the training that should be completed for each role which could lead to staff in these roles not having the required skills or abilities to successfully fulfil their role. [Recommendation 3](#)

3.2.11. Not all strategic learning and development plans and documents are dated with review dates or contain version control details which should note when updates have been completed and what changes have been made. Some of the documents referred to a 'regular' review but there was no reference to a minimum requirement. As such there is an increased risk that plans and documents are not subject to sufficient ongoing review which could result in them being out of date and lead to inconsistent approaches to Learning and Development. [Recommendation 4](#)

3.2.12. The Learning and Development team utilised a shared drive in the past for storing files. As such not all Learning and Development materials are currently held on eRDM (Social Security Scotland's electronic Record and Document Management system). While this issue has already been identified and a process of transferring files into eRDM has commenced we recommend that this is given appropriate attention to ensure that the Learning and Development team complies with Social Security Scotland's Records Management Policy. [Recommendation 5](#)

Annex E(1) Definition of Assurance and Recommendation Categories

Assurance Levels

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.

Recommendation Priority

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

Annex E(2) – Terms of Reference



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Internal Audit Terms of Reference

Social Security Scotland 2021-22

Learning and Development

Directorate for Internal Audit and Assurance

Issue Date: 4-11-2021



Key Audit Contacts

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Estimated Reporting Timescale

Fieldwork Starts:	10 November 2021
Fieldwork Ends:	26 November 2021
Draft Report Issued:	17 December 2021
Final Report Issued:	7 January 2021
Estimated Resource Days:	20

1. Introduction

- 1.1. This internal audit review forms parts of our planned audit coverage agreed by the Accountable Officer and noted by the Audit and Assurance Committee on 9th February 2021.
- 1.2. One theme emerging from the 2020 People Survey results was in relation to colleagues' perception of whether the Learning and Development opportunities being delivered were aligned with what staff need. As such, we are proposing to undertake a review specifically focussed on Learning and Development to provide some assurance in relation to Learning and Development activities, the identification of needs, the development of learning material and the opportunities for staff to undertake learning and development. As part of this we will consider quality assurance processes, including interfaces with and dependencies on Social Security Programme colleagues and stakeholders.
- 1.3. We will also review the arrangements for Social Security Scotland's future model for learning and approach to delivery in support of both new benefits and what is becoming business as usual service delivery along with the increased headcount numbers needed for this level of service provision and changed ways of working, ensuring the learning function is set up for success to deliver a new scale of service.
- 1.4. Learning and Development was also considered as part of the following risk which is listed in Social Security Scotland's Strategic Risk Register.

IF the Agency fails to manage key dependencies (e.g. on Programme service areas, Model Office) and interdependencies (e.g. learning and development, accommodation) relating to the launch of social security benefits or products THEN the Operational function might not be able to deliver services to those citizens most in need, and/or deliver a much reduced and inefficient service RESULTING IN the potential for increased error, increased avoidable cost and reputational damage to the Agency and Scottish Government.

2. Scope

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

2.2. Remit Item 1 – Governance

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

Key Risks:

- Training and development is not sufficiently aligned to the organisation's priorities and strategic objectives.
- Roles and responsibilities in relation to learning and development have not been clarified resulting in gaps in delivery and inconsistent practices.
- There is no clear guidance and established processes leading to inconsistent working practices and poor quality output impacting ability to achieve strategic objectives.
- Insufficient arrangements for identifying and prioritising staff training needs, including insufficient interaction with line managers to highlight specific staff training needs, resulting in essential training not being delivered in required timescales leading to an inability to continue delivering current services and launch new benefits.
- Lack of management oversight of learning and development activities leading to insufficient use of resources and an inability to achieve strategic objectives.

2.3. Remit Item 2 – Learning and Development Materials and Delivery

To consider the means of delivery of training and how staff and managers can access the training needed.

Key Risks:

- Staff are unable to access training which meets their needs resulting in an inability to effectively deliver services, negative impact on staff culture and morale and an inability to retain staff.

- Ineffective means of delivery including facilitation of learning, access to content and support.
- Inappropriate learning materials which are out of date, incomplete and/or inaccurate, leading to staff undertaking training which is not fit for purpose leading to an inability to effectively deliver services.
- Insufficient arrangements for quality assuring materials prior to delivery leading to training being delivered which is of poor quality and does not provide the information/training needed to support staff in their roles.
- Ineffective arrangements for analysing, evaluating and improving the Learning and Development service offering, including materials, content, delivery methods and competence, leading to an inability to ensure training provided is fit for purpose and enables achievement of strategic objectives.
- Insufficient support from Social Security Directorate leading to an inability to ensure appropriate learning materials are developed and available when needed.
- Insufficient record keeping of staff learning and development activities and a lack of monitoring to ensure staff complete the training necessary for their roles and responsibilities.

2.4. Remit Item 3 – Future Learning and Development Model

Arrangements for assessing effectiveness of current arrangements, proactively seeking continuous improvement and ensuring the model for learning and development is going to be sustainable and fit for purpose in the future.

Key Risks:

- Lack of arrangements for obtaining feedback on current learning and development activities meaning lessons cannot be learned and changes cannot be made to improve the current service delivery.
- Lack of awareness and planning for future learning and development needs meaning Social Security Scotland does not have the materials, resources and capability to meet future staff learning and development needs.

3. Approach

- 3.1. We will undertake the audit in compliance with the Internal Audit Charter and the Memorandum of Understanding agreed between Internal Audit and Social Security Scotland.
- 3.2. Due to current Scottish Government remote working requirements, this review will utilise eRDM Connect for sharing documents and screen sharing technology as necessary. Methods of undertaking fieldwork will be amended as appropriate.
- 3.3. Management are reminded of our need for timely access to people and responsiveness to information requests, to enable the reporting timetable to be met.
- 3.4. At the conclusion of the audit a Customer Satisfaction Questionnaire will be issued to the main audit contact for this review. Internal Audit appreciate feedback and to facilitate continuous improvement, we would be grateful if you could complete and return the questionnaire.