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Directorate for Internal Audit and Assurance

Internal Audit Report

Social Security Scotland 2023-24

Governance

Directorate for Internal Audit and Assurance

Issue Date: 5-08-2024

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1. Introduction

1.1. Introduction

This Internal Audit review of Governance formed part of the Audit Plan agreed by the Accountable Officer and noted by the Audit and Assurance Committee on 21 March 2023. 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 organisation's policies, aims and objectives.

Social Security Scotland needs to ensure it has appropriate corporate governance arrangements in place to ensure it is able to achieve its strategic objectives, whilst effectively managing its finances and links to the Scottish Government within a changing landscape. Good corporate governance ensures a clear focus on leadership, accountability, integrity, effectiveness, transparency and sustainability.

It is important to acknowledge that development and delivery of the systems and processes for Social Security Scotland is being undertaken following an agile methodology. As such Minimal Viable Products for policies, systems and processes for each benefit are designed, built, and delivered by Social Security Programme and Policy teams within the Social Security Directorate, with input from Social Security Scotland. Systems and processes are then operationalised by Social Security Scotland. After a period of support and in some instances joint development beyond MVP, systems and processes will transition to Social Security Scotland with an understanding of live running costs and funding arrangements agreed until the end of the Social Security Programme. Once transitioned, it is the responsibility of Social Security Scotland to make arrangements to improve the systems and processes.

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 Governance arrangements.

This internal audit review for Social Security Scotland recognised and worked across the complex governance boundaries including:

- the Programme within the Social Security Directorate of the Scottish Government, which is providing a range of services to the Executive Agency including development and delivery of the systems and processes for Social Security Scotland.
- The relationship between DG Communities as Portfolio Accountable Officer for the DG Communities Portfolio of which the Executive Agency forms part;
- Internal governance arrangements supporting the Chief Executive as Accountable Officer to ensure the effective governance of the Executive Agency;
- Legacy Portfolio arrangements to manage a safe Programme Exit which include joint Programme/ Executive Agency governance arrangements.

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

1.3. Assurance and Recommendations

Assurance Category	Reasonable		
Recommendations Priority	High	Medium	Low
	0	2	3

Our review has identified two medium and three low priority recommendations. A reasonable assurance rating has been provided. Some improvements are required to enhance the adequacy and effectiveness of procedures. There are weaknesses in the risk, governance and/or control procedures in place but not of a significant nature.

The rationale for this is that there is an effective governance structure with most governance groups having Terms of Reference in place setting out the remit and

reporting lines. In general, we evidenced these operating in line with their Terms of Reference. Social Security Scotland have recently restructured the governance arrangements as a result of internal reviews of effectiveness leading to the disbandment of the Agency Leadership Team and the formation of the Joint Executive Group, with this being set up to allow collective decision making between Social Security Scotland and Social Security Programme as part of transition and the move towards Programme closure.

However, as the organisation is still maturing we noted several areas of improvement which require action to protect and enhance good governance within the organisation. Although we recognise there has been a recent change in the internal governance structure, various documents require review to ensure alignment with these changes. Furthermore, we found a lack of formality within the maintenance of key strategic registers and roles and responsibilities related to the interdependencies between Social Security Scotland and the Social Security Programme not clearly set out.

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

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

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

2. Management Action Plan

2.1. Management Action Plan

Our findings are set out in the Management Action Plan below

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
1	<p>Terms of References</p> <p>Issue: Not all Terms of References detailed reporting arrangements, whilst others did not reflect recent changes to governance arrangements or were still in a draft format. Saltire pages also included outdated governance arrangements and failed to reference key operating groups.</p> <p>Risk: Unclear roles, responsibilities and reporting lines being communicated to stakeholders.</p>	<p>We recommend all Terms of References and Saltire pages are reviewed to ensure that they reflect current governance structures and arrangements. Upon completion these should be approved and subject regular review.</p>	L	<p>Response: Accepted</p> <p>Action: As part of their ongoing development work, the Governance Team will</p> <ul style="list-style-type: none"> review current Terms of Reference for all governance groups and commission updates as required, ensuring consistency review and update Saltire pages Set up a quarterly reminder to review web pages and validate Terms of Reference 	<p>End September 2024</p>

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
				Action Owner: Governance Team Leader	
2	<p><u>Communication of Roles and Responsibilities</u></p> <p>Issue: At the time of fieldwork there was a lack of clarity on reporting lines and accountability with regards to the relationship between Social Security Scotland and DG Communities. This includes the nuances of the relationship between Social Security Scotland and the Social Security Programme.</p> <p>Risk: Unclear reporting lines and accountability between Social Security Scotland and the Scottish Government.</p>	Management should seek assurances to ensure the lines of reporting and accountability between Social Security Scotland and DG Communities and the roles and responsibilities of all parties involved are formalised and understood.	M	<p>Response: Accepted.</p> <p>Action: Since the review was conducted, Social Security Scotland have met with the Portfolio Sponsor to formalise the new arrangements and develop clarity on the reporting and accountability arrangements for these meetings. These meetings now include representation from non-Executive members both from Scottish Government and Social Security Scotland. The Governance Team have documented a formal Terms of Reference for the Portfolio Sponsor meeting and offered this for approval by DG Communities in their capacity as Portfolio Sponsor and Portfolio Accountable Officer.</p>	n/a complete

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
				<p>The relationship between Social Security Programme and Social Security Scotland is now managed through a Joint Executive with agreed Terms of Reference. This group will have a specific focus on transition, the single prioritised backlog and supporting the closedown of the programme.</p> <p>Action Owner: Governance Team Leader</p>	
3	<p>Register of Corporate Strategies</p> <p>Issue: Social Security Scotland does not maintain a formal record of Corporate Strategies. There is no clear register of ownership or regular review that takes place to ensure strategies are up to date.</p> <p>Risk: Lack of appropriate and relevant strategies, and policies.</p>	Social Security Scotland should consider establishing a central register to document all corporate strategies which clearly defines	L	<p>Response: Accepted</p> <p>Action: The Governance Team have now created an initial central register of corporate plans and strategies with allocated business owners and timescales for review for each. Longer</p>	Complete

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
		ownership and review points.		<p>term ownership of the register is likely to move to the new Strategy Team.</p> <p>The governance team will add the review of the central register as a quarterly business item to the Executive Team agenda, with requests for updates from plan owners.</p> <p>Action Owner: Governance Team Leader</p>	July 2024
4	<p>Assurance Mapping</p> <p>Issue: Social Security Scotland does not currently maintain an assurance map to identify all sources of assurance over risks within the organisation.</p> <p>Risk: Increased risk that gaps in assurance coverage are not identified or a duplication of effort between different layers of defence and/or</p>	Management should consider developing an assurance map to provide a well-structured analysis of assurance within the organisation to ensure effective coordination and	L	<p>Response: Accepted</p> <p>Action: In conjunction with our internal controls team, the Assurance Team will formally document the three line of defence model in place for completeness and submit to Audit and Assurance Committee for review and adoption.</p>	October 2024 (to align with Audit and Assurance Committee meeting timetable)

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	providers of assurance. This could lead to inefficiencies, overlooked risks or the misallocation of resources ultimately undermining the effectiveness of assurance activities.	structure of assurance activities.		Action Owner: Corporate Assurance and Risk team leader	
5	<p>Register of Compliance</p> <p>Issue: There is not a formal process in place to ensure new or updated legislative requirements are effectively captured to allow Social Security Scotland to put in place procedures and controls to comply with these legislative requirements.</p> <p>Risk: Failure to identify and comply with all legislative requirements.</p>	Social Security Scotland should establish and document a defined process to ensure proper maintenance of the Register of Compliance.	M	<p>Response: Partially accepted. Social Security Scotland already has a Register of Compliance in place which is reviewed every six months. We accept that some challenges remain in keeping this up to date and accurate given the pace of legislative change and the range of potential inputs.</p> <p>Action: The Assurance Team will undertake discovery work with other Public Sector Bodies to look at good practice elsewhere that could be incorporated into our practice.</p> <p>Action Owner: Corporate Assurance and Risk team leader</p>	September 2024

3. Findings, Good Practice and Improvement Opportunities

3.1. Good Practice

Governance Structures and Reporting Arrangements

- 3.1.1. We noted that an effective governance structure was in place. Most groups had a Terms of Reference setting out remits, agendas and kept minutes of meetings. We evidenced groups operating in line with set out arrangements.
- 3.1.2. Following internal reviews of effectiveness Social Security Scotland have recently restructured governance arrangements. Reviews concluded that the Agency Leadership Team was not fit for purpose which led to its disbandment. Deputy Directors now sponsor/chair sub-forums with reporting from these sub-forums occurring directly into the Executive Team. This arrangement also serves as a rapid escalation route.
- 3.1.3. Another recent change includes the set up of the Joint Executive Group, to allow for collective decision making between Social Security Scotland and Social Security Programme, as part of transition and the move towards Programme closure.
- 3.1.4. Terms of References and meeting minutes of main governance groups are published on Social Security Scotland's website along with descriptions of each group. This provides transparency over the governance arrangements within Social Security Scotland. Members of staff can also observe meetings held by the Executive Advisory Body and the Audit and Assurance Committee.
- 3.1.5. Communication with the wider organisation is facilitated through Leadership Briefs and 'Messages from the Chief Executive' delivered to staff on a regular basis. Topics related to the Scottish Parliament, 'business as usual' and general senior management updates are provided. An informal Weekly Leadership Meeting allows C2/3 staff to receive updates from Deputy Directors on topics covered in Executive Team meetings. We consider a culmination of these arrangements to allow for the tone-at-the-top to resonate

with staff throughout the organisation and facilitate an open and transparent governance operation.

- 3.1.6. A series of reviews relating to collective Board effectiveness within the Executive Advisory Body were undertaken. We consider this activity to be sufficient in evaluating annual performance, horizon scanning and acting on identified challenges/weakness. The Audit and Assurance Committee also perform an annual self-assessment exercise which we deem valuable for highlighting areas of good practice and identifying improvement opportunities.
- 3.1.7. Internal and External Audit activities operate within Social Security Scotland and contribute to the evaluation of governance arrangements and effectiveness.

Framework Document

- 3.1.8. The Framework Document is currently under review therefore we were supplied with a draft version for the purposes of this audit. We found the document to sufficiently outline various roles and responsibilities related to governance including, but not limited to:
- The Chief Executive Officer as Accountable Officer;
 - Director General Communities as the Portfolio Accountable Officer;
 - Non-Executive Members;
 - The Audit and Assurance Committee.

Strategies, Policies and Procedures

- 3.1.8 The Corporate Plan and Business Plan are both available on Social Security Scotland's website. The Corporate Plan identifies three corporate priorities which we considered to align with targets set out within the National Performance Framework. From documents provided by two divisions within Social Security Scotland we evidenced alignment of operational objectives with strategic priorities.
- 3.1.9 Letters of delegation to Deputy Directors and associated job descriptions were found to link to Social Security Scotland's Business Plan by outlining specific

governance responsibilities and stated authority delegated to Deputy Directors.

- 3.1.10 Each division within Social Security Scotland completes an Internal Controls Checklist (ICC) template in support of the Certificates of Assurance provided by each Deputy Director to the Accountable Officer to enable the annual Governance Statement to be completed.

Training

- 3.1.11 Members of the Governance and Corporate Assurance Teams have completed the Chartered Institute of Public Finance and Accountancy (CIPFA) Diplomas in Corporate Governance which we consider to be good practice when promoting good governance within the organisation.
- 3.1.12 We also understand all Social Security Scotland Non-Executive members complete an Induction package upon onboarding in conjunction with a programme of meetings to introduce new members to key colleagues from Social Security Scotland.

Performance Monitoring

- 3.1.13 A Performance Pack is produced on a monthly basis which includes a balanced scorecard. This is presented to various governance groups including the Executive Advisory Body and the Portfolio Sponsor meeting.
- 3.1.14 We have been advised that a Performance Framework is in the early stages of development. The framework will encompass sources of expectation on Social Security Scotland as a public body.

Oversight and Scrutiny

- 3.1.15 An Audit and Assurance Committee and an Executive Advisory Body are in place and operational. These bodies play a pivotal role in providing support to management by overseeing and scrutinising the organisations activities and performance.
- 3.1.16 One of the Non-Executive members is also a member of the Social Security Directorate's Programme Board. We also understand a Non-Executive member is due to join the membership of the Portfolio Sponsor meeting,

although we have not been presented with formalised arrangements for this. We consider the inclusion of Non-Executive members within additional governance groups outwith the organisation to be positive in promoting good governance by allowing Non-Executives to gain further insight and provide greater scrutiny and challenge within their role.

- 3.1.17 The Corporate Assurance Team are responsible for activities related to governance such as providing the Audit and Assurance Committee secretariat, monitoring and updating the register of compliance, collating audit recommendations and tracking the implementation of the agreed actions.
- 3.1.18 HR and Finance Business Partners operate within the organisation, enabling professional expertise to guide and advise management and ensure they are considering corporate and legislative requirements and following best practice.

Legislative Requirements

- 3.1.19 A register of compliance is in place and maintained containing assurance statements detailing how these requirements have been adhered to. This feeds into the update which is presented to the Audit and Assurance Committee annually with updates on non-compliant items on an ad-hoc basis.

3.2. Improvement Opportunities

Terms of References

- 3.2.1 Upon reviewing Terms of References we noted that four did not detail reporting arrangements, whilst six did not reflect recent changes to governance arrangements. Several were also provided in a draft format. Furthermore, we found several Saltire Pages within Social Security Scotland's intranet to require review to ensure alignment with recent changes. For example:
- The Performance, Data Governance and People & Places Forums noted outdated reporting lines within their Terms of Reference documents.
 - Terms of references for the People and Places, Information Governance, Change Delivery Group, Change Council Data Governance forums referred to the disbanded Agency Leadership Team.

- The Audit and Assurance Committee and Executive Advisory Body Terms of References require update as the Director of Social Security was noted as the Portfolio Sponsor.
- The Information Governance Forum did not have any reporting lines noted within the Terms of Reference. This was also true for the Executive Advisory Body, Executive Team, the Joint Executive Group and the Portfolio Sponsor Meeting. Formal reporting lines may not be appropriate for all these groups, however it would be helpful if detail on requirements for reporting of outcomes of these forums were captured within their Terms of Reference.
- The Executive Team, Joint Executive Group and Finance and Investment Forum Terms of References were supplied in a draft version.
- We noted that the organogram within the Joint Executive Group Terms of Reference showing the governance structure of Social Security Scotland did not include the Portfolio Sponsor meeting. We understand this meeting is a component of the governance structure within the organisation therefore we would like to highlight this diagram should be reviewed and amended to include the Portfolio Sponsor meeting.
- Saltire pages referenced the now disbanded Agency Leadership Team within the Change Delivery Group, People and Place Forum and Performance Forum (which was referred to as Insights and Engagement within the webpage). Groups such as the Risk Review Group, Data Governance, Information Governance Forums and the Audit and Assurance Committee are not included within pages.

This risks unclear roles, responsibilities and reporting lines being communicated to stakeholders. We recommend all Terms of References should be reviewed to ensure that appropriate and current reporting arrangements are included. Thereafter management should ensure documents and saltire pages are published and shared as necessary, ensuring regular review points. [Recommendation 1](#)

- 3.2.2. Additionally, with the recent restructure of Social Security Scotland's internal governance arrangements we are unable to conclude on its effectiveness at

this time. We would like to highlight that management should continue reviewing the effectiveness of governance arrangements to ensure groups are performing as expected and the governance structure remains fit for purpose as the organisation continues to mature.

Communication of Roles and Responsibilities

- 3.2.3. At the time of fieldwork there was a lack of clarity on reporting lines and accountability with regards to the relationship between Social Security Scotland and DG Communities. This includes the nuances of the relationship between Social Security Scotland and the Social Security Programme. This risks unclear communication of roles and responsibilities amongst stakeholders. Management should seek assurances the lines of reporting and accountability between Social Security Scotland and DG Communities and the roles and responsibilities of all parties involved are formalised and understood. [Recommendation 2](#)

Register of Corporate Strategies

- 3.2.4. Social Security Scotland does not maintain a formal Register of Corporate Strategies. Without a register there may be essential strategies that have not been developed, updated or implemented effectively. A record of strategies would allow for effective oversight and prevent duplication if different areas are developing their own strategies as well as identifying any gaps. We recommend that consideration is given to creating and maintaining a register of corporate strategies to allow management to track these.

Recommendation 3

- 3.2.5. From our review we found operational objectives to be set out in divisional documents. However, there is a lack of consistency, clarity and document control between different divisions. This may increase the risk operational objectives not being clearly communicated with key stakeholders. Social Security Scotland should consider issuing a standard template for all divisions to use when setting annual objectives in line with the Corporate Plan. As minimal risk was identified a formal recommendation has not been issued however management may like to review how business plans are developed and implement standard templates for use.

Training

- 3.2.6. While we acknowledge Social Security Scotland provides Non-Executive Members with an Induction, we found no formal training in place for Non-Executive Members of the Audit and Assurance Committee. The Chair provides an informal induction, however this is not formalised or documented. As the current committee membership is now established no specific recommendation has been made, however management may wish to consider future induction and training needs for new members of the committee to ensure they receive sufficient support and guidance on their role and ensure the effectiveness of the committee.

Performance Indicators

- 3.2.7. We noted that there are no Key Performance Indicators (KPIs) currently in place. Despite efforts to understand the metrics used for monitoring and evaluating performance it became evident that a structured framework for defining and tracking KPIs is absent. This raises concerns about the organisation's ability to effectively measure and manage performance across various areas. Internal Audit's Productivity and Efficiency review highlighted a need for clarity around the monitoring and reporting of data to drive productivity and efficiency. Recommendations were set for Social Security Scotland to create a data and reporting plan to give a complete account of the reporting required to enable monitoring and management oversight of areas. Due to ongoing work to address recommendations within the Productivity and Efficiency review we will not raise a further recommendation on performance indicators.
- 3.2.8. We found no formal procedures in place to compare governance arrangements and procedures. We suggest benchmarking could be a useful tool to allow Social Security Scotland to measure and compare performance with comparable organisations.

Assurance Mapping

- 3.2.9. Through our fieldwork we sought to obtain evidence of Social Security Scotland identifying and presenting sources of assurance over how assurance activities and the various lines of defence are being coordinated and managed. We note that such an exercise had not been undertaken which may risk gaps in assurance coverage not being identified or a duplication of effort between different forms of assurance. Management should consider developing an assurance map to provide a well-structured analysis of assurance activities within the organisation. [Recommendation 4](#)

Register of Compliance

- 3.2.10. There was no formal process in place to ensure new or updated legislative requirements were effectively captured to allow Social Security Scotland to set procedures and controls to comply with new or changing legislative requirements. We recommend that a defined process should be established to ensure proper maintenance of Social Security Scotland's Register of Compliance. [Recommendation 5](#).

Annex A 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 B – Terms of Reference



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Directorate for Internal Audit and Assurance

Internal Audit Terms of Reference

Social Security Scotland 2023-24

Governance

Directorate for Internal Audit and Assurance

Issue Date: 25-10-2023



Key Audit Contacts

Audit Year:	2023-24
Client Accountable Officer:	David Wallace
Deputy Director:	Ally MacPhail, Deputy Director, Organisational Strategy and Performance
Client Audit Contact(s):	<p>[Redacted], Head of Strategy & Corporate Support</p> <p>[Redacted], Head of Strategy, Performance and Governance</p> <p>[Redacted], Deputy Programme Manager, PMO</p> <p>[Redacted], Programme Management Office Manager Governance</p> <p>[Redacted], Legacy Portfolio (supports legacy portfolio governance arrangements)</p>
Senior Internal Audit Manager:	[Redacted]
Internal Audit Manager:	[Redacted]
Internal Auditor:	[Redacted]
Assurance Support Officer:	[Redacted]

Estimated Reporting Timescale

Fieldwork Starts:	October 2023
Fieldwork Ends:	November 2023
Draft Report Issued:	November 2023
Final Report Issued:	December 2023
Estimated Resource Days:	30

1. Introduction

- 1.1. This Internal Audit review forms part of our planned audit coverage agreed by the Accountable Officer and noted by the Audit and Assurance Committee on 21 March 2023.
- 1.2. Social Security Scotland needs to ensure it has appropriate corporate governance arrangements in place to ensure it is able to achieve its strategic objectives, whilst effectively managing its finances and links to the Scottish Government within a changing landscape. Good corporate governance ensures a clear focus on leadership, accountability, integrity, effectiveness, transparency and sustainability.
- 1.3. If Social Security Scotland does not have in place effective corporate governance arrangements there is increased risk that it will be unable to achieve strategic objectives, operate within its financial resources, ensure compliance with legislation and incur reputational damage.
- 1.4. It is important to acknowledge that development and delivery of the systems and processes for Social Security Scotland is being undertaken following an agile methodology. As such Minimal Viable Products for policies, systems and processes for each benefit are designed, built, and delivered by Social Security Programme and Policy teams within the Social Security Directorate, with input from Social Security Scotland. Systems and processes are then operationalised by Social Security Scotland. After a period of support and in some instances joint development beyond MVP, systems and processes will transition to Social Security Scotland with an understanding of live running costs and funding arrangements agreed until the end of the Social Security Programme. Once transitioned, it is the responsibility of Social Security Scotland to make arrangements to improve the systems and processes.
- 1.5. This internal audit review for Social Security Scotland recognises and works across complex governance boundaries including:
 - the Programme within the Social Security Directorate of the Scottish Government, which is providing a range of services to the Executive Agency including delivery of new benefits;

- The relationship between DG Communities as Portfolio Accountable Office for the DG Communities Portfolio of which the Executive Agency forms part;
- Internal governance arrangements supporting the Chief Executive as Accountable Officer to ensure the effective governance of the Executive Agency Leadership Team;
- Legacy Portfolio arrangements to manage a safe Programme Exit which include joint Programme/ Agency Executive governance arrangements.

1.6. The primary focus of this work will be on Social Security Scotland as an Executive Agency of the Scottish Government, whilst also looking at connections across the different structures and accountability frameworks. The internal audit will evaluate current arrangements as well as look at readiness for transition as we move towards the end of the Programme lifecycle and to meet SG ambitions to leave behind a valuable legacy for future devolution Programmes of this scale and complexity.

1.7. There are a number of internal audit reviews that will also be relevant to this review of governance, including: risk management, internal controls and last year's recommendations following the review of productivity and efficiency arrangements. Efforts will be made to minimise any overlap and duplication with these reviews.

1.8. Our key risks below have been developed through discussions with the Head of Strategy & Corporate Support 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 Governance arrangements.

2.2. Remit Item 1 – **Governance**

Remit purpose: to evaluate established governance arrangements within Social Security Scotland, including but not limited to review of the implementation of the framework document, board, committee and management structures (roles and responsibilities, terms of reference, membership), etc; certificates of assurance; reporting arrangements across the organisation and management information and oversight.

Key Risks:

- Non-compliance with Framework Document and lack of robust supporting governance arrangements leads to an inability to achieve organisational objectives, reputational damage and financial loss, due to:
 - Lack of appropriate governance structures in place to effectively govern the organisation;
 - Unclear and/or poorly communicated roles and responsibilities;
 - Lack of appropriate and relevant strategies, policies, procedures and training;
 - Lack of appropriate and effective reporting arrangements across the organisation and stakeholders;
 - Lack of clarity over strategic objectives and failure to align operational objectives;
 - Insufficient arrangements to track progress and measure performance in relation to achievement of the strategy and objectives at all levels, including management and Board reporting;
 - Insufficient or ineffective scrutiny and oversight;
 - Insufficient arrangements for reviewing the effectiveness of the governance arrangements and an inability to achieve continuous improvement.
- All legislative requirements have not been identified and/or there are no effective arrangements for ensuring compliance with all applicable statutory

and regulatory guidance leading to an inability to comply with legislative requirements.

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. 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. Management are reminded of our need for timely access to people and responsiveness to information requests, to enable the reporting timetable to be met.