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Directorate for Internal Audit and Assurance
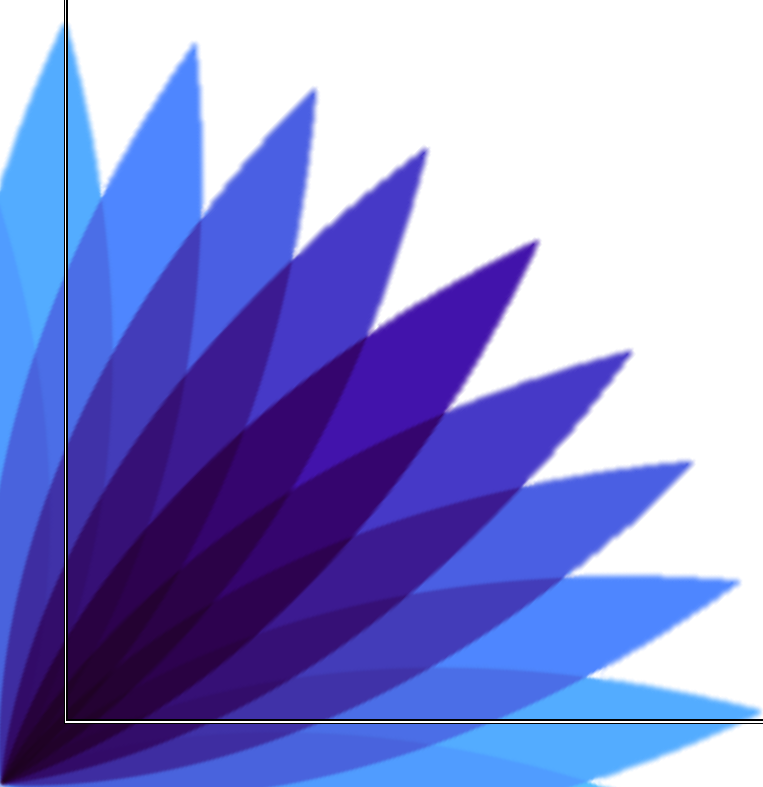
Audit and Assurance Committee Progress Report

Social Security Scotland 2021-22

9 November 2021

Contents

1. Progress Highlights

1.1. Key Messages

- Progress is being made against the Annual Plan. The diagrams opposite summarise progress made as at 30th September 2021.

- Further details of Assurance work are provided in Table 1 in Annex A.

- Further details of Advisory work are provided in Table 2 in Annex A.

- Progress on the implementation of recommendations is provided in Table 3 in Annex A.

- 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.

2021/22 Audit Plan (assurance only)

Center: 18

- 4 / 22% — Not Started
- 6 / 33% — Planning
- 6 / 33% — Fieldwork
- 1 / 6% — Draft Report Issued
- 1 / 6% — Final Report Issued

Follow-Ups

Center: 18

- 7 / 39% — Not Started
- 3 / 17% — Fieldwork
- 8 / 44% — Final Report Issued
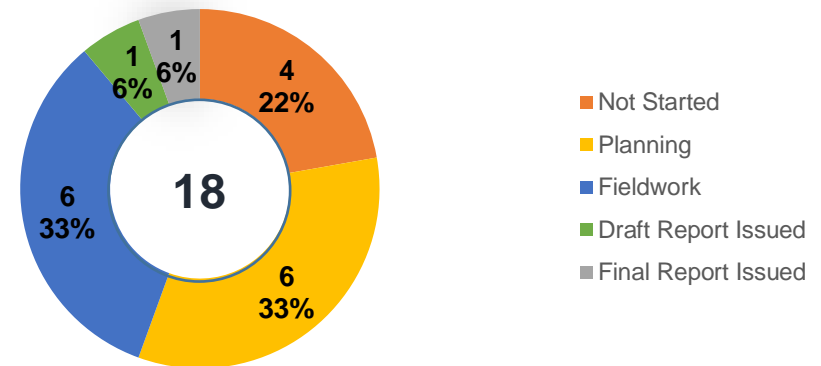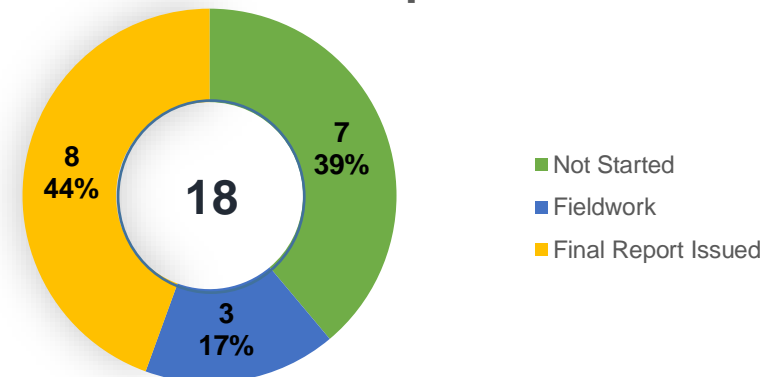
2. Directorate for Internal Audit and Assurance Strategic Update

2.1. Internal Audit Strategic Matters

2.1.1. The 2021-22 Core SG Internal Audit Plan is progressing, fieldwork is underway in strategic and cross cutting reviews including Risk Management, Outcomes in Policy Development and Individual Wellbeing and Resilience. This is alongside ongoing corporate systems, targeted assurance and advisory work. We are also undertaking a review across arm's length clients to compare and consider whistleblowing arrangements across the piece.

2.2. Integrated Assurance Update

2.2.1. The Portfolio, Programme and Project Assurance Division have just completed a Gateway Review 1 on the Social Security Scotland "Our Ways of Working" project. The review took place from 5 – 7 October 2021, with the final report being issued on the 20th October. The project was rated as Amber.

2.2.2. Digital Assurance Office - A 12 month secondment opportunity was offered across the Digital Data and Technology profession community which has resulted in three Digital Standard assessors recently joining the Digital Assurance Office. The assessors have expertise in the user centred design, product and delivery and technical elements that form the key disciplines within the Digital Scotland Service Standard. The Digital Assurance Office is now in a position to fully implement the new assessment framework for the Digital Scotland Service Standard. The new assessor resourcing model will also better enable the Digital Assurance Office to draw out themes and good practice from across assessments. The Digital Assurance Office will meet quarterly with Digital Directorate to support continuous improvement of the Standard, guidance and assessment framework.

2.2.3. The Volume Recruitment project is the only Social Security Scotland entry on the Digital Assurance Office Project Register at this time. A Test and Go Live Digital Standard Assessment was completed prior to the Service launch. At the conclusion of the

assessment it was noted that the Service was in compliance with the majority of the Standard however there were some accessibility requirements not delivered for go-live. The assessment outcome provided that the Service could go live subject to the accessibility risks being accepted and a plan put in place to deliver the remaining functionality. The Digital Assurance Office will continue to work with the team over the next year as those requirements are delivered.

2.3. Strategic Best Practice

2.3.1. The new Head of Counter Fraud Profession has started to carry out a strategic high-level assessment of fraud risk vulnerability across the main areas of Scottish Government spend to determine the key risks of fraud and corruption in these areas. Following this he will develop fraud risk assessment tools and training for Scottish Government colleagues in implementing fraud risk assessments within their areas.

2.3.2. The Scottish Government has published an updated version of the Corporate Governance Manual. This is available on Saltire and is included as a separate paper for information.

2.3.3. The Government Internal Audit Agency issued a Cross Government Insights Document focussing on Cyber Security in July 2021. We have included this as a separate paper, for information purposes only.

Annex A Internal Audit Plan and Progress 2021-22

The plan will continue to be reviewed each new quarter and presented to the following Audit and Assurance Committee with any updates highlighted.

Table 1 – Assurance Work

Audit Title	Planned Quarter	Progress to Date	Comments
Operations Compliance	All Year	Fieldwork Ongoing	Sample testing of live Low Income Benefits and Client Experience Redeterminations, Internal Reviews and Appeals is ongoing with regular updates provided to management on a monthly basis. A report will be produced at the end of the year to summarise all work undertaken as part of this review and once agreed this will be provided to the Audit and Assurance Committee.
Disability and Carer's Benefits Readiness	All Year	Fieldwork Ongoing	Fieldwork for this review is ongoing. Management letters will be produced throughout the year, with a final report issued at the end of the year which will be shared with the Audit and Assurance Committee.
Internal Control	All Year	Planning Complete	The terms of reference has been agreed and fieldwork is commencing at the beginning of November 2021.

Social Security - Chief Digital Office (CDO) Transition into Social Security Scotland	1	Fieldwork Ongoing	The first stage of the review has been completed and a final Management Letter issued. A second phase will be undertaken in Quarter 3 with a final report provided once complete.
Social Security - Residency	1	Fieldwork Complete	Fieldwork is complete with all information and evidence now provided. An exit meeting is due to be held and the report will then follow.
Covid-19	2	Final Report Issued	The final report was issued on the 30th September with Substantial Assurance. Please see Annex C
Social Security - Equalities and Diversity	2	Final Report Issued	The fieldwork for this review is complete and the draft report was issued on 30th September 2021. Once the management response is received this review will be finalised and the report included in our next update to the Audit and Assurance Committee.
Social Security - Client Experience	2	Final Report Issued	The final report was issued on 28th October with Reasonable Assurance rating given. Please see Annex D
Social Security - Scottish Child Payment In-depth Review	2	Fieldwork Complete	Fieldwork is complete, an exit meeting was held on 25th October and a draft report is in progress.
Agency Agreements	3	Planning Ongoing	Planning meeting has been held and the draft Terms of Reference has been issued. Fieldwork is scheduled to be undertaken in November 2021.

Budget Setting	3	Planning Ongoing	Planning meeting has been held and the draft Terms of Reference has been issued. Fieldwork is scheduled to start at the end of November 2021.
Learning and Development	3	Planning Ongoing	Planning meeting has been held and the draft Terms of Reference has been issued. Fieldwork is scheduled to be undertaken in November 2021.
SPM / Technical Debt	3	Fieldwork Ongoing	The planning for this review is now complete and the Terms of Reference has been agreed. Fieldwork commenced 1st November.
Counter Fraud/Error	3	Planning Underway	Planning for this review was carried out in Quarter 2. At this stage it was agreed with management that the focus of this review will be on Payment Correction Cases. Due to upcoming releases it was agreed that this piece of work will be undertaken in Q4 and be advisory, rather than assurance.
Recruitment	4	Not yet started	Planning will be undertaken in Q3
Productivity and Efficiency	4	Not yet started	Planning will be undertaken in Q3
Workforce Planning	4	Not yet started	Planning will be undertaken in Q3
Child Disability Payment In-depth review	4	Not yet started	Planning will be undertaken in Q3

Table 2 – Advisory Work

Advisory Title	Status	Progress to Date
Culture	Ongoing	We shared output from the responses received to the Agency Leadership Team questionnaire with members of the Strategy and Governance Team. We have a session with the Executive Team scheduled for 23rd November to feedback outcomes and gather their views. We are also in discussion with colleagues working on the Ways of Working project to ensure our work can feed into this. Through these next steps we will agree the output from this piece of advisory work.
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	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 will provide 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	Q3	As with previous years, we are participating in sessions with colleagues 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. Our last session was held on 26th October with two others to follow on 4th and 10th of November.

Table 3 – Follow Up

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

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

Report Title	Recommendations	Progress to Date
Programme Links	1 High 2 Medium 3 Low	**Complete** Two partially implemented One not yet implemented
Change Management	2 Medium 2 Low	**Complete** Two partially implemented
Information Management	1 High 2 Medium 3 Low	**Complete** Three partially implemented
Reporting and Assurance Functions Roles and Responsibilities	4 High	**Fieldwork Ongoing**
Operations 2020/21	4 Medium	**Fieldwork ongoing**

Annex B Revised Annual Plan

Activity Title	Estimated Budget Days	Activity Type	Outline of Scope	Original Quarter	Revised Quarter	Comments
Counter Fraud/Error	30	Assurance changing to Advisory	This review was expected to follow on from the 2020-21 review to provide further assurance. The scope of this review was to be agreed through planning processes.	Q3	Q4	There has not been much change since our review of Counter Fraud Governance Arrangements. As such it is felt that more value would be added if we focussed on Payment Correction Cases. System updates were included in the recent SPM release and with the launch of Case Transfers and Child Disability Payment National it is felt that this review would be best undertaken in Q4. It was also considered that an advisory approach should be undertaken at this time, rather than an assurance piece as there is awareness that there are weaknesses in the system and processes at this time and work is ongoing to remedy this. Our work will assist with progressing this further.

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Directorate for Internal Audit and Assurance

Internal Audit Report

Social Security Scotland 2021-22

COVID-19 Recovery

Audit Personnel

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

Report Distribution

Accountable Officer*	David Wallace, Chief Executive
External Audit*	Audit Scotland
Audit Sponsor	[Redacted], Head of Corporate Services
Key Audit contact	[Redacted], Head of Operations (Wave One and Live Running) [Redacted], Operations Support Lead [Redacted], Strategy Policy and Corporate Support [Redacted], Strategic Communications and Marketing Lead [Redacted], Finance & Corporate Services Business Support Lead [Redacted], Corporate Assurance Team
Internal Audit Business Support Hub*	[Redacted]

* Final Report only

Contents

1. Introduction

1.1. Introduction

This internal audit review of Social Security Scotland's COVID-19 Recovery 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 a sound system of governance, risk management and system of internal control that supports the achievement of the organisation's 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 Covid-19 Recovery arrangements.

The agreed Terms of Reference for this review is attached at Annex B.

1.3. Assurance and Recommendations

Assurance Category	Substantial		
Recommendations Priority	**High**	**Medium**	**Low**
	1	0	1

Our review has identified one high and one low priority recommendation. 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 in the response to COVID-19 essential services were maintained and able to continue as a result of the organisation's actions and mitigations. Risks relating to how decisions made throughout the response have

been documented. However weaknesses have been identified which require some improvements to enhance the adequacy and effectiveness of procedures for maintaining a clear audit trail of COVID-19 related decisions and actions. If processes for recording these decisions were strengthened the risk would be reduced.

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	**Issue**: Audit Trail of Decisions There are gaps in the processes for documenting decisions relating to COVID-19 including an audit trail of decisions made and retaining evidence of these decisions and approvals. **Risks:** An inability to provide a complete, accurate and effective response to any future enquiries Social Security Scotland may be involved in due to insufficient or	Management should: a) Ensure all actions are appropriately approved through governance routes and fully captured and tracked in relation to COVID-19 Recovery and Ways of Working project. b) Review the audit trail of decisions and ensure decisions are traceable with supporting evidence.	**H**	**Response:** Recommendation accepted **Action:** - Review key decisions taken during our response to COVID-19 and create an overarching Decision Index containing dates, decision owners, evidence and audit trail detail. - Our Ways of Working Project Board and Delivery Group have action and decision logs which are regularly maintained	December 2021

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	ineffective recording and reporting of changes and decisions made in response to COVID-19 leading to reputational damage.	c) Maintain an audit trail of future decisions made and approval of actions to be taken.		to ensure any future decisions are captured with evidence trails and owners. **Action Owner:** [Redacted] (Finance & Corporate Services Business Support Lead), [Redacted] (Governance and Strategy Team Leader) and [Redacted] (Our Ways of Working Project manager)	
2	**Issue:** A decision/action log was initially established by the Resilience Team however, this was not maintained and kept up to date. **Risk:** Agreed actions may not be taken therefore Social Security Scotland may leave itself open to risks	a) Ensure any outstanding actions from initial decision logs, which are still relevant, are closed off and no outstanding actions necessary are forgotten, particularly as the COVID-19 Recovery Group transitions into the Ways of Working project.	L	**Response:** Recommendation accepted **Action:** Review of decision/action log ensuring actions were closed off and any lessons learnt have been conducted/passed to appropriate owner/team. **Action Owner:**	November 2021

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	which impact on the ability to achieve strategic objectives.	b) Ensure no lessons learnt need to be captured from suggestions and recommendations made in the initial decision/action log to shape recovery.		[Redacted] (Business Resilience Lead)	

3. Findings, Good Practice and Improvement Opportunities

3.1. Good Practice

<u>Governance Arrangements</u>

3.1.1. In response to COVID-19, formal governance and decision making arrangements were established through the creation of a Governance Statement Document.

3.1.2. A Strategic Group was developed as a decision making body, supported by the Communications & Corporate Services Sub Group which successfully fed into the Agency Leadership Team and the Executive Team for decision making. The Strategic Group had an appropriate Terms of Reference agreed. Various papers were developed via these groups and presented to the Executive Team, and where relevant, to the Cabinet Secretary who provided scrutiny and approval. Evidence of this was retained in the sub group eRDM (the electronic Record and Document Management System) files and documented in meeting minutes.

3.1.3. These actions meant roles and responsibilities were clear and appropriate management were involved in key decisions.

3.1.4. A number of concise short term recovery plans were developed and submitted to management for scrutiny providing management with crucial updates on progress of recovery.

3.1.5. The organisation has begun considerations of the next stage and drafted a Closure Report setting out the next steps and plans to formally close the Recovery Group and embed on-going actions within appropriate business areas. A decision was taken to delay closure, however it was evident that this is being reviewed on a regular basis.

3.1.6. The foundations of a 'Ways of Working' Project have been created with a Terms of Reference now agreed. The aim of this project is to understand the wider business needs. There are clear links between this new project and the existing COVID-19 groups with weekly meetings currently taking place. A Ways of Working Delivery Group will be overseen by the Ways of Working Project Board and report into the Agency Leadership Team and the Executive Team.

<u>Risk Management</u>

3.1.7. In the early stages a reactive approach was adopted to respond to COVID-19. Initially a COVID-19 Risk Log was created which demonstrated that there was clear consideration of risk in the early reactive response. This has since migrated into business as usual risk logs which are managed locally with any significant risks escalated via the Risk Review Group.

3.1.8. Good practice was identified through risk assessments undertaken on remote working which were presented to Agency Leadership Team to acknowledge increased risks and approve mitigating controls. This highlighted the impact due to remote working and considered data, system, resource and fraud risks. These assessments also demonstrated a good understanding of the impact as a result of COVID-19 and we are pleased to note these are now being utilised to shape recovery.

Lessons Learnt

3.1.9. An extensive lessons learnt exercise has been undertaken from the response to COVID-19, with input from staff across the Social Security Scotland. This work has highlighted the successes and challenges and the output is being used to feed into future continuity plans. The output has also fed into a Scottish Government commission. We also evidence a detailed Trello Board capturing the learning from having some staff within buildings throughout the pandemic, due to the nature of their roles.

3.1.10. We have been advised that further lessons learnt exercises are planned from business resilience; information from lessons learnt are being fed into Future Ways of Working pilots for the return to offices; and further staff surveys/focus groups are planned to continue to consider staff and learn from actions taken.

Training & Guidance

3.1.11. Face to face training was quickly altered to remote content. This meant that new staff were able to receive an appropriate induction and allowed services to continue.

3.1.12. Since then, additional online training materials have been developed including mandatory e-learning for staff returning to the office covering subjects such as wellbeing and physical building set up as well as a question and answer session and manager's guidance on staff wellbeing.

3.1.13. Guidance to staff was regularly updated on Saltire and a dedicated section on 'Ways of Working' developed. This section was regularly reviewed in line with changes, with updates input from key contacts from the Communications & Corporate Services Sub Group. This allowed for a suitable transition to home working.

3.1.14. There was clear consideration of new risks due to home working. Reminders were issued to staff in relation to printing documents and an employee awareness programme on phishing, remote working and general security was developed. This information has been embedded in e-learning materials available to all staff.

3.1.15. Good practice was maintained in the compliance of data protection as services were maintained throughout COVID-19. The team proactively monitored completion of mandatory training and adapted data protection awareness sessions to online sessions to allow these to continue.

3.1.16. Social Security Scotland aligned their recovery with the Scottish Government Recovery phasing timeline which was evident through engagement throughout with Scottish Government colleagues in Human Resources, Accommodation, Corporate Communications and the Information and Technology Services (iTECS) Division.

3.1.17. Externally published documents, such as the Measuring our Charter and 2021-22 Business Plan, included an update on devolved benefits.

COVID-19 Communications

3.1.18. A range of good communications were made throughout the response to COVID-19 and there is evidence that this is still continuing. The Communications Team implemented quarterly communication plans which went through appropriate governance and provides a single route of effective communication to all within the organisation. This approach continues to be in operation as the organisation moves through recovery.

3.1.19. Consistent messaging was enabled through the Communications & Corporate Services Sub Group. We evidenced good communication to staff through messages from the Executive Team, Management Cascades, Saltire (the intranet) updates and articles, all staff calls and use of the Communications Champion Group. We were able to confirm that the Communications Team had

consideration of all stakeholders including clients, Social Security Scotland staff, the Programme Directorate and the Scottish Government.

<u>Arrangements for infrastructure and equipment</u>

3.1.20. A number of arrangements were put in place to ensure suitable infrastructure and equipment were available in the recovery from COVID-19 and that critical services were adapted, this included:

o   Suitable adjustments made to allow for appropriate equipment to be sent home to staff, including laptops for new staff and requests for IT and desk equipment with a good control over what has been issued;

o   Use of SCOTs (the Scottish Government's IT network utilised by Social Security Scotland) network therefore transferred risks and actions needed to ensure appropriate scale and capability of systems;

o   Enhanced security monitoring planned prior to COVID-19 was implemented which meant monitoring for anomalies in user activity has since been established;

o   There was clear evidence of consideration of the impact COVID-19 would have on resourcing through the Workforce Planning Committee, with additional resourcing papers submitted, temporary resource, reserve lists, business areas engagement with Human Resources Business Partners and arrangements put in place to ensure new staff could continue to start. We also have evidence of good practice in resourcing considerations in the Ways of Working project and lessons have been learnt, for example, videoing allowed for mass recruitment and reduced time.

o   Evidence of financial impact was also in place. COVID-19 costs were reported separately within a COVID-19 spend section, as part of the monthly budget report to the Deputy Director Finance and Corporate Services and Executive Advisory Board. On-going budget considerations were made through the Ways of Working project, mid-year review and monthly budget holder meetings on accommodation needs.

<u>Accommodation</u>

3.1.21. From our fieldwork we were able to confirm that accommodation was considered throughout and continues to be through the Ways of Working Group. Arrangements were put in place to ensure key services could continue safely in

buildings, such as mailroom, and process maps and signage were created to support social distancing within buildings.

3.1.22. Since then, a formal process has been established to accommodate staff who wish to return through Office Access Requests retained by Human Resources Business Partners. This is co-ordinated effectively between accommodation to assess the numbers available, Human Resources and People Services.

3.1.23. Accommodation are also proactively involved in Ways of Working discussions, with capacity agreed up to 2022.

Wellbeing

3.1.24. People Services undertook a lot of key work to ensure the wellbeing of staff including:

- o Developing Wellbeing and Health & Safety home working sessions to support staff;
- o Implementation of a wellbeing toolkit, available to staff to raise wellbeing concerns and report issues with home working which are monitored by People Services and undertaking staffing impact assessments;
- o Seeking useful information from the Scottish Government Pay Services on COVID-19 staff absence, this meant People Services enhanced support on offer to managers and individuals absent due to COVID-19;
- o Display Screen Equipment assessments continued to operate remotely;
- o Engagement with Trade Unions ensured regulations were complied with.

3.2. Improvement Opportunities

Audit Trail of Decisions

3.2.1. There are gaps in the processes for documenting decisions relating to COVID-19 including an audit trail of decisions made and retaining evidence of these decisions and approvals.

3.2.2. Key decisions made were documented within weekly Executive Team minutes which are retained within eRDM. Planned actions agreed at these meetings were retained within the weekly updated Communications & Corporate Services Sub Group Action Tracker and summarised in the Closure Report. However, there was no record of what decision was made, by who and when. There was also no clear link to the option/discussion papers on which the decisions made were based as these were held separately by either the Communications & Corporate

Services Sub Group or the Strategic Group. Due to the number of decisions made and lack of audit trail, if an enquiry was to ask for this information it would be difficult and time consuming to locate the relevant evidence relating to the key decisions made.

3.2.3. A telephony system was implemented quickly to allow for client services to continue. From our review we were unable to clarify the process followed for approval of the approach to implementing the call back telephony service. Initially, decisions had to be taken quickly, as a result it was unclear whether a decision paper and appropriate approval was in place and the evidence expected which should document the steps taken were not readily available to trace back to the decisions taken. As such we are unable to confirm that there was sufficient scrutiny and approval. It is important that Social Security Scotland ensure all key decisions are appropriately approved and information relating to decisions made are traceable and easily accessed if requested.

3.2.4. It was advised that prior to release all internal communications made relating to COVID-19 were approved by the relevant Deputy Director or senior manager. However evidence of approval was not retained as internal communications approvals are kept in individuals inboxes. For audit trail, as a point of best practice we are highlighting that approvals should be retained within a retrievable eRDM folder in line with Information Management Policies.
(Please see recommendation 1)

Initial Actions Log

3.2.5. A decision/action log created by the Resilience Team in the early days of COVID-19, with recommendations, did not continue and was no longer kept up to date.

3.2.6. The document contained many proposed actions across various business areas who then determined which were to be taken forward/implemented. From our review of the document it was not clear which actions were progressed and there is an increased risk that planned actions were missed or lessons were not learnt from the early identified actions as the steering groups became sub-groups.
(Please see recommendation 2)

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 2021-22

Covid-19 Recovery

Directorate for Internal Audit and Assurance

Issue Date: 1-07-2021

Key Audit Contacts

Audit Year:	2021-22
Client Accountable Officer:	David Wallace
Client Audit Contact(s):	[Redacted], Head of Corporate Services; [Redacted], Head of Operations (Wave One and Live Running); [Redacted], Operations Support Lead [Redacted], Strategy Policy and Corporate Support [Redacted], Strategic Communications and Marketing Lead; [Redacted], Corporate Services & Finance - Senior Service Development Manager; [Redacted], Business Resilience Manager
Head of Internal Audit:	[Redacted]
Internal Audit Manager:	[Redacted]
Internal Auditors:	[Redacted]

Estimated Reporting Timescale

Fieldwork Starts:	July 2021
Fieldwork Ends:	July 2021
Draft Report Issued:	July 2021
Final Report Issued:	August 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. Social Security Scotland has established a Covid Risk Log which contains details of many risks which the organisation is aiming to manage throughout the recovery from the pandemic. These risks relate to governance, communication and engagement with both staff and stakeholders, operational delivery, financial management, data protection, health and safety, resourcing and lessons learned.

1.3. The review is to provide assurance over Social Security Scotland's success in capturing lessons learned from the organisation's response to Covid-19 and ability to use this once in a generation situation to identify and take action to benefit from the opportunities for establishing better ways of working which is effective for both staff and stakeholders.

1.4. We will consider Social Security Scotland's response to date on Covid-19, specifically the approach to governance and controls established in relation to working practices, security, wellbeing/diversity and operational delivery including client experience.

1.5. The audit will also review the approach to longer term recovery work, to ensure that Social Security Scotland has the scope and governance set up correctly and is fully considering longer term issues such as working from home, estates needs and future ways of working.

1.6. Staff wellbeing and health and safety was the focus of a separate audit in 2020/21 and as such current arrangements will not be considered as part of this review, however some elements of future plans and lessons learnt may be considered.

2.   Scope

2.1. To evaluate and report on the controls in place to manage the risk surrounding Social Security Scotland's Covid-19 arrangements.

2.2.   Remit Item 1 – Governance and Decision Making

Key Risks:

Inability to achieve strategic objectives, inappropriate decisions made and/or actions taken outwith delegated authority leading to an inability to deliver services effectively resulting in hardship to clients and reputational damage due to:

- Unclear roles, responsibilities and structures leading to individuals acting outwith their delegated authority and inappropriate decisions being made.
- Insufficient transparency and scrutiny of decisions made due to insufficient or ineffective recording and reporting of changes made to governance and operational arrangements in response to Covid-19.
- Insufficient and ineffective risk management increasing the likelihood of risks occurring resulting to an inability to achieve strategic objectives and deliver services to clients.
- Ineffective financial and resource management resulting in an inability to deliver services with the resources allocated leading to reputational damage.
- Policies, strategies, procedures and systems are poorly designed and are not regularly reviewed, updated and embedded into business as usual activities leading to an inability to deliver services and achieve strategic objectives.
- Lessons learned from Covid-19 are not captured including plans of recovery and opportunities for new ways of working leading to an inability to consider as part of the Future Ways of Working project and effectively use the situation to improve Social Security Scotland and obtain value for money.

2.3.   Remit Item 2 – Capacity and Capability

Key Risks:

- Ineffective communications, engagement, training and support to equip individuals and managers to operate effectively in the future leading to an inability to deliver services and achieve strategic objectives.
- Insufficient infrastructure and equipment (eg IT / Estates) to support operational delivery resulting in an inability to deliver services and meet the needs of clients and stakeholders.
- Lack of consideration of staff wellbeing and health and safety, leading to an inability for Social Security Scotland to meet its duty of care to its staff.
- Insufficient collaboration and sharing across and between teams / functions regarding better practice and lessons learned leading to an inability to improve and achieve value for money.

- Insufficient and ineffective controls in relation to information management, data protection and security leading to non-compliance increasing the risk of data loss, financial penalties and reputational damage.

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.

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Directorate for Internal Audit and Assurance

Internal Audit Report

Social Security Scotland 2021-22

Client Experience Review

Audit Personnel
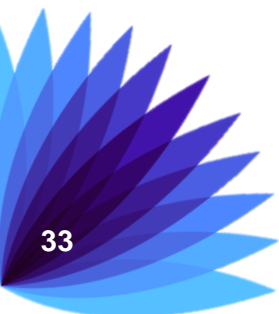
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Report Distribution

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* Final Report only

Contents

4.   Introduction

4.1. Introduction

This internal audit review of Social Security Scotland's, Client Experience Arrangements formed part of the Audit Plan agreed by the Accountable Officer and noted by the Audit and Risk Committee on 9 February 2021. The Accountable Officer for Social Security Scotland is responsible for maintaining a sound system of governance, risk management and system of internal control that supports the achievement of the organisation's policies, aims and objectives.

4.2. Audit Scope

The scope of this review was to assess and provide assurance on Social Security Scotland's Client Experience function in relation to Client Feedback (which includes Complaints, Compliments and Suggestions) and Unacceptable Actions, the team who carry out the role of the Nominated Team. As part of this audit, we considered the internal arrangements which have been established including consideration of relevant strategies, policies, procedures, guidance and processes.

The agreed Terms of Reference for this review is attached at Annex B.

4.3. Assurance and Recommendations

Assurance Category	Reasonable		
Recommendations Priority	High	Medium	Low
	2	3	0

Our review has identified two high and three medium 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 the Client Experience processes for feedback and unacceptable actions are developing and making good progress to implement sound controls. Our overall assurance rating considers the strategic nature of the subject matter and also the current low level of client feedback and unacceptable actions. There are some actions required to ensure robust arrangements are in place as further benefits are launched, including oversight, development of systems (specifically a move away from manual processes) and training and guidance.

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.

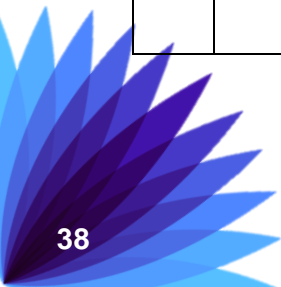Please see Annex A for the standard explanation of our assurance levels and recommendation priorities.

5. Management Action Plan

5.1. 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	**Issue: Oversight and Roles & Responsibilities** • Roles and Responsibilities are not clear or documented to specify how the Client Experience Team will align with the Future Benefits Team. • Lessons learnt are captured and fed back to all stakeholders regularly, however there is a lack of ownership and responsibility for taking action to address lessons learnt [Redacted]	a) Management should ensure roles and responsibilities setting out the governance arrangements and decision-making responsibilities are documented between key stakeholders, that they are understood by all staff and align with processes. b) Management should make improvements to the process for lessons learnt and seek assurances that	M	**Response:** 1 - There is limited documentation around the roles and responsibilities of the Future Benefits team that have been shared with Client Experience. We accept that this needs to be further documented appropriately. A new Business Owner branch has been established, and all of the roles within the new branch will be developed and will incorporate this recommendation as part of that branch creation over the next 6 to 9	1. By May 22 2. By Jan 22

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	Risk: Failure to clearly define roles and responsibilities may result in key actions not being undertaken, causing a failure in delivery.	actions are being taken for issues identified.		months. Internal guidance will be updated to ensure all staff are aware of the roles and responsibilities and the governance arrangements. 2 - Recruitment is currently underway for a liaison post from Future Benefits to Client Experience. This new role will develop and embed the roles and responsibilities across both teams. Action will be taken to define who is responsible owner to take issues forward for lessons learned coming from the Client Experience Team**.** **Action Owner:** [Redacted]& [Redacted] & [Redacted]	

| No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
2	**Issue**: **Development of Systems** A lack of a feedback Product Owner role within Social Security Directorate has resulted in difficulties driving improvements forward and workarounds being required. These include: • Client Experience has three Service Desk tickets which have been outstanding for two years. • Reliance on a manual, labour intensive spreadsheet tracker to capture information on client feedback and near misses [Redacted] • Client feedback reporting is reliant on manual intervention which is time consuming and causes duplication between	a) Management should put controls in place to minimise the risk to Social Security Scotland or seek assurance from the Social Security Directorate that there are key contacts in place to assist with progressing the development of systems and processes for Client Experience. b) Outstanding system issues should be escalated via management, emphasising the impact of outstanding issues, and secure clear timescales of a resolution which supports business needs.	H	**Response** 1 & 2- Discussions are underway with both the Social Security Directorate and Social Security Scotland Transition team to find the best solution on how to allocate a product owner. In the absence of a product owner the Future Benefits in their capacity as Client Experience Business owners, will pick up with the live service team Product Owner to resolve or escalate system issues. 3 - Enhancements will be made to our IT systems to allow data to be produced automatically. When the system issues are resolved there will no longer be the need for manual data.	1. By Dec 21 2. By Mar 22

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	Client Experience and the Operations and Delivery Analysis Unit (SSODA) due to a lack of system functionalities. **Risk:** Insufficient systems in place, or in development, and a lack of ownership of developments resulting in workarounds and errors which are costly to resolve, inefficient, ineffective and an inability to record and maintain Client Experience.	c) Once system issues are resolved, Client Experience should move away from manual reporting processes and ensure functionality which supports the Social Security Operations and Delivery Analysis Unit to generate automated SPM reports.		**Action Owner** 1. [Redacted] 2. [Redacted]	
3	**Issue**: **Quality Assurance & Management Information** • Quality Assurance processes in place are not formally	a) The Quality Assurance Programme should be reviewed to ensure all areas of Client Experience have	M	**Response:** 1 – We agree with this recommendation. The Quality Assurance process will be reviewed, documented and shared.	1. By Dec 21 2. By April 22

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	documented and do not cover all areas. • No formal trend analysis is in place for Unacceptable Actions. **Risk:** Inability to analyse and understand trend information and to learn lessons in relation to client feedback and miss the opportunity to improve operational practices and effectiveness.	documented procedures for quality checking. b) Consider a review, analysis or lessons learned process for Unacceptable Actions and near misses to develop processes and provide further support to staff dealing with the clients.		2 - A review on Unacceptable Actions processes to consider lessons learned and trend analysis will be undertaken to support staff whilst dealing with clients. **Action Owner:** 1. [Redacted] 2. [Redacted] (UA product owner)	
4	**Issue**: **Training and Guidance** • Guidance has not been formally reviewed in two years, with ad-hoc updates made as processes developed,	a) Management should deploy appropriate resource to review and update Client Experience guidance and process maps.	M	**Response:** 1 - The Future Benefits team will assist with a guidance review of feedback, working with the team to identify gaps and issues until a product owner is allocated. The	1. By March 22 2. By Feb 22

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	resulting in gaps being identified. • Client feedback and Unacceptable Actions training comprises short modules during the initial training period and does not require refresher training. As workloads are low, staff may not have the sufficient knowledge with current training arrangements. **Risk:** Insufficient training and guidance results in inconsistent working practices, delays in responding appropriately and timeously to feedback or unacceptable actions	b) Training should be made mandatory and a programme of refresher training developed to support knowledge across all staff who manage client feedback and unacceptable actions.		Future Benefits team will take forward discussions to have this guidance amended and uploaded to Knowledge Management. 2 - Consultation is already underway to ensure both training modules are completed yearly as a mandatory requirement. Training packages already exist in form of E-learning and conversations have begun with L&D to start this process. **Action Owner:** 1. [Redacted]/Assigned to Product Owner once identified. **2.** [Redacted] (Feedback) & [Redacted] (UA)	

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	and responses which are not of the required quality.				
5	**Issue**: **General Data Protection Regulation Compliance** • The near misses spreadsheet for unacceptable actions although is not yet in use, contains heading for recording personal information. • The main source of information on client feedback and unacceptable actions is maintained within a spreadsheet which contains more information than required. • The Single Point of Contact process is available to all members working within Social	Management should: a) Review current tracker arrangements to ensure the information captured is only what is needed and reduce the amount of personal information contained. b) Limit the Single Point of Contact process to relevant staff only.	H	**Response:** 1 - The near miss spreadsheet will be updated to ensure only information required is recorded. 2 - A new Customer Management System is being designed to provide an IT solution removing need for excel spreadsheet. This will replace the current single point of contact process. This work commenced on 19/10/21 and development work will continue until around April 22 with deployment being planned for around August 22. This will limit access to only those with the correct role and will involve full security and	1. By December 22 2. By August 22

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	Security Scotland with Knowledge Hub access. **Risk:** Failure to comply with data protection regulations resulting in exposure to penalties and reputational damage.			information governance input to what is being recorded. **Action Owner:** 1. [Redacted] 2. [Redacted] (Product Owner UA)	
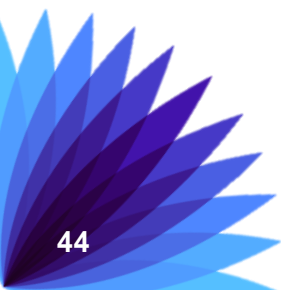
6.   Findings, Good Practice and Improvement Opportunities

6.1.   Good Practice

<u>Governance Arrangements</u>

6.1.1.   There is clear internal and external documentation relating to the management of Compliments, Complaints and Unacceptable Actions, including references to Scottish Public Services Ombudsman Model (SPSO) Complaints Handling Procedures as appropriate. We found guidance and processes align with the Model Complaints Handling Procedures. Client Experience information is available externally on the Social Security Scotland website and internally on Saltire and the Knowledge Hub, with a dedicated section on Client Experience processes available to all staff. Overall policies and procedures are fit for practice with some minor amendments required.

6.1.2.   Sufficient resource modelling has taken place for live benefits which has consideration of both existing and future benefits and client experience workload and the resources in place align with their modelling projections.

6.1.3.   A local Client Experience risk register is maintained.

<u>Client Feedback</u>

6.1.4.   A dedicated team is in place to deal with client feedback and processes have been established to capture this. The team has also implemented feedback champions across Service Delivery to support knowledge of feedback processes across the organisation. Best practice was obtained by the publication of all feedback every six months on Social Security Scotland's website, in line with Scottish Public Services Ombudsman Model Complaints requirements. Feedback receives robust management oversight as the team builds on knowledge of processing complaints.

6.1.5.   Continuity is in place for reporting processes; three members of staff undertake this work. Current arrangements include trend analysis and good use of tables and charts.

6.1.6.   Guidance available on Knowledge Hub has had ad-hoc revisions made between Oct 2020 and June 2021. Guidance is accessible for all areas of the business, including Operations as well as specific guidance for Client

Experience. Guidance on feedback is also documented in e-learning for staff upon induction.

<u>Unacceptable Actions</u>

6.1.7. The Knowledge Hub is used to store information relating to the processes and systems in place to report and capture unacceptable actions, including relevant timescales for management and resolution. Processes to capture unacceptable actions are effective.

6.1.8. There was clear evidence of ongoing development of systems to improve processes and automation and reduce the risk of human error.

6.1.9. Policies are available publicly, ensuring good transparency when it comes to recording, assessing, managing and reviewing unacceptable action markers.

6.2.   Improvement Opportunities

<u>Oversight and Roles and Responsibilities</u>

6.2.1. Existing job roles are documented, understood and reasonable. The Client Experience Team utilises a document which sufficiently details its current team structure.

6.2.2. However, as the Client Experience Team matures and governance changes are in discussion, roles and responsibilities are not clear or documented to specify how the Client Experience Team aligns with the Future Benefits Team. We are aware this is developing and new roles will exist between the two teams. However until this is established, this exposes the team to making inappropriate actions which are not in line with the appropriate governance route, increasing the risk of duplication or lack of appropriate authorisation.

6.2.3. Trends, issues and lessons learnt identified from client feedback were regularly fed back to all relevant stakeholders through weekly and monthly meetings across Service Delivery, however responsibilities on who takes action and how this feeds into improvements to processes and training was unclear. We were unable to evidence action for improvements being taken forward, and therefore there is a lack of ownership of improvements from lessons learnt. **([Recommendation one](#))**

Development of Systems

6.2.4. There is a lack of Product Owner role within Social Security Directorate in place for feedback, this means improvements to feedback policies and procedures are limited, difficult to implement and may result in changes being made out with appropriate governance routes. During fieldwork, it was evident that examples of these difficulties had been experienced such as in the development of video materials in which resource had to be used internally rather than through Content Writers and Product Owners. Further issues identified are set out below.

6.2.5. Three Service Desk tickets for Client Experience have been outstanding for two years. One of these is a request for the ability to edit errors in feedback on SPM (Social Programme Management, Social Security Scotland's Client Management System). Currently this is managed through workarounds and manual processes, which can increase the risk of error. The team maintains a manual spreadsheet of SPM issues, including a backlog of corrections required to make feedback information in SPM correct, once functionality allows, creating further work for Client Experience. A resolution was expected to be implemented in November 2021, however, we were advised that the three outstanding tickets will not be implemented in the next release. There are no clear timescales on completion or escalation in the absence of a Product Owner. Action is required to ensure resolution of outstanding tickets, including assessment of the impact of these outstanding tickets.

6.2.6. The manual spreadsheet tracker for client feedback and unacceptable actions is used for publishing statistics. During testing, we found one small error in the method of application documented within the spreadsheet versus SPM. Feedback reporting is also manual, resulting in a time consuming process with instances of duplication due to system inabilities. Specifically, to gather and publish the statistics for client feedback, a manual tracker is used and a cross check is needed of the SPM data generated by the Social Security Operations and Delivery Analysis Unit.

6.2.7. Currently, these Client Experience processes are owned by the Social Security Directorate. Therefore assurances need to be sought to ensure actions are taken to improve Client Experience processes and address these risks.

Consideration should be given to putting controls in place to minimise the risk to Social Security Scotland. We recognise that this has been discussed, however, a decision is required to be taken by management to establish if this would enable implementation of the improvements needed, and if so, what action will need to be taken achieve this change. **(Recommendation two)**

Quality Assurance and Management Information

6.2.8.   A local Quality Assurance Strategy has been developed, however, it does not cover all areas of Client Experience and there is no formal recording of checks. Responses to complaints are currently subject to 100% senior management approval due to the infancy of experience dealing with complaints. However, this is manually approved out with SPM and therefore no audit trail is documented. Tasks within SPM are not automated and therefore do not prevent complaints or unacceptable actions being processed without sufficient review. Long-term consideration to strengthen approval and quality assurance procedures is required to ensure they are achievable and reasonable. With increased levels of work, it needs to be documented and include all areas of Client Experience, the level of compliance needed and consideration of preventive SPM approval requirements.

6.2.9.   At the time of our fieldwork no unacceptable action markers had been applied and therefore no analysis could be undertaken on this. The near-miss spreadsheet is maintained and reviewed, however, there is no formal trend analysis undertaken. We recognise that the system limits management information functionality, but there would be benefit to implementing an interim assessment of near-misses to support development of processes. **(Recommendation three)**

Training and Guidance

6.2.10. Since the launch of the Client Experience function in late 2018, guidance has not been formally reviewed. Internal Audit note that small ad-hoc updates have been made as appropriate, however, the current guidance does not include end-to-end processes and process maps are outdated across client feedback and unacceptable actions.

- Specific guidance gaps were identified and we recommend these are addressed as part of a wider guidance review:

- Guidance does not consider lines to take to address cases with an appointee [Redacted].

- A lack of step-by-step guidance on the approach to take based on outcomes of feedback (compliments and complaints), and gaps in process maps, as these do not detail deadlines for acknowledgement letters, responsibility and steps taken at mailroom stage.

- Process maps have not been updated since 2018 and action is required to ensure process maps are utilised or removed if no longer adding value.

- Knowledge Hub guidance on complaints suggests *'you should pass complaint to the agency to deal with'*. This is incorrect terminology to address guidance to Social Security Scotland as they are 'the agency'. Guidance should be updated to be clear on who within Social Security Scotland deals with the complaint.

- Suggestions guidance doesn't reflect actual practice (E.g. Letters and e-mails utilised) and revisions are required to update practices for storage of these documents.

- [Redacted].

- Unacceptable markers are to be reviewed after four months, [Redacted].

6.2.11. Training material has been developed and is available on the learning and development platform available to all Service Delivery staff upon induction. While during the initial training period these processes are covered, there is no mandatory refresher training across feedback and unacceptable actions. As feedback and unacceptable actions can be dealt with by staff across Service Delivery, with levels of feedback and unacceptable actions currently low, there is a risk of a knowledge gap, with staff being unaware of the correct processes. The programme of training should be strengthened to ensure appropriate knowledge transfer, to prevent feedback and unacceptable actions being dealt with inappropriately. (**Recommendation Four**)

General Data Protection Regulation Compliance

6.2.12. A manual spreadsheet tracker is utilised for client feedback and near-misses. This contains more information than required and the near-misses spreadsheet contains personal information relating to the client. Whilst not yet in use, when in use if followed it will contain personal information. [Redacted].

6.2.13. Single Point of Contact (SPOC) processes are available to all members working within Social Security Scotland and should be limited to appropriate staff. **([Recommendation five](#))**

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.

Scottish Government
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Directorate for Internal Audit and Assurance

Internal Audit Terms of Reference

Social Security Scotland 2021-22

Client Experience

Directorate for Internal Audit and Assurance

Issue Date: 23-07-2021

Key Audit Contacts

Audit Year:	2021-22
Client Accountable Officer:	David Wallace, Chief Executive
Client Audit Contact(s):	[Redacted], Head of Local Delivery & Client Experience [Redacted], Client Experience Lead [Redacted], Head of Client Experience (Future Benefits) [Redacted], Client Experience Manager [Redacted], Client Experience Lead
Head of Internal Audit:	[Redacted]
Internal Audit Manager:	[Redacted]
Internal Auditor	[Redacted]
Trainee Auditor	[Redacted]

Estimated Reporting Timescale

Fieldwork Starts:	16 August 2021
Fieldwork Ends:	03 September 2021
Draft Report Issued:	17 September 2021
Final Report Issued:	01 October 2021
Estimated Resource Days:	25

7.   Introduction

7.1.   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.

7.2.   The aim of this review is to assess and provide assurance on Social Security Scotland's Client Experience function in relation to Client Feedback (which includes Complaints, Compliments and Suggestions) and Unacceptable Actions, the team who carry out the role of the Nominated Team. 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. As elements of Client Experience are considered within the scope of other planned audit reviews, the scope of this review will focus on the processes and controls surrounding Client Feedback and Unacceptable Actions.

7.3.   We held a planning meeting on 05 July 2021 with [Redacted], Head of Local Delivery & Client Experience, [Redacted], Client Experience Lead and [Redacted], Head of Client Experience (Future Benefits), to discuss relevant risks and agree the scope of this review.

7.4.   Our key risks below have been developed through these discussions and our knowledge of Social Security Scotland and its objectives.

8. Scope

8.1. To evaluate and report on the controls in place to manage the risk surrounding Social Security Scotland's Client Experience arrangements in relation to Client Feedback and Unacceptable Actions.

8.2. Remit Item 1 – Governance Arrangements

Key Risks:

- Lack of appropriate structure and clear roles, responsibilities and reporting lines in relation to client feedback and allegations of unacceptable behaviour leading to an inability to effectively respond to these resulting in client and staff dissatisfaction.

- Insufficient policies, procedures and guidance which is not aligned with the Scottish Public Services Ombudsman Model Complaints Handling Procedures leading to ineffective or inconsistent practices for dealing with client feedback.

- Insufficient policies, procedures and guidance in relation to unacceptable actions leading to ineffective or inconsistent practices for dealing with unacceptable client behaviour which could result in a failure to live by the values of Social Security Scotland, diminished staff morale and an inability to meet the duty of care to staff.

- Insufficient staff training and/or a lack of resource resulting in inconsistent working practices, delays in responding appropriately and timeously to feedback or unacceptable actions and responses which are not of the required quality.

- Insufficient management oversight and reporting leading to a failure to ensure clear understanding on feedback and unacceptable actions in practice and no ability to manage any resulting risks and consider this as part of strategic planning and decision making.

- Established processes are not scalable meaning Social Security Scotland are unable to deal with increased activity encountered following the launch of new Disability and Carer's Benefits and Case Transfers, leading to increased staff and client dissatisfaction and reputational damage.

8.3. Remit Item 2 – Client Feedback (Complaints, Compliments and Suggestions)

Key Risks:

- Ineffective methods for capturing and recording client feedback leading to an inability to learn from this feedback and take appropriate action, resulting in client dissatisfaction.

- Non-compliance with feedback handling procedures leading to an inability to achieve response timescales and diminished service levels resulting in client dissatisfaction and/or reputational damage.

- Insufficient feedback arrangements for ensuring input from relevant stakeholders across Social Security Scotland to ensure the information reaches the relevant individuals and appropriate action can be taken.

- Repeated complaints on similar issues due to lack of effective arrangements for learning from feedback and ensuring appropriate action is taken to achieve client satisfaction.

- Inability to analyse and understand trend information and to learn lessons in relation to client feedback and miss the opportunity to improve operational practices and effectiveness.

8.4. Remit Item 3 – Unacceptable Actions

- Insufficient mechanisms for staff and stakeholders to report unacceptable actions.

- Inappropriate investigative and remedial action taken in relation to allegations of unacceptable behaviour increasing the risk that staff may be subject to repeated occurrences of unacceptable behaviour and the legal duty of care to staff may not be met.

- Markings may be noted on an individual's client record in error leading to a diminished level of service for the client.

- No arrangements to review markings on client records from unacceptable actions to ensure the status of markings are still appropriate and necessary leading to unfair treatment of clients.

- Inability to analyse and understand trend information and to learn lessons in relation to unacceptable actions and miss the opportunity to improve operational practices and effectiveness.

9. Approach

9.1. We will undertake the audit in compliance with the Internal Audit Charter and Memorandum of Understanding agreed between Internal Audit and Social Security Scotland.

9.2. 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.

9.3. 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.

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