



## **Audit and Assurance Committee**

<b>Date of Meeting</b>	Tuesday 13 <sup>th</sup> May 2025
<b>Subject</b>	Audit Recommendation Update
<b>Agenda No.</b>	9
<b>Paper No.</b>	31.8
<b>Prepared By</b>	Corporate Assurance Team
<b>Purpose</b>	Note

### **1. Background**

- 1.1. This update summarises progress with outstanding management actions from Internal Audit reports, Health-check Reviews and Audit Scotland reports.

### **2. Key points**

- 2.1. The report provides the following breakdown:
- Total Internal Audit recommendations progress to date;
  - An overview of open Internal Audit recommendations that have missed deadlines or are at risk of slippage;
  - A brief overview of outstanding high, medium and low priority Internal Audit recommendations;
  - A breakdown of Internal Audit recommendations where timescales have been missed or at risk of slippage;
  - A table noting progress of Audit Scotland actions; and
  - A table noting progress of Health-check actions.
- 2.2. For awareness, we are now prioritising audit recommendations against our business plan priorities and key organisational risks. A consequence of this revised approach might be to accept the risk in not taking forward certain recommendations but being able to clearly articulate the reasons why.

### **3. Conclusions**

- 3.1. The Audit and Assurance Committee is invited to note the progress of the recommendations and information contained within this report. To help guide discussion, we would draw to the Committee's attention the following key points from the paper. There remain:



- 43 open recommendations from 2023-24, with 19 of these recommendations at proposed for closure status.
  - 46 open recommendations from 2024-25, with 29 of these recommendations at proposed for closure status.
  - 11 partially implemented recommendations from the period 2022–2023, an increase of 8 from the last reporting period.
  - Missed deadlines in relation to outstanding recommendations: 7 high and 13 medium.
  - With the new Business Plan initiatives we are starting to notice that a number of audits are not progressing in line with expected timescales due to competing priorities.
- 3.2. We would also welcome feedback on this paper and annexe to support continuous improvement and ensure that we are continuing to meet committee members' needs.



## Social Security Scotland – Audit Recommendation Update

### 1 Purpose

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

### 2 Context

Recommendations are broken down by each review, giving the overall assurance rating and illustrating the number of recommendations made and priority ratings they hold. Further information is contained within the following four annexes:

**Annex A** – Audit Scotland recommendation update tracker.

**Annex B** – Health-check recommendations update tracker

**Annex C** – Internal Audit's definitions of assurance ratings and recommendation categories.

**Annex D** – Health-check definitions of ratings and recommendations.

### 3 Summary of Progress

The Corporate Assurance Team continue to support action owners with the implementation of recommendations. This is carried out through regular meetings with action owners, to discuss and scrutinise outputs and performance against recommendations. Responsibility for implementing recommendations sits with the relevant business area.

Reports have been finalised this quarter for the following areas

- Client Services Delivery Compliance Review 2024-25.

The following 2024/2025 Internal Audit reports are outstanding but are near the final stages of completion:

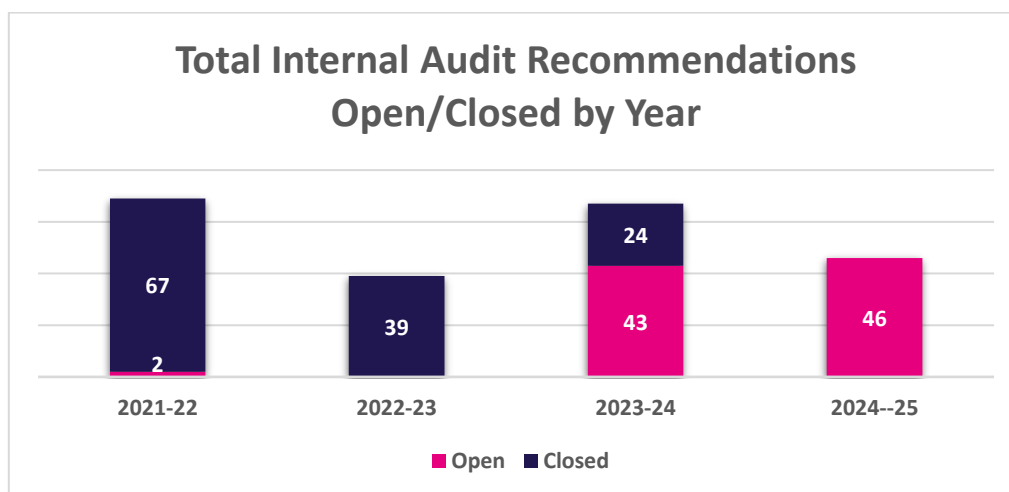
- Performance Management
- Business Continuity/ Resilience
- Quality
- Case Reviews
- Automation in Benefit Administration
- Transition/ Programme Closure (Full year review)
- Value for Money/ Fiscal Sustainability (Full year review)

The below table indicates the overall assurance ratings from Internal Audit reports to date, with an additional breakdown for 2024-25.



Overall Assurance Level – Internal Audit Reports	Total number of reports to date	2024-25
<b>Substantial Assurance</b> Controls are robust and well managed	7	0
<b>Reasonable Assurance</b> Controls are adequate but require improvement	52	3
<b>Limited Assurance</b> Controls are developing but weak	24	3
<b>Insufficient Assurance</b> Controls are not acceptable and have notable weaknesses	0	0

#### 4 Total Internal Audit Recommendations Progress to date



The graph above shows a breakdown by year of the open and closed recommendations.

- 2021-2022 recommendations – 2 of the recommendations remain open and 67 are closed. The 2 open recommendations are from the Productivity and Efficiency report. The Corporate Assurance team will be working with Internal Audit and the action owner to decide if the outstanding recommendations should be superseded.
- 2022-23 recommendations – All 39 recommendations are now closed.
- 2023-24 recommendations – 43 recommendations are open and 24 are closed. 19 of the 43 open recommendations are proposed for closure.
- 2024-25 recommendations – 29 of the 46 open recommendations are proposed for closure.

Although not shown in the graph, it is important to note that a further 11 recommendations are currently considered to be only partially implemented. Partially implemented recommendations



have been reviewed by Internal Audit as part of a follow-up review and are considered to be closed for Internal Audit purposes, but further action is required. These recommendations are monitored locally by the Corporate Assurance team and added to the closures count once fully completed. A review of all partially implemented recommendations was carried out with the relevant action owners. The table below indicates the progress made this quarter:

Number of outstanding partially implemented recommendations by reporting year				
	2021-22	2022-23	2023-24	Total
Previous quarter	0	3	0	3
Current quarter	0	8	3	11
+/-	0	+5	+3	+8

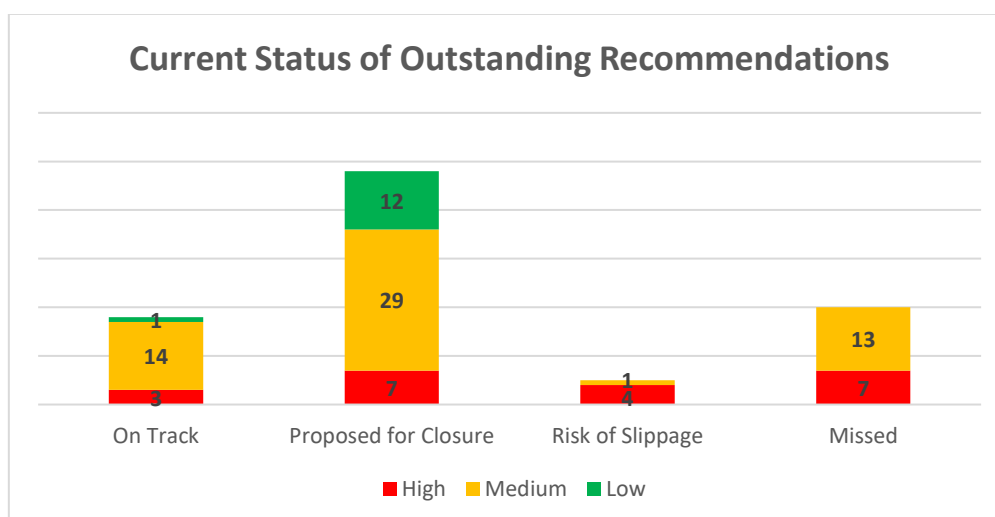
## 5 Open Recommendations that have initially missed, or are at risk of slippage, on their deadline.

The below table provides an overview of open Internal Audit recommendations which have missed their deadlines or are at risk of slippage.

Internal Audit Report	Assurance	Missed	Risk of slippage
Client Services Delivery			
Child Disability Payment In depth 2024	Limited	1 High Priority	0
Adult Disability Payment In depth	Limited	1 Medium Priority	0
Complaints	Reasonable	0	1 Medium Priority
Finance and Corporate Services			
Internal Controls – Top Error Trends	Limited	1 High Priority	0
Chief Digital Office			
Data Sharing/ Data Governance	Limited	1 Medium Priority	1 High Priority
Role Based Access Controls	Limited	1 Medium Priority	2 High Priority
Organisational Strategy and Performance			

<b>Productivity and Efficiency</b>	Limited	2 Medium Priority	0
<b>Continuous Improvement</b>	Limited	1 High Priority 2 Medium Priority	0
<b>Health and Social Care</b>			
<b>Safeguarding</b>	Limited	4 High Priority 3 Medium Priority	0
<b>Case Discussions</b>	Reasonable	1 Medium Priority	0
<b>People and Place</b>			
<b>Corporate Transformation and Estates Management</b>	Reasonable	2 Medium Priority	0

## 6 Current Status of Outstanding High, Medium and Low Priority Recommendations



The graph above shows a breakdown by priority level of the outstanding recommendations.

### High Priority Recommendations (21)

- 3 are on track
- 7 are proposed for closure
- 4 are at risk of slippage (Role Based Access Controls, Data Sharing/ Data Governance, Complaints)
- 7 have missed the deadline (Safeguarding, Internal Controls – Top Error Trends, Child Disability Payment In depth and Continuous Improvement)

### Medium Priority Recommendations (57)



- 14 are on track
- 29 are proposed for closure
- 1 is at risk of slippage (Complaints)
- 13 have missed deadlines (Productivity and Efficiency, Safeguarding, Continuous Improvement, Case Discussions, Adult Disability Payment In depth, Corporate Transformation and Estates Management, Roles Based Access Controls, Data Sharing/Data Governance and Complaints)

#### Low Priority Recommendations (13)

- 1 is on track
- 12 are proposed for closure

We have been provided revised deadlines by action owners where available for the recommendations that have missed their original deadline. The table below provides a current status update for the Internal Audit recommendations which have missed their deadlines or are at risk of slippage.

**Internal Audit Recommendations - Missed or at Risk of Slippage.**

<b>Productivity and Efficiency – Limited rating</b>			
<b>Rec</b>	<b>Recommendation</b>	<b>Update</b>	<b>Status</b>
P1 - Medium	Social Security Scotland should establish a productivity and efficiency framework and aim to embed it across the organisation. The framework should set out improvement activity identified in the report.	The Corporate Assurance team will be working with Internal Audit and the action owner to decide if the outstanding recommendations should be superseded.	Missed
P2 - Medium	Social Security Scotland should produce a data and reporting plan for productivity and efficiency. This should build off the monitoring it requires and include areas identified in the report.	As above.	Missed

<b>Safeguarding – Limited rating</b>			
<b>Rec</b>	<b>Recommendation</b>	<b>Update</b>	<b>Status</b>
SG1 - High	A) Management to review and clarify the strategic intent and role of Social Security Scotland and its Safeguarding function to ensure established arrangements enable the organisation to meet its Duty of Care responsibilities and registered staff adhere to the relevant professional bodies codes of conduct. B) The outcome of the review should be communicated to all relevant stakeholders to prevent any further misunderstandings.	The strategic intent has been agreed by the Executive Team and a project lead is in place. Work is ongoing on the actions that have come out of the redesign of the safeguarding process.	Missed



	C) Once agreed management should ensure appropriate legislation is in place to support the delivery of the service. This should include legislation which provides an appropriate legal gateway for the sharing of relevant information with appropriate stakeholders.		
SG2 - High	A) Management should ensure appropriate policy and/or strategy and operational guidance is in place to support the delivery of the safeguarding service. This should include guidance on deciding outcomes of safeguarding assessments and methods for sharing relevant information with appropriate stakeholders. B) Appropriate training should also be put in place to ensure all staff are aware of the correct practices to be followed.	As above	Missed
SG3 - High	Management should ensure all relevant colleagues have access to appropriate guidance and know where to find further information in relation to Safeguarding and Risk of Harm, should it be needed.	As above	Missed
SG4 - High	A) Planned action to improve the training for colleagues across Social Security Scotland in relation to safeguarding and risk of harm should continue to be progressed. As part of this management should ensure all relevant colleagues have completed any required training and know where to find further information should it be needed. B) Management should consider developing a feedback mechanism for staff who raise safeguarding referrals to aid continuous improvement and better inform learning and development needs.	As above	Missed

SG5 - Medium	<p>Management should take action to ensure there is sufficient awareness of individual and collective roles and responsibilities in relation to safeguarding clients at risk of harm.</p> <p>This could include development of a specific saltire page for staff to access for further information and links to relevant policy, guidance and training.</p>	As above	Missed
SG6 - Medium	<p>A) Assumptions used for future projections/resource modelling should be reviewed to ensure that these consider future estimates of safeguarding referrals based on i.e. new Social Security Scotland benefits being introduced and impact of improving safeguarding guidance and training, etc.</p> <p>B) The Safeguarding team should consider introducing key performance indicators that are specific, measurable, attainable, relevant, and timely, to help measure performance, quality and productivity, to inform longer term resource needs and to allow for reporting against established targets.</p>	As above	Missed
SG8 - Medium	<p>A) Management should investigate to determine if there are possible solutions to the deficiencies with PPCM and SPM.</p> <p>B) Once regulations, operational policy and the role of the Safeguarding function in Social Security Scotland are formally agreed, user research should be undertaken to help ensure that current systems and their use meet the needs of the service.</p>	As above	Missed

Internal Controls – Top Error Trends – Limited rating			
Rec	Recommendation	Update	Status
ICET 2 - High	Management should consider the weaknesses identified and ensure mechanisms are put in place to implement internal controls to reduce the opportunity for error. [Redacted] there should be action taken to understand the impact and ensure there is effective processes to minimise the risk this poses to the Social Security Scotland.	Work on Child Disability Payment is progressing. Key controls have been identified and documented in a control workbook, walk-throughs with operational staff will inform assessment of those controls and suggested improvements actions. The B3 vacancy has now been filled allowing mapping work for Funeral Support Payment to begin.	Missed

Child Disability Payment In depth 2024 – Limited rating			
Rec	Recommendation	Update	Status
Child Disability Payment 1 - High	A) Review arrangements for obtaining Supporting Information on behalf of the clients and address inefficiencies in the process. This should include a review of data sharing agreements to ensure they are fit for purpose and there is compliance with established targets.  B) [Redacted]	Follow-up review is in progress	Missed

Continuous Improvement – Limited rating			
Rec	Recommendation	Update	Status

CI1 - High	<p>We recommend that a robust strategic direction and governance process be set, together with associated supporting documentation and guidance clearly setting out the definition, ownership, roles and responsibilities and approach to continuous improvement (e.g. processes for identification, prioritisation, development, delivery, implementation and evaluation) and expected evidence to be retained. This should also embed the delivery practices of the Digital Scotland Service Standards.</p> <p>Thereafter management should ensure these documents are published and shared appropriately, ensuring regular review points. Further action necessary to ensure the effective implementation of the strategy, process and guidance should also be considered.</p>	<p>Work on looking at the organisations approach to Continuous Improvement did not make the progress as intended across the Financial Year 2024/25 as outlined in previous quarterly updates. Work on this has now been picked up and consumed as part of the work being done on Preparing for the Future – Future Operating Model which will have a place in our organisations 2025/26 business plan currently in draft. Updates can be provided as this work progresses which is currently planned to take place between now and the autumn.</p> <p>Follow-up review will therefore be delayed.</p>	Missed
CI2 - Medium	<p>Management should review current ways of working to ensure that sufficient capacity, capability and budget are in place together with a structure that enables efficiency and effectiveness, permeates a consistent and cohesive approach throughout Social Security Scotland and allows the sharing of best practice between Social Security Scotland and Social Security Programme.</p>	As above.	Missed
CI4 - Medium	<p>We recommend that all continuous improvement initiatives impacting Social Security Scotland be</p>	<p>A revised roadmap is being drafted but due to staff shortages this will likely take longer to complete.</p>	

	<p>logged in one place so that interdependencies can be identified, potential duplication avoided and it can be ensured that all activities progressed are prioritised accordingly.</p> <p>Appropriate and timely management information should also be developed to allow management to effectively manage and oversee any continuous improvement initiatives, track progress being made, ensure continued alignment with strategic priorities and enable effective decision making.</p>	Follow-up review will therefore be delayed.	
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Case Discussions – Reasonable Rating			
Rec	Recommendation	Update	Status
CD4 - Medium	<p>A) Management to finalise the Quality Assurance Strategy and agree the process in relation to case discussions in Client Services Delivery. The strategy should outline how the following will be evaluated:</p> <p>i) Have Client Services Delivery staff raised case discussion requests when they should have?</p> <p>ii) Are case discussion requests worded appropriately and contain all relevant information to enable effective triage in Health and Social Care Operations?</p> <p>iii) Is the quality of case discussions outcome sufficient for the Client Services Delivery decision makers?</p>	<p>A) Complete – proposed for closure.</p> <p>B) Work on a formal feedback loop in relation to whether the Case Discussion was useful to decision making is in process, expected to be in place by the end of April.</p>	Missed

	B) Management should consider introducing a feedback loop mechanism for case discussion referrals and outcomes to improve quality of service provided.		
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**Adult Disability Payment In depth – Limited rating**

Rec	Recommendation	Update	Status
ADP6 - Medium	<p>A) Management should ensure the planned review of Adult Disability Payment manual trackers is completed whilst considering if required management information could be obtained through SPM or other reporting tools, rather than relying on manual trackers.</p> <p>B) Management should take action [redacted].</p>	<p>A) There is no immediate resolution around reliable Management Information via SPM to replace Manual Trackers so they will remain in place for the foreseeable future. Propose for closure.</p> <p>B) Research is currently taking place to identify what bank account master data controls are in place, and what bank account master data is available for being reported upon.</p>	Missed

**Corporate Transformations and Estates – Reasonable Rating**

Rec	Recommendation	Update	Status
CTEM2 - Medium	Management should ensure that roles, responsibilities and accountabilities are clearly set out for each role, with this being communicated clearly. Thereafter,	The C2/ C2 temporary promotion job roles to be initially clarified, the matrix of roles and responsibilities will then flow from this clarification.	Missed

	appropriate guidance should be put into place, shared appropriately and with regular review points set.	<p>Strategy, Workplace, and Protective Security job descriptions and roles clarified, drafts with Human Resources Business Partners for review before finalising.</p> <p>Due to staff turnover, the estate operating policy will now form part of business priorities for the branch in 2025/26.</p> <p>Expected date of completion – March 2026</p>	
CTEM5 - Medium	Management should review and consider providing furniture and capital replacement plans for the estate to provide more effective and accurate medium to longer term financial planning.	<p>Due to staff turnover, this work will now be picked up by the Property Lead as part of the work on reviewing our strategic facility management arrangements.</p> <p>Expected date of completion – 30 September 2025</p>	Missed

Role Based Access Controls – Limited rating			
Rec	Recommendation	Update	Status
RBAC2 - High	<p>Action should be taken to ensure there are effective processes and guidance in place for [Redacted] This should be aligned with overarching policy and strategy.</p> <p>Action should then be taken to ensure all colleagues with [Redacted] required for their role. Any access not aligned with policy and role requirements should be removed. Ongoing action should be taken to ensure those [Redacted].</p>	<p>Proof of concept work has begun to review AWS (Amazon web services) IAM (Identity and access management) Identity Centre integration with the ITECS (SCOTS) OKTA platform. Phase 2 will introduce a review of the AWS TEAM (Temporary Elevated Access Management) capability which would be a Production strategy to limit permissions (under exceptions).</p>	Risk of Slippage

	<p>To support this process, it is also recommended that management ensure the IT Service Catalogue of all systems and services used by Social Security Scotland is completed, with all relevant details included and this should be maintained so as to provide a complete view of the IT systems and services used by the Agency.</p>	<p>The Proof of concept is expected to run for between 3 and 6 months depending upon the information gathered as it progresses.</p> <p>The IT service catalogue continues to be developed, a working group has been established that meets monthly to feed updates into the service catalogue. Key performance indicators to track service catalogue completeness have been established</p> <p>Access control management to be reviewed and addressed as part of wider IAMS project.</p> <p>Expected date of completion – March 2026.</p>	
RBAC3 - High	<p>Management should get assurance [Redacted] used by Social Security Scotland, is in place to ensure that staff managing access to these services and systems have access to adequate guidance. Where such documentation is not available this should be developed by the relevant party and shared with relevant Social Security Scotland colleagues</p>	<p>Work continues with the Head of Applications &amp; Platforms branch to identify and assign Platform (Delivery Managers) to each service we host/provide to clients. As the Applications &amp; Platforms branch roles and responsibilities are identified and agreed, owners will be assigned.</p> <p>Blank templates have been created, the current focus is on identifying owners/ subject matter experts for every service and subsequently populating subset of data. Included in this is first, second, third line support.</p> <p>Services that form part of main releases are being reviewed for Service Design accuracy and</p>	Risk of Slippage



		<p>completion, however, where Owners/ subject matter experts are unavailable this is problematic.</p> <p>Key performance indicators are in place to raise awareness of this with Senior Management Team on a monthly basis. Baseline completed although service catalogue is capturing more than just IT Services causing some challenges in building IT Service Designs.</p> <p>Expected date of completion – March 2026.</p>	
RBAC5 - Medium	Both guidance documents referred to in our findings should be reviewed, updated as necessary and once complete be finalised and then implemented to ensure a clear and consistent approach to providing system access by the IT Service Desk. As part of this arrangements for managing system access for temporary and external individuals should be clarified, documented, and communicated to staff.	<p>Document to be updated following level two access process changes.</p> <p>Expected date of completion – May 2025.</p>	Missed

Complaints – Reasonable rating			
Rec	Recommendation	Update	Status
C5 - High	Management should ensure action is taken to implement appropriate guidance/procedures in relation to Child Friendly Complaints. Furthermore, given the profile of the complainants, it is our opinion that management should issue temporary	No Movement. Still awaiting priority to be allocated resource to begin the service design, process mapping and guidance writing. Tickets noted to say this is sitting as a Red/High priority on this audit report, and also noted on monthly highlight report.	Risk of Slippage

	guidance/procedures until robust materials can be developed	Depending on required resource being allocated this has an expected date of completion of December 2025.	
C7 - Medium	<p>A) Management should look to amend the available web form on the Social Security Scotland website to allow complainants to input additional personal information to assist Client Experience Officers when matching a complainant to client records. Furthermore, Social Security Scotland should ensure sufficient guidance is in place for staff to appropriately administrate such cases.</p> <p>B) Social Security Scotland should look to produce a fit for purpose dashboard to serve high level complaint metrics to management.</p>	<p>A) Ticket still sitting in backlog awaiting prioritisation. Ticket noted that this is forming part of audit report to attempt to gain more traction.</p> <p>B) Work completed – proposed for closure.</p> <p>Depending on required resource being allocated this has an expected date of completion of December 2025.</p>	Risk of Slippage

Data Sharing/Data Governance – Limited rating			
Rec	Recommendation	Update	Status
DS3 - Medium	<p>Management should ensure appropriate action is taken to establish, in relation to Data Sharing Agreements, what will be transitioned from Social Security Programme and when. Following this management should determine capacity and resource needs to enable transition can be undertaken effectively and ensure this is established within the Agency. Action in relation to the other areas of weakness noted in the finding should also be taken as appropriate.</p> <p>It may be helpful to develop an action plan/critical path to set out the areas that need to be developed and implemented, together with an achievable timescale for each.</p>	<p>It is not yet decided who will be responsible for the Data Sharing &amp; Integration team and structure. We are awaiting for the current programme structure to be documented so we can assess where in the Agency this responsibility best lies.</p> <p>This is captured in a broader corporate risk around transitions.</p> <p>Expected date of completion – December 2025</p>	Missed
DS8 - High	<p>A) We are aware that an enterprise solution for deletion of records on SPM and linked systems is being developed, and would recommend that work on this continues, and a process implemented, to allow for records where there is no longer a business need to be deleted.</p> <p>B) Social Security Scotland should consider having guidance on IKM for Client Advisors on how to deal with requests from a client for deletion of the data we</p>	<p>A) Due to the way that the systems have been designed, not all SPM data flows into the downstream systems (including the Data Warehouse). This creates a real risk that we may delete necessary data useful for future analysis. We have therefore refrained from deleting until further analysis and the full view of what data may need to be retained is finalised.</p> <p>B) Complete - proposed for closure.</p>	Risk of Slippage



	hold on them, with this being the 'go-to' place for CSD staff for guidance – even if this is just signposting to the original guidance on Saltire.	Expected date of completion – June 2026.	
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## **7 Closed Internal Audit Recommendations**

Follow-up reviews were completed by Internal Audit in this period for:

- Internal Controls - Post Award Controls
- Case Transfers
- Governance
- Risk Management
- Winter Heating Payment

Follow-up reviews are currently in progress for:

- Child Disability Payment In depth 2024
- Electronic Purchasing Card (due to start in Q1)
- Adult Disability Payment In depth (due to start in Q1)
- Corporate Transformation and Estates Management (due to start in Q1)

The Corporate Assurance Team continues to internally monitor and report on the partially implemented recommendations.

## **8 Agency Health-check review**

Updates from the 2022 Health-check report are at [Annex B](#).

## **Conclusion**

The Corporate Assurance team will continue to liaise with recommendation owners, specifically those with a rating of high, to track and report all outstanding recommendations. This will support more targeted discussion with Internal Audit colleagues on any follow-up work.

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

## Annex A: Audit Scotland

Audit Scotland Report Action Plan 2023-24	Status
1. Social Security Scotland should develop an impairment model for benefits receivable and overpayments for use in future years.	On track
2. Regular reconciliations performed between the Department for Work and Pensions and Social Security Scotland record of transactions and balances for devolved benefits should be subject to appropriate review.	On track
3. Social Security Scotland should continue to work with the Scottish Government Social Security Programme to implement system improvements and demonstrate how systems will be sustained beyond programme closure.	On track
4. Social Security Scotland should further develop processes to measure the level of fraud and error within the range of benefits being delivered.	On track
5. Social Security Scotland should work with the Scottish Government Social Security Programme to agree and manage the capabilities, services and funding that will transition when the programme closes.	On track
6. Social Security Scotland should continue to review the cyber security arrangements that exist and implement identified improvements.	On track
7. Social Security Scotland should implement performance management arrangements that will allow an evidence-based assessment of performance to support decision making and demonstrate value for money.	On track

National Performance Report 2022 Recommendations	Status
1. The Scottish Government should detail more clearly the intended impact of the Scottish social security system on outcomes for the people of Scotland, linking directly to the National Performance Framework. This is central to being able to evaluate value for money and inform decisions about future social security interventions.	On track
2. Social Security Scotland should strengthen its role in the prioritisation of development activity to ensure its operational needs are appropriately considered and that it has the systems and processes in place to administer benefits in the way intended.	Cleared
3. Social Security Scotland should continue to review and update its workforce planning to build the capacity and capabilities needed for its growing remit. This should draw on learning from live administration of benefits, such as processing times and service user behaviours, and the impact of further system developments including the automation of processes.	Cleared
4. The Scottish Government and Social Security Scotland should plan for how they will measure the impact of the benefits being introduced, and how they will evaluate and report on progress against outcomes.	On track

In doing so they should ensure that suitable data gathering, and reporting processes are established.	
5. The Scottish Government and Social Security Scotland should put into action their learning from previous benefit launches by ensuring that future delivery timelines include sufficient time for system testing ahead of launches. They should also agree periods of protected time for system development and improvement, to build stability and resilience in the digital infrastructure.	Closed
6. The Scottish Government and Social Security Scotland should plan for how the significant investment in staffing for this programme of work, and the skills, knowledge and experience gained, can be best used to support areas of future service development. This should include robust approaches to support knowledge transfer from contractors to permanent staff.	Closed

## Annex B: Healthcheck

Ref No.	Recommendation	Status
R1	The Agency should work with Programme on the revision of the Programme Business Case.	Cleared
R2	The Agency should ensure that the Continuous Improvement function is designed, with all associated costs, including the impacts of Technical Debt, fully identified in the Programme Business Case or other suitable artefact (or if appropriate a separate business case).	On track
R3	Comprehensive transition roadmaps, including target outcomes for each component of the current Programme and future Agency capability should be agreed with the Programme. An overall Transition Strategy with jointly agreed guiding principles should also be developed.	Cleared
R4	The planning and preparations for transition management should reflect the state required at the commencement of the Embedding and Enhancement period and the level of progress to be made by its conclusion.	Cleared
R5	The Agency, in conjunction with programme, should develop an End of Programme Operating Model by the end of the Embedding and Enhancement period.	Cleared
R6	The Programme, in conjunction with the Agency, should give consideration to the development of a method of traceability to evidence how Programme and Agency delivery has contributed to National Outcomes and achieving a positive and supportive client experience.	No update
R7	Areas of transition where there may be competing requirements should be identified early with agreement reached on associated planning assumptions.	On track
R8	There should be clarity regarding the scope of Minimum Viable Product, further programme delivery, acceptance criteria and Continuous Improvement.	On track
R9	Workforce planning should consider alternative recruitment arrangements involving both Programme and Agency to support future transition arrangements. For example, the potential for roles to be jointly recruited with the Programme with the posting being initially with the Programme before transitioning to the Agency.	Cleared



R10	The programme, supported by the Agency, should determine the range of relationships and management arrangements required with DWP and schedule their implementation.	Cleared
R11	The Agency and the Programme, should plan the transition from the DWP Central Payments System, including contingency arrangements.	On track

## Annex C: Definition of assurance ratings and recommendation categories

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

### Assurance

<b>Substantial Assurance</b>  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.
<b>Reasonable Assurance</b>  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.
<b>Limited Assurance</b>  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.
<b>Insufficient Assurance</b>  Controls are not acceptable and have notable weaknesses	There are significant weaknesses in the current risk, governance and/or control procedures, to the extent that the delivery of objectives is at risk. Exposure to the weaknesses identified is sizeable and requires urgent mitigating action.

### Recommendations

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

## Annex D: Agency Health-check review – Delivery confidence assessment RAG

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

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

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

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

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

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