Social Security Scotland
Tèarainteachd Shòisealta Alba

Audit and Assurance Committee	
Date of Meeting	9th November 2021
Subject	Audit Recommendation Update
Agenda No.	7
Paper No.	15.6
Prepared By	Corporate Assurance Team
Purpose	Note

1. Background

1.1. The Audit and Assurance Committee are invited to note the progress of audit recommendations contained within this report.

1.2. A report of this nature will be submitted to all Audit and Assurance Committee meetings in order to provide an update of recommendations from all independent audit activity.

2. Key points

2.1. The report sets out the open and closed recommendations, which have been made by independent audit reports. This includes Internal Audit reports, Health-check Reviews and Audit Scotland. The following information is provided:

- the context and purpose of this document including impacts as a result of Covid 19;
- an overview of all open recommendations;
- a brief overview of closed recommendations;
- a high priority Internal Audit recommendations status up date;
- an update on the Essential and Critical recommendations from the Agency Health-check Reviews:
- a table summarising the current outstanding Internal Audit reports;
- a summary of Internal Audit recommendations proposed for closure;
- a table noting progress of Audit Scotland actions;
- an update on the Investigatory Powers Commissioners Office report.

3. Conclusions

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

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4.   GOVERNANCE CHECKLIST

Strategic Objective	Contribution
Dignity, fairness and respect Delivering a service with dignity, fairness and respect at its core.	This report does not have any direct contributions, however there are audit recommendations made which will contribute towards each of these objectives.
Equality and tackling poverty Promoting equality and tackling poverty.	
Efficiency and alignment Ensuring efficiency and aligning our activities with wider public sector for the benefit of the people we serve.	
Economy, society and environment Contributing to our economy, society and protection of our environment.	

Strategic consideration	Impact
Environment	This report does not have any environmental implications beyond the fact that audit recommendations may be made relating to the environment.
Governance	The Corporate Assurance Team manage the progress of external audit/assurance recommendations. Governance structures are in place for how we respond to recommendations and progress will be reported to both the Senior Leadership Team and Audit and Assurance Committee.
Data	This report does not have any data implications beyond the fact that there are recommendations made relating to data management.
Finance	The report does not have any financial implications beyond the fact that there are recommendations made relating to finance.
Staff	This report does not have any data implications beyond the fact that there are recommendations made relating to staff.
Equalities	Non applicable
Estates	The report does not have any implications for the Agency estate beyond the fact that there may recommendations made relating to estates.
Communications and Presentation	Non applicable

Impact Assessment
Non applicable

Social Security Scotland – Audit Recommendation Update

1   Purpose

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

2   Context

The Audit Recommendation Trackers provide a mechanism for recording, managing and updating all recommendations from independent audit and assurance activity. It is broken down by each review, giving the overall assurance rating and illustrating the number of recommendations made and priority ratings they hold. Further information is contained within the following annexes:

Annex A – Internal Audit Recommendation Tracker
Annex B – Internal Audit Actions Social Security Scotland consider as ready for closure
Annex C – Audit Scotland Recommendation Update Tracker
Annex D – Investigatory Powers Commissioners Office
Annex E – Internal Audit's Definitions of Assurance Ratings and Recommendation Categories
Annex F – Health-check Definitions of Ratings and Recommendations

3   Summary of Progress

Over the past few months, the Corporate Assurance Team have continued to work closely with action owners to help facilitate implementation of recommendations across all divisions. Implementation is however the responsibility of each area.

Analysis has been undertaken to highlight all actions complete, but not yet closed by Internal Audit. We have noted this in Annex B. As a reminder, recommendations are closed off by Internal Audit once they have undertaken their formal follow up. If the follow up records a recommendation as 'partially implemented' or 'not implemented', the Corporate Assurance Team will actively seek updates on these on a bi-monthly basis unless a revised target implementation date is specified.

2 new reports have been finalised this quarter, with a further 2 reviews at the follow up stage closed by Internal Audit. Work continues to be progressed on the 2021-22 Internal Audit Plan.

The below table indicates the overall assurance ratings given by Internal Audit reports to date, with an additional breakdown per year.

| Overall Assurance Level – Internal Audit Reports	Total number of reports	2018-2019	2019-2020	2020-2021
Substantial Assurance Controls are robust and well managed	4	2	0	2
Reasonable Assurance Controls are adequate but require improvement	24	4	9	11
Limited Assurance Controls are developing but weak	8	1	2	5
Insufficient Assurance Controls are not acceptable and have notable weaknesses	0	0	0	0

4   Open Recommendations

Graph 1 – Total Health-check Review Recommendations

The table below includes the recommendations from the two Health-check reviews, completed in 2019 and 2020. Progress continues to be made on these recommendations, but these are wide ranging strategic recommendations that will not be closed quickly, but do continue to influence future planning.

Total Healthcheck Review Recommendations Open/Closed

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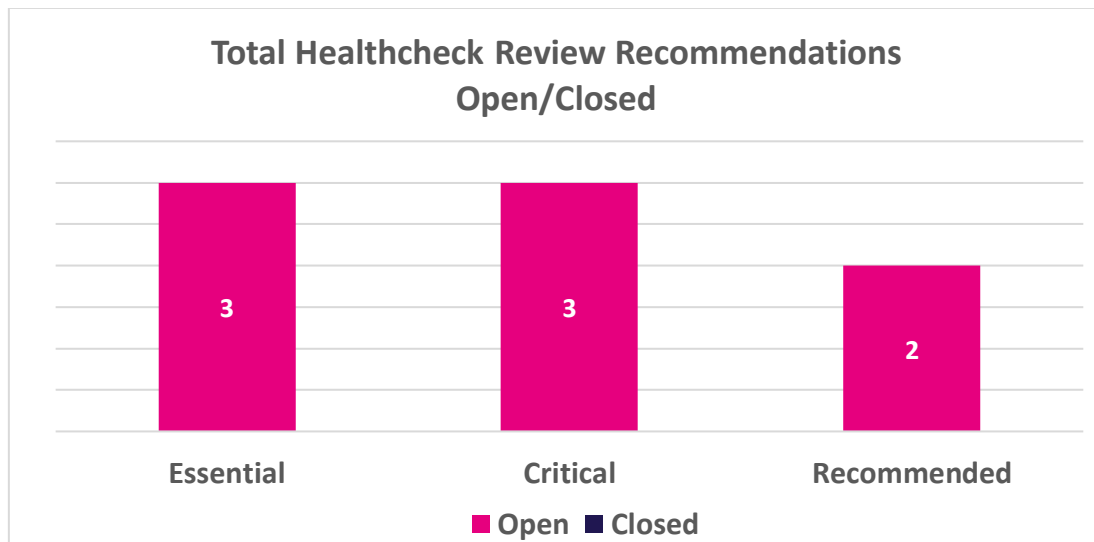
Graph 2 – Total Internal Audit Recommendations Open/Closed

**Total Internal Audit Recommendations
Open/Closed**

| Priority	Open	Closed
High Priority	24	4
Medium Priority	34	41
Low Priority	17	29
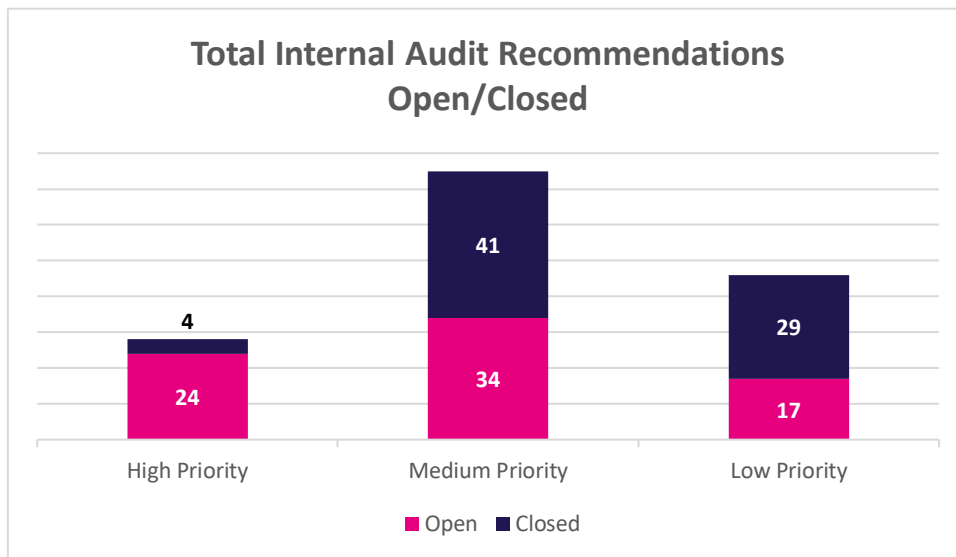
■ Open ■ Closed

The above chart shows a total of 24 high priority recommendations remain open, 4 high priority recommendations were closed this quarter. A total of 41 medium priority recommendations have been closed to date, a decrease in 2 from the previous report. A total of 34 medium recommendations remain open. Finally, a total of 29 low priority recommendations have been closed to date, with 1 new low priority closures this quarter. 17 low priority recommendations remain open.

The decrease in open recommendations is expected as 2 follow up reports have been finalised along with 2 new reviews being completed since the previous report.

A number of reviews are underway and it is anticipated that the number of open recommendations will therefore increase in the next report.

A number of follow up reports are under way for Reporting and Assurance Functions: Roles and Responsibilities and Change Management. As a result, we should continue to see a number of recommendations reported as closed.
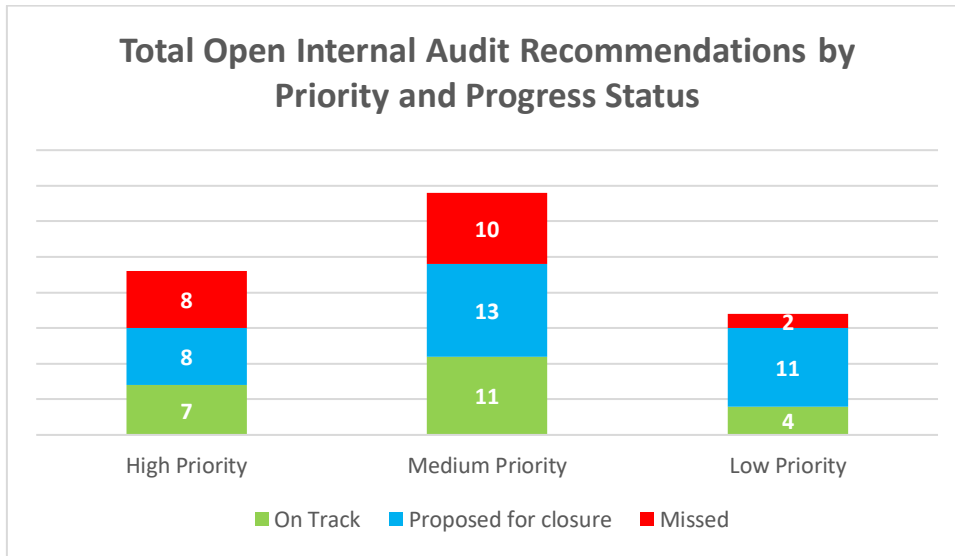
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Graph 3 – Total Internal Audit Recommendations Open/Closed by Year

Total Internal Audit Recommendations
Open/Closed by Year

			3
	19	26	64
	8	4	
	2018-2019	2019-2020	2020-2021
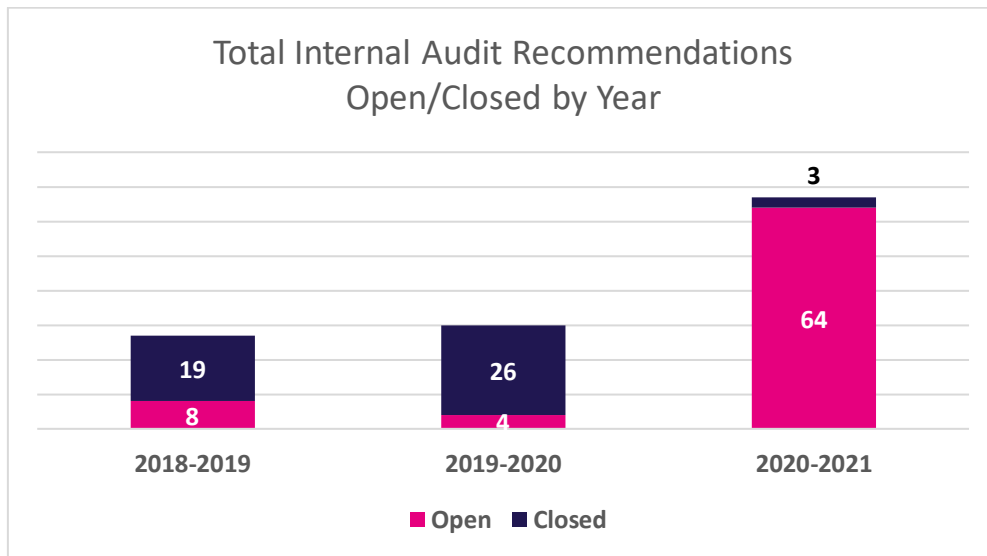
■ Open ■ Closed

Graph 3 shows a breakdown by year of the open and closed recommendations.
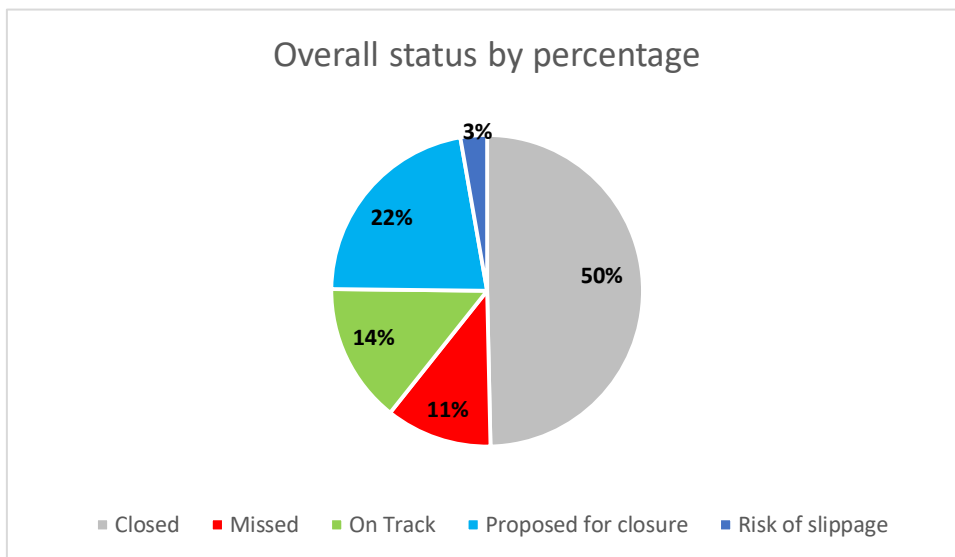
- 2018-19 recommendations - 19 have been closed and 8 remain open. There is no change from the last report, all 8 open recommendations are from the Reporting and Assurance Functions review with 5 already proposed for closure. A Follow Up review is ongoing.

- 2019-2020 recommendations - 26 of the recommendations have been closed, and 4 remain open. The open recommendations are from the Change Management review, this follow up had been rescheduled and the outputs are due to be shared week commencing 25th October and findings will be reported on at the next meeting.

- 2020-2021 recommendations – 3 of the recommendations have been closed, and 64 remain open.

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Graph 4 – Open Internal Audit Recommendations by Progress Status

Total Open Internal Audit Recommendations by Priority and Progress Status

	High Priority	Medium Priority	Low Priority
Missed	8	10	2
Proposed for closure	8	13	11
On Track	7	11	4

■ On Track ■ Proposed for closure ■ Missed

For a more comprehensive breakdown of the above, please see **Annex A** which illustrates the reports each recommendation sits against.

Graph 5 – Internal Audit Recommendations overall status by percentage

Overall status by percentage

- Closed 50%
- Proposed for closure 22%
- On Track 14%
- Missed 11%
- Risk of slippage 3%

■ Closed ■ Missed ■ On Track ■ Proposed for closure ■ Risk of slippage

The above graph provides an overall picture of progress so far on Internal Audit recommendations. In total 50% of all recommendations have been closed to date, 22% of recommendations are currently proposed for closure, 14% of the recommendations are currently in progress and 3% are at risk of slippage. A total of 11% have missed their target deadline, but are continuing to be progressed.

5   Closed Recommendations

Follow-up Internal Audit reports into Management information and Programme links (From reporting year 2020/21), most recommendations were found to be partially implemented, and the Corporate Assurance Team will continue to monitor these until closed.

6 High Priority Internal Audit Recommendations Status Update

The below table provides a current status update of the **High Priority** Internal Audit recommendations in progress, recommendations that are already proposed for closure are not included.

Scottish Child Payment			
Rec	**Recommendation**	**Update**	**Status & Due date**
SCP2	Management should: a) Ensure there are effective processes in place to disseminate information on system or process changes or updates ensuring this is available to all relevant colleagues and held in a central location which is easily accessible should it need to be referred to at a later date. b) Review Client Advisory guidance and training for Scottish Child Payment to address [Redacted] action to take for bereavement cases and guidance on integrated cases. c) Ensure training and guidance considers a live environment and include a range of scenarios. d) Ensure suitable guidance and training is developed to support Technical Support Officers, Team Managers, Performance Managers and any other roles beyond Client Advisors, enabling consistent, effective and efficient delivery of their objectives.	Operations is aware of slippage of full implementation of the Roles and Responsibilities. There are ongoing meetings with Learning and Development. A learning manager has been allocated and is liaising with Client Services Delivery. At meeting on 08/10/2021 Learning and Development advised that the route-way incorporating the roles and responsibilities will be created by December 21. There are 2 further meeting scheduled with the relevant parties in Operations and Learning and Development. In support of the piece of work for roles and responsibilities, new guidance for approvers (including assurance checks) went live in Information Knowledge Management on 19/10/2021 Actions a, b & c have been fulfilled as per previous updates reference evidence in objective connect and Knowledge Hub.	Risk of Slippage Oct 21

	e) Work closely with Programme colleagues to ensure guidance is timely and allows sufficient time for clearance processes prior to release of new system functionality or benefit launches.		
SCP3	Action should be taken to ensure processes and controls are sufficient to minimise risk of error or fraud. This includes action to: • ensure there are adequate controls or checks in place [Redacted] • establish sufficient SPM filtering and task management functionality to address the difficulties of filtering tasks. •[Redacted] •[Redacted] •[Redacted] •[Redacted] •[Redacted]	Agency Fraud & Error Resolution colleagues have defined requirements for preventative measure [Redacted] [Redacted] Current easement of approval checks is a short term tactical measure which was not within the programme design for launch. Manual lists are being kept of any applications subject to the easement and spot checks conducted. If further discussion result in an ongoing agreement on easements Operations will make a request to programme colleagues for a functionality within SPM. [Redacted] [Redacted] Support has been provided to Client Advisors by way of walk through and demonstrations on applying evidences – the guidance is in place to support this. Integrated	On Track Nov 21

<table>
<tr><td></td><td></td><td>Case Guidance was also provided in July in a systems release across Low Income Benefits.

In addition Operations have been working closely with programme colleagues who have confirmed the following;

Segregation of Duties sits within SPM' Epic, which is in its 'Discovery' phase on the SPM.

There are currently two Epics on the SPM Cross Cutting development backlog to address limitations in the existing bereavement process.

Requirements will be added to Epic SCCP-27 'Applications & Validation of Evidence to ensure checks are in place to ensure validity of applications (Part 1)'

[Redacted]

Agency Live Service team will review filtering and task management within SPM. Agency Live Service has also commenced discussion in relation to issues around automation and information pulling through for approving These will be prioritised and investigated against all other work any timeframe is based on the totality of the broader Agency priorities across the systems and services.</td><td></td></tr>
</table>

Child Winter Heating			
Rec	**Recommendation**	**Update**	**Status & Due date**
CWH2	Management should ensure that there are appropriate job role definitions, guidance and training which support staff in these roles to deliver their responsibilities effectively, efficiently and consistently. Suitable guidance should be developed to support Team Managers, Performance Managers and any other roles beyond Client Advisors, enabling consistent, effective and efficient delivery of their objectives. Appropriate training to supplement this guidance should also be put in place where necessary.	Aware of slippage of full implementation of the Roles and Responsibilities. There are ongoing meetings with Learning and Development. A learning manager has been allocated and is liaising with Client Services Delivery.- At meeting on 08/10/2021 Learning and Development advised that the route-way incorporating the roles and responsibilities will be created by December. There are 2 further meeting scheduled with the relevant parties in Operations and Learning and Development. In support of the piece of work for roles and responsibilities, new guidance for approvers (including assurance checks) went live in Information Knowledge Management tool (IKM) on 19/10/2021	Missed Sept 21

SPM			
Rec	**Recommendation**	**Update**	**Status & Due date**
SPM1	Management should establish: [Redacted] [Redacted] [Redacted] [Redacted] Administration processes for Service Desk user access should be documented.	[Redacted] SPM role and access requirements work is ongoing, with work to continue over the coming year. To date we have been able to catalogue all roles which are active in SPM, mapping those roles to security groups.[Redacted] Further work is underway to review our role based access requirement, including a review of security groups translating these to plain English and assessing those permissions. This is covering the roles to be created for Disability Benefits in conjunction with the roles for Low Income Benefits to ensure minimisation and clarity of roles across SPM as a whole. The initial RBAC (Role Based Access Control) project was closed in April following the work to put in place processes for access review. A new project 'RBAC2' has been setup to deliver the technical solution for role based access control, which is in its planning phase.	At risk of slippage Oct 21
SPM6	Management should ensure Management Information needs are fully understood and ensure	Five of the six daily and weekly benefit dashboards are now created using PowerBI, making the process quicker and more automated. The remaining dashboard is more	On Track Dec 22

	systems/processes are established to provide reliable, timely and accurate information which does not require labour intensive manual input to deliver.	complicated but expected to move over to PowerBI soon. The SPM Design Team have built further COIT (Curam Operational Insight Tool) reports for disability benefits intended for Child Disability Payment National increasing visibility for operational staff. In addition a number of BIRT (Business Intelligence Reporting Tool) reports are now available to Operations Managers, with a further 5 reports ready for testing including a report to support Case Transfer. A BIRT working group has been set up to address issues with IT used to create BIRT reports as well as the delivery of the BIRT reports themselves. Release of BIRT reports will no longer be tied to benefit release windows. This allows more scope to deliver them, once tested, as part of mini-releases. Discussions are ongoing on the skill set required to produce BIRT reports and how to best meet this requirement in the longer term. Work is ongoing on developments that could be made to the data warehouse and data visualisation tools to enable more automated processes which would allow a more 'self-serve' style delivery in operational areas with the goal to further reduce the burden on the analyst teams producing management information manually.	
SPM8	[Redacted]	[Redacted]	At risk of slippage Dec 21

| SPM9 | a) Processes should be developed for on-going review of gap analysis.

b) Management should undertake work to review what SPM functionality has been delivered versus what should have been delivered to ensure the expected service is sufficient and meets Social Security Scotland's needs. Where it is not, action should be taken to escalate and resolve this.

c) Management should consider analysis to quantify the number of technical difficulties and backlogs within SPM to establish whether they are reasonable and whether enough resource and capacity is available to implement improvements, and the impact these updates will have on other controls within SPM.

d) Management should assure themselves that for those backlog issues identified there are reasonable timescales for action being taken to remedy them and that controls in place currently are sufficient to minimise risk to Social Security Scotland. | New finance role has been filled in late August to measure the financial impact of technical debt. The Chief Digital Office team within architecture has continued to log and monitor technical debt in the run up to Child Disability Payment pilot and continue to for forthcoming releases. | Missed
Aug 21 |

Reporting and Assurance Functions

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Rec	Recommendation	Update	Status & Due date
R 2.3/2.4	3) Currently Counter Fraud and Operations are still developing process and controls, for quality assurance and error detection. Policies are drafted in some instances, however, are yet to be signed off and implemented. This includes Human Resources input into decisions around identified potential misconduct and treatment there-of. A hierarchy of controls should be developed to ensure that each area of risk is mitigated.	Work continues to develop the relevant work-streams and development of the plan and timeline. Early engagement with Internal Audit in an advisory capacity. The outstanding element relating to this recommendation relates to the development of the fraud policy statement; receipt was anticipated in July 2021 but this has been delayed due to competing priorities and requirement for Ministerial clearance of several aspects. This is a dependency agency has on Policy and we are continuing to provide support to colleagues as subs are developed.	Missed Internal Audit Follow Up in progress.
R 3	Management Information and Reporting Arrangements A formal structured communication channel between Agency and Programme should be established to provide feedback on products and there sufficiency to delivery Agency requirements. This should also provide clarity over delivery timescales of backlog issues.	The interim release of Business Intelligence Report Tool (BIRT) will include 5 new Management Information (MI) reports. The first phase of this release will release 4 reports on 25th Oct 2021, followed by a second release of an additional report on 27th Oct October 25th will launch new reports: Application Details Report (new version) • An overview and a breakdown of the status of applications by benefit and by team. This was previously released within Child Disability Payment Pilot however there were some issues with the view of the report, these issues have now been fixed. Days Since Evidence • This report will show the number of days since the last evidence requested was received but the case has not	Missed Internal Audit Follow Up in progress.

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		yet been awarded. It will also give the ability to analyse the breakdown of clients' applications and how many are currently outstanding and by how many days.	
		New Applications	
		• A report available on the Social Programme Manager (SPM) Reporting Tab where the number of new applications received (part 1 and part 2) can be viewed.	
		Unassigned Cases	
		• Operational leads, managers and team leads will be able to manage application cases that are open (not approved or denied) and have no client advisor associated with them.	
		October 27th will launch new report:	
		Case Transfers Task	
		• The full case transfer caseload in one comprehensive view in real time, to see the volume of tasks within each work queue, where these tasks are sitting in the case transfer journey and the age of the cases at each of these stages.	

Debt Management			
Number	**Recommendation**	**Update**	**Status & Due date**

R 1	A Debt Management Policy should be fully documented, agreed and made available to all relevant stakeholders. The Policy should include reference to elements of the Debt Management activities, including processes for legal action, future benefit deductions as well as write-off guidance including authorisation limits and automatic write offs. Procedures and guidance should also be completed and made available to all relevant staff to ensure there are set guidelines, aligned with the Debt Management Policy, which staff must comply with. Any training needs for staff should also be identified as part of the development of both the policy and procedures to ensure staff are aware of and understand the policy and processes to be followed.	Policy submission being Quality Assured before submission to cabinet secretary. Scottish Government Legal Directorate advice on Redeterminations and Appeals still outstanding. Agency and programme continue to develop processes flows that can be finalised when policy signed off.	Missed February 2021

People Advice and Health and Safety			
Rec	**Recommendation**	**Update**	**Status & Due date**
PA4	a) A Health and Safety Work Plan / Action Tracker should be established to help track planning and implementation of all key health and safety projects. b) Management should take action to address resourcing issues in the Health and Safety Team.	a) A work plan is in use by Health & Safety team and has been developed into an Action Plan 2021/22 which was tabled at Health & Safety Committee meeting in Sept 2021. b) Work is ongoing to recruit a Health and Safety team. Health and Safety Officer in post in Glasgow, Health and Safety Manager now has a start date of Jan 2022.	Ongoing a) May 2021 b) Sept 2021 c) April 2022 d) July 2021 e) Sept 2021 f) Sept 2021

| c) The Health and Safety Policies and Procedures document should be finalised and signed off.

d) The Health and Safety teams' Operational Risk Register should be updated to reflect current health and safety risks in Social Security Scotland. This should then be subject to ongoing review and update to ensure it remains current and risks are managed effectively.

e) The terms of reference for the Health and Safety Committee should be reviewed to evaluate the importance and adequacy of the Committee. If relevant, the Committee should be re-established.

f) Management establish reporting arrangements to enable appropriate scrutiny of activities and ensure compliance with health and safety requirements. This should include reports on compliance, incidents, annual reports as well as Management Information and performance reports. | Health and Safety Officer post in Dundee to be re-advertised with a reframing of the advert to attract more candidates.
c) This action is included as part of the Health and Safety Action Plan and prioritises areas of policy and procedures development to ensure work can continue with limited resources.
d) Action complete. Local Health and Safety Risk register has been updated to reflect the current direction of Health and Safety. It aligns with the Health and Safety Action plan discussed above as well as the recommendations made within this report
e) Action complete.
f) Action complete. Terms of Reference for Health and Safety Committee establish a formal reporting and governance structure for health and safety. Health & Safety reports etc. will be directed to the People and Place Forum as required. | |

Programme Links		
Rec	Recommendation	Update	Status & Due date

| R1 | Social Security Scotland should:
Define and document requirements for Minimal Viable Product and make formal arrangements to share with Programme for joint discussion and agreement, with formal sign-off points throughout all development.
Ensure, where elements of Social Security Scotland's MVP is not accepted, assurances are obtained for when these elements will be delivered and that there are sufficient mitigating controls. Ensure there is a formal, documented process agreed with Programme for changing or de-scoping areas of MVP, which has input from key decision makers in both Social Security Scotland and Programme.
The formal process should include justification for elements to be changed/de-scoped, impact analysis on both Programme and Social Security Scotland and communicated effectively through a central point to avoid miscommunication. This should also include quantifying the impact of additional resource needs to enable effective launch and delivery of benefits where MVP requires manual workarounds in order to fully understand the impact of these workarounds. Output from this should be escalated where necessary and appropriate action taken to reduce impact on Social Security Scotland. | A Quality Review of the Programme articulation of the Child Disability Payment National Viable Product is currently underway and due to conclude on 14/10. Following this exercise any risks or issues will be flagged and if appropriate raised via the Disability Benefit Steering Group. As Child Disability Payment Pilot and National are the first iterations of the articulation of the Minimum Viable Product from a Social Security Scotland perspective we will conduct a lessons learned event in Nov 21 and feed these lessons back to Programme colleagues. | Missed

Internal Audit Follow Up in progress. |

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7 'Essential' and 'Critical' Recommendations Status Update – Agency Health-check Review

The below table provides a current status update of the 'Essential' and 'Critical' recommendations made in the Agency Health-check Reviews undertaken in 2019 and 2020.

2019 Report				
Rec	**Recommendation**	**Update**	**Owner**	**Status**
R1 Critical	The Agency should acquire the resource to provide meaningful frontline contribution to Wave 2 service design and enhancements that affect customer operational experience.	**These actions are still current for November** **Operations** Colleagues from Low Income Benefits were identified and trained for Child Disability Pilot, which commenced on 26 July 2021. There are two Operational teams working within the pilot alongside Programme colleagues. The joint approach is drawing out detail for requirements which is supporting service design for National Launch of Child Disability Payment. Regular feedback from operational staff and continuous two way communication during the pilot phase will influence decisions to enhance the client experience and the operation. It is intended that this will develop experts within the benefit and this team can be utilised to support the deployment of Child Disability Payment nationally and then move onto to work with programme colleagues in design of Adult Disability Payment pilot. **Local Delivery** Recruitment campaigns have now concluded and we are in the process of on boarding successful candidates. For Child Disability Payment national launch in November we have two training classes running in September and October that will ensure we have the necessary staff in place ahead of go live. Staff redeployed across other areas of Social Security Scotland during the pandemic will have returned to Local Delivery by the 15th of October to ensure that they receive Child Disability Payment specific training.	Agency wide	On track

We have also recruited additional staff from the recent campaigns to build resilience and support the completion of all Rising 16 appointee visits to meet our Legal obligation of visiting these clients before their 19th Birthday.

Social Security Scotland will launch an agency wide volume recruitment programme in September. Local Delivery requirements for Adult Disability Payment will be captured by this. We are currently working with resourcing colleagues to review the timelines for this in line with Adult Disability Pilot launch.

During lockdown, video calls and outbound telephony were added to the Local Delivery service offering more options to clients while covid restrictions and face to face contact was difficult due to covid restrictions. Both of these were delivered ahead of the Child Disability Pilot launch on the 26th of July and have already been successfully used during the pilot to support clients' complete Identification & Verification checks and support completion of application forms. These will remain part of the service offering at national launch in addition to face to face options for clients

We have not been able to sign off the remaining outstanding base locations during the lockdown period as a result of restrictions placed on our stakeholders however we are now working with colleagues in the Places Project and Scottish Government Property Division to progress these. There is no risk to service provision as base locations do not need to offer face to face facilities as this need will be met from our outreach venues.

As above, work on securing outreach venues has been stalled as a result of restrictions however during the lockdown period we have worked with Health and Safety colleagues to develop a sign off process that has been successfully implemented and used to sign of outreach location in the pilot areas and is now being used to sign up outreach venues across the rest of the country. As outreach venues are by their nature venues where we co-locate with other stakeholders, this work will always be subject to the restrictions our partner organisations are under and the latest Government covid advice however we have identified, and are actively working

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		with stakeholders in every local authority area and will be able to provide a face to face appointment to clients once we launch should they wish to engage with us in this way.

Finance – Work on this is now completed | | |
| R2 Essential | The Agency should develop measures that demonstrate its efficiency of operation consistent with its delivery philosophy. | No further update at this point.

A BIRT working group has been set up to address issues with IT used to create BIRT reports, as well as the delivery of the BIRT reports themselves.

A number of BIRT reports are now available to Operations Managers, with a further 4 reports in progress. Release dates for BIRT reports will no longer be tied to release of other benefits, which allows more scope to deliver them as soon as they are built and tested.

Discussions are ongoing on the skill set required to produce BIRT reports, and how to best meet this requirement in the longer term.

Work is ongoing on developments that could be made to the data warehouse and data visualisation tools to enable more automated processes which would allow a more 'self-serve' delivery, and reduce the burden on the analyst teams to deliver management information manually.

Four of the six daily and weekly benefit dashboards are now created using PowerBI, making the process quicker and more automated. The remaining two dashboards are expected to move over to PowerBI soon.

In addition, the SPM Design Team have built further COIT reports for disability benefits intended for Child Disability Payment National. | Operations/ Strategy & Client Experience | On track |
| R3 Critical | Priority should be given to analytical work to improve forecasting of | • The latest Scottish Fiscal Commission forecasts for benefit expenditure were published in August 2021. Throughout the development of the forecasts CAD analysts scrutinised the Scottish Fiscal Commission models and reviewed data | Communities Analysis Division | On track |

potential expenditure on devolved disability benefits, given the proportion of devolved benefit expenditure this encompasses and the impact any unmet need could have on the Scottish Government's overall financial position in the future.	and assumptions in order to support the production of improved forecasts. • Community Analysis Division analysts have now received Department of Work and Pension (DWP) laptops and are working with DWP to understand and use the data. As per the data sharing agreement any work produced using this information needs to be cleared by DWP before it can be used.		

2020 Report – This is the final formal response to the March 2020 Health-check Review. The formal response had been delayed as a result of the impact of Covid.

Rec	Risk	Update	Owner	Status
MAR R1 Essential	Social Security Scotland should work with the Social Security Programme to ensure that critical functionalities are agreed and delivered in time for the launch of the Scottish	Child Disability Payment- Work continue to progress in this space. Social Security Scotland provided Programme colleagues with our articulation of the requirements for Minimum Viable Product. Social Security Programme development activity towards this continues. We have now received Programme colleagues' view of the National Viable Product (30th Sept). This is currently undergoing a comprehensive review by Social Security Scotland Stakeholders	Social Security Scotland	On track

	Child Payment and Child Disability Payment.	which is due to complete by 14th Oct. The technical Release Scoping document is also currently being finalised by Programme colleagues. Visibility of progress towards delivery continues to be tracked via our existing governance structures and forums such as Release Management Group and our new joint Disability Benefit Steering Group which meets weekly.		
R2 Essential	Social Security Scotland should map their resources against the end to end processes, including client volumes.	This continues to be the focus for November. Social Security Scotland is continuing to work with the Community Analysis Division, now known as Social Security Operational Research, to aid resource modelling. Most recently working together on Child Disability Payment, Case Transfer and Adult Disability Payment. Work is ongoing to assess, build on experience and review resource modelling, to ensure Social Security Scotland can map resource requirements. The workforce planning function has grown, as the workforce grows, in order that there is continued scrutiny of both operational requirements and affordability of requests made by business areas.	Social Security Scotland	On track
R3 Recommended	Social Security Scotland should identify the specialist capabilities needed to undertake a full expert client role for all its major activities	This continues to be the focus for November. Target Operating Model- work continues on development. Presentations have recently been made to senior leads and Agency Leadership Team to validate progress. Transition Project-	Social Security Scotland	On track

Social Security Scotland
Tèarainteachd Shòisealta Alba

		Progress continues in this space and is monitored via our Senior Project Group and Steering Group. We continue to refine our approach and processes building on lessons learned.		
		A presentation will be made to Audit and Assurance committee in Sept to outline our approach, key risks and mitigations.		
		Chief Digital Office/Business Change Management		
		A workshop is planned for w/c 13th Sept to agree key roles and responsibilities and thereby ensure that post transition Social Security Scotland will have the specialist resource required to support on-going development of our services.		
R4 Critical	Engage with the Social Security Programme to establish the purpose of, and key outputs required from, the Child Disability Payment pilot.	This continues to be the focus in November. Child Disability Payment commenced on 26th July. Our Information Support Centres continue to monitor progress and support the early resolution of any issues. Operational colleagues from across Social Security Scotland are engaged in daily two way communication with Programme colleagues to ensure live experience gained is captured. A robust series of Lessons learned activity is on-going with key lessons reported back via our joint Disability Benefit Steering Group on a weekly basis. Detailed analysis and evaluation is currently being conducted to improve service design for Child Disability Payment national launch and future disability benefits.	Social Security Scotland	On track

| R5 Recommended | Undertake work to identify and verbalise the existing culture then establish a strategy for perpetuating and embedding the core elements of that culture in all on boarding activities. | Our internal audit colleagues continue to incorporate the outputs on culture from their presentation to the Agency Leadership Team, into their wider findings. They are due to provide an update to Organisational Culture colleagues on 8 October. This will allow us to consider next steps.

We continue to implement Intelligent Kindness initiatives with the key elements of intelligence kindness now embedded in the revised Foundation Managers course, for new managers. The current timelines for a draft of the new Foundation Managers programme is 01 November 2021.

Working in collaboration with Tommy Whitelaw of the Health and Care ALLIANCE Scotland we have set up a further 22 Intelligent Kindness sessions. These sessions run from October 2021 to March 2022 and are primarily for new recruits or those who have not yet attended a full Intelligent Kindness session. | Social Security Scotland | On track |

8   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 and highlight to Internal Audit colleagues all further updates in advance of Internal Audit 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 the high priority recommendations have been implemented.

Annex A: Current outstanding Internal Audit reports

Title of Publication	Assurance	Proposed Closed	Missed	On track	Risk of slippage
Operations					
Child Winter Heating	Reasonable	5	1		
Operations – Policy, Guidance & Controls	Reasonable	3			1
Scottish Child Payment	Limited	2		2	
SPM	Limited	7	1	1	2
Client Experience					
Finance and Corporate Services					
Debt Management	Limited	1	2	2	
People Advice and Health & Safety	Reasonable	3	1	1	
Key Financial Systems (Final report)	Reasonable		1	2	
Counter Fraud Governance	Reasonable	2	4	2	
Strategy and Client Experience					
Reporting and Assurance	Limited	5	3		
Change Management	Reasonable	1	3		
Stakeholder Engagement		2		4	

Annex B: Internal Audit recommendations proposed for closure

To provide more detailed and accurate reporting on recommendation status we have produced this annex to outline the internal audit recommendations Social Security Scotland now deem as ready for closure this quarter. These recommendations cannot be closed until Internal Audit undertake their follow up reviews, but as these are scheduled for specific time's it can mean that a number of recommendations that are completed are left open until then.

Report	Assurance Level	Priority level	Recommendation	Update
Debt Management	Limited	M	Evidence of completion of the management checks should be retained for audit trail purposes. A process for lessons learned should also be embedded in this so that where recurring issues are identified action is taken to provide further training/amend processes etc., to minimise risk of reoccurrence.	Processes and methodology for checking and analysis underway (albeit due to the suspension there is limited range of debt activity to check at present)
Counter Fraud	Reasonable	H	Management should seek assurances that a decision on the plans for a fraud case management system is finalised as soon as possible to progress procurement of a strategic solution. Management should aid discussions with appropriate Programme colleagues to agree the approach ensuring solutions are fit for purpose, fully functional and budget and ownership is clear	Programme are progressing with procurement activity to repurchase the previous fraud case management solution via the G cloud, period is 2 years + 6 months + 6 months, funding for licences, anti-virus and support from agency, all development and implementation from Programme.
Counter Fraud Governance	Reasonable	L	Management should consider fraud training needs of other roles across the organisation to ensure all roles within the organisation have a clear understanding of their responsibility and are also encouraged to report fraud concerns.	Training packages are now implemented across the entire agency. Suggest this is now closed.

People Advice and Health & Safety	Reasonable	M	a) Management should ensure arrangements are in place to provide all new staff joining Social Security Scotland with an overview of the services on offer and make them aware of their roles and responsibilities, particularly in relation to health and safety. b) Existing training requirements for new line managers in Social Security Scotland should be reviewed and consideration should be given to whether training for new line managers should be made mandatory.	All now in place.
People Advice and Health & Safety	Reasonable	L	Management should consider if guidance documents should include document controls which would allow for audit trail of changes and evidence of review.	Document control has been introduced to all guidance documents template letters, or other official documents created or altered.
People Advice and Health & Safety	Reasonable	L	People Advice and Support and Health and Safety teams to progress with development of skills matrices for their teams and utilise these to ensure that the required skills and knowledge are available and to allow them to take action where gaps are identified.	People Advice will regularly review our skills matrix and use this as a tool for continuous improvement. The skills matrix has now been updated and all members of the team have completed this twice, identifying training needs and areas of high proficiency. This recommendation can now be closed.
Scottish Child Payment	Limited	H	Management should: a) Consider reviewing Operations resource modelling methodology to include consideration of elements such as staff turnover, succession planning, productivity and acceptable timescales for clients to wait. b) Progress with reflecting on lessons learnt from current modelling and sufficiency of resources for benefit launch and feed this into current and future arrangements. As	Modelling is continuously ongoing and we will continue working with Social Security Operational Research to develop tools, which will show the client experience versus the resource available.

			part of this the volume of work actually generated following the launch of the benefit should be considered and comparisons with projected volumes and target dates for payment of benefits within planned timescales should also be considered with any lessons learnt captured and factored into future forecasting and resource modelling activities. c) Consider if there is any knowledge gaps in the absence of a Product Owner for Scottish Child Payment and address any gaps identified.	
Scottish Child Payment	Limited	M	a) Management should ascertain if there are any trends in reasons for cases being rejected at approval stage. b) Based on any trends identified from the above review and the points raised from our findings, guidance should be reviewed to ensure it is sufficient and take action to enhance the guidance where necessary. c) Further training should also be considered, where gaps or weaknesses are identified. d) Client Advisors should be reminded of the need to comply with guidance and follow the correct processes. Where they are unsure of the action to take they should ask for support. e) Management should confirm there are sufficient processes in place to identify any tasks or applications open for long periods of time and ensure steps taken to address outstanding actions.	Checklist for approvers now in Internal Knowledge hub Operations error trend analysis report now available. Reference Scottish Child Payment folder in objective connect.
Child Winter Heating	Reasonable	L	Management should consider if the guidance available to clients on the process of looking at decisions again	Information is available on the Social Security Website, which fully explains the

			should be strengthened with clear reference made to all relevant benefits.	process for redeterminations; this is also part of the letter issued to clients.
Child Winter Heating	Reasonable	L	Management should produce a skills matrix for all staff working on Child Winter Heating Assistance. This will highlight both mandatory and recommended training for staff as well as recording who has completed what and provide an overview of staff strengths and areas where further additional training or development is required.	The new Learning and Development Learning Tool will be used to create a version of a skills matrix.
Child Winter Heating	Reasonable	M	Management should ensure the use of the document upload function on SPM is implemented for the benefit going forward.	No longer required.
Child Winter Heating	Reasonable	H	Management should review guidance and training for Child Winter Heating Assistance to address gaps and weaknesses identified.	Guidance updated - 30-09-2021 - reference evidence in Knowledge Hub
SPM	Limited	M	Management should establish the root cause of the error tasks issue and ensure resolution and lessons learnt to prevent this issue re-occurring.	This was related to a defect which was resolved by the Agency Live Service Team on the 26 February 2021.
SPM	Limited	M	Roles and responsibilities should be clear and documented within Live Service Team, Chief Digital Office and other key stakeholders. b) Management should consider continuity arrangements within the Live Service Team to ensure sufficient knowledge and cover is available to support delivery of technical improvements and prevent any delay.	Live Ops team for PO have been filled for Low Income Benefits space and workforce plan are in development for future products.
SPM	Limited	M	a) Management should ensure all staff, including staff out with the Client Advisor role, have sufficient guidance to enable them to undertake their duties. b) As part of this processes should be put in place between the Programme Directorate and Social Security Scotland	Live Service update to all live benefits is ongoing. Areas that sit in Programme remit have been escalated to cover off. 2b - Content are producing update notes and videos to target key changes. Continual

			to ensure guidance is available soon after all system changes or benefit launches and ensure administration processes are documented.	feedback on these are sought to ensure it is meeting user needs. This will be ongoing and continual as we iterate and build our service so recommend for closure.
SPM	Limited	M	Management should ensure action is taken to provide timescales for implementation of updated guidance and SPM functionality to minimise the risk of instances of over/under payments due to such technical errors.	After undertaking review, the biggest cause of issues seen was advisor error while amending evidence in the Integrated Case within SPM and immediately applying the changes. Resulting in multiple Product Delivery Cases being created. The change introduced with Child Disability Pilot, introduced validation making the client advisors consider the impact prior to applying change. It will advise the running of the manual eligibility check. Which will reduce impact across all active PDC's. Guidance was updated as a result and ORCI team are monitoring impact.
Stakeholder Engagement	Reasonable	L	National Engagement Team, in discussion with Management, should ascertain the level of detail and frequency of reporting. This agreement should be documented for audit purposes. Where possible reporting should be automated in order to maximise effective use of resources and minimise the risk of error.	Discussion held with senior managers about how this information will be reported in the future. Monthly meeting now in place with Chief Executive and Head of Strategy, Change, Engagement and Data to talk through progress. Quarterly updates of plans and stakeholder sentiment for Executive Team and reporting to the Agency Leadership Team through the new Insights and Engagement Group. First meeting of that group took place on 26 August 2021.

Information Management	Reasonable	H	The Data Protection and Information Governance team should liaise with The Scottish Government Programme Directorate to research, develop and agree a scope and timescale of arrangements needed which are fit for purpose to ensure sufficient Disclosure arrangements are in place in time for stand-up of the implementation of disability benefits.	Consideration has been given to revisiting this request with the Scottish Government Programme Directorate. With the pilot for Child Disability Payment about to commence, it does not seem likely that there would be a change of position. It is proposed that this recommendation is closed and that the Disclosures team engage with Product Owners to put in place the technical solutions required to operate the service to include telephony, access to client data and a case management system.
Information Management	Reasonable	L	DP&IG should: a) Continue to review and push for the Information Asset training to be provided. If this becomes unachievable over the coming months, management should consider any training gaps and determine whether in-house refresher training/guidance could be provided. b) Follow-up on work progressing to improve MI on completion of mandatory FOI e-learning modules to ensure DP&IG have up to date and accurate MI to provide to leadership and ensure where completion is low appropriate action can be taken.	Pathways has been updated to include the requirement to complete Freedom Of Information training yearly. Management Information going forward will be available. a) New Information Asset Owner training has been rolled out across Scottish Government and all Deputy Directors (Information Asset Owners) have been asked to book onto a session. CDO participated in the pilot session and provided feedback to the product owners. Deputy Directors were also signposted to Civil Service training in the interim and completion of this recommended.

				b) Learning pathways was launched in June 2021 and has been reported to address the gap in MI.
Information Management	Reasonable	L	Management should undertake analysis of system issues which impact Operations, prioritise and create an action plan for resolution to minimise disruption to Client Advisors ability to process applications.	Product Owners are working with Ops stakeholders regularly to understand the day to issues which are then linked back to ongoing system delivery and/or guidance updates.

Annex C: Audit Scotland

The recent Annual Audit Report from Audit Scotland provided a follow up of recommendations from 2018/19. Audit Scotland have agreed the first three recommendations are now considered complete and the remaining were superseded by recommendations on the new 2019/20 action plan.

Audit Scotland Recommendations 2019/20 – Action Plan			
Number	**Issue/Risk**	**Recommendation**	**Agreed Management action/timing**
1.	**Measuring error and fraud** Error and fraud are an inherent risk in a social security system that is driven by individual claims. Social Security Scotland is still reliant on the DWP for many error and fraud estimates as well as developing its own arrangements for the benefits being delivered directly. *Error and fraud measurements are insufficient to support the development of the social security system and the preparation of the annual report and accounts.*	Social Security Scotland should continue to develop its approach to measuring error and fraud and engage with the DWP to understand and plan for the impact of changes in the measurement of error and fraud estimates.	Engagement with DWP, Dept for Communities and NHS Counter Fraud Services to explore MVFE methodologies is underway. Additional specialist recruitment is ongoing.
2.	**Long-term planning** Social Security Scotland has developed a medium-term plan within the four-year financial forecast. They have not yet fully developed longer-term planning for key areas such as finance, workforce, estates and IT which will be critical to the success of the Scottish social security system. The four-	Longer-term planning should continue to be developed and implemented in key areas such as finance, workforce, estates and IT.	Medium term plans remain the focus of finance, workforce and estates covering a period of five years. The agile nature of the social security programme would be likely to undermine longer-term plans than this at present. We remain committed to developing detailed long-term plans as the Agency approaches a steady state.

	year financial forecast should be continually developed to take a longer-term view. *Without robust longer-term planning there is a risk that key decisions may not fully consider different scenarios or the potential implications.*		
3.	**Delivery and financial plans** The Covid-19 pandemic has impacted on the delivery of Wave Two benefits and raised significant financial pressures for the Scottish Government which will need to be balanced alongside existing commitments such as social security. *The significant uncertainty prevents the successful delivery of the revised timetable.*	Social Security Scotland needs to work with the Scottish Government, its social security programme and DWP to ensure its operational needs and capacity are reflected in revised delivery and financial plans for Wave Two benefits.	We are engaged with the Scottish Government processes for financial planning and budget setting which will result in a balanced package of expenditure and taxation in support of the Scottish Government's desired outcomes.
4.	**Improvement of Digital Systems** Social Security Directorate Programme uses agile approach which will often result in a minimum viable product being available. This may lead to a significant volume of technical debt and workarounds in the interim. There is currently a back log of digital work that is outstanding for Social Security Scotland systems, with this new technical debt adding to it.	Social Security Scotland should work on ensuring the MVP meets their needs and is fully tested. Consideration should also be given to reducing technical debt, especially in areas where manual workarounds are needed.	A discussions are ongoing with Chief Digital Office colleagues and other parties to provide an update on Technical debt.

	There is a risk that further technical debt will be added to the already significant list of issues to be addressed.		
5.	**Performance Reporting** The 2019/20 performance report presents a fair picture of Social Security Scotland's performance. There is room to improve the presentation by introducing infographics and a clearer assessment of performance against agreed targets. *Performance information is not reported in a way that supports the overall assessment and enables lessons to be learned and action taken.*	Performance reporting needs to be further developed and implemented to support the assessment and scrutiny of performance by stakeholders.	The 2020-21 Performance Report has been approved and is scheduled for publication on 3 November 2021. We have taken on board feedback in the process of producing this Report, and we believe the 2020-21 Report delivers improvements in the way in which it makes more explicit links and connections with the Charter Measurement Framework, research findings, survey data and other statistical information – including explicit links with the analytical report on the Measurement Framework, which will be published alongside the Annual Report, on 3 November. The Report also makes more use of infographics and consideration has been given to ways in which we can make the information it contains as accessible and easy to understand as possible. Consideration will also be given to the scope for further improvements to future iterations of this Report, in line with Audit feedback provided as part of the 2020-21 audit process.
6.	**Residency** Social Security Scotland continues to use postcode as the determinant of residency. An issue was identified as part of the controls work that identified one instance where an incorrect postcode was used when	Processes for determining the residency of applicants should be reviewed. All risks arising from the approach should be identified and understood.	The policy and procedures regarding residency remain the responsibility of the Social Security Directorate. Controls for the determination of residency continue to be highlighted for further development.

	paying out a funeral support payment. Postcode as a measure of residency should therefore be kept under review. *There is a risk that residency status is not been appropriately assessed.*		
7.	**Preventing error and fraud** The newly implemented home working practices introduced as a result of Covid-19 means that additional building blocks will be required to ensure that they are not susceptible to higher levels of error or fraud. *There is a risk that there are higher levels of error and fraud with the remote working policies in place.*	Social Security Scotland needs to fully understand any risks arising from the evidence standards it applies, and not yet being able to undertake investigation activity in the way it planned. This will become increasingly important as more complex benefits begin to be delivered in future years.	Engagement with DWP is continuing. Work to refresh the remote working fraud, error, data protection and security risk assessment is planned for Q3.

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

All recommendations from the Investigatory Powers Commissioner's Office Inspection Report (September 2019) have now been completed and closed. An interim inspection successfully took place on 13 April with no follow up actions required.

Annex E: Definition of Assurance Ratings and Recommendation Categories

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

Assurance

Substantial Assurance Controls are robust and well managed	Risk, governance and control procedures are effective in supporting the delivery of any related objectives. Any exposure to potential weakness is low and the materiality of any consequent risk is negligible.
Reasonable Assurance Controls are adequate but require improvement	Some improvements are required to enhance the adequacy and effectiveness of procedures. There are weaknesses in the risk, governance and/or control procedures in place but not of a significant nature.
Limited Assurance Controls are developing but weak	There are weaknesses in the current risk, governance and/or control procedures that either do, or could, affect the delivery of any related objectives. Exposure to the weaknesses identified is moderate and being mitigated.
Insufficient Assurance Controls are not acceptable and have notable weaknesses	There are significant weaknesses in the current risk, governance and/or control procedures, to the extent that the delivery of objectives is at risk. Exposure to the weaknesses identified is sizeable and requires urgent mitigating action.

Recommendations

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

Annex F: Agency Healthcheck Review – Delivery Confidence Assessment RAG

The below table applies to the recommendations made in Annex C and in Section 7 "'Essential' and 'Critical' Recommendations Status Update – Agency Healthcheck Review" (pp.20-24)

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

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

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

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

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