



## **Audit and Assurance Committee**

<b>Date of Meeting</b>	19 November 2024
<b>Subject</b>	Audit Recommendation Update
<b>Agenda No.</b>	7
<b>Paper No.</b>	29.6
<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 and an Investigatory Powers Commissioner's Office (IPCO) update.

### **2. Key points**

2.1. The report provides the following breakdown:

- 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.
- 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;
- A table noting progress of Health-check actions;
- An Investigatory Powers Commissioner's Office (IPCO) update.

### **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:



- 15 open recommendations from 2022-23, 11 of those recommendations are proposed for closure and are awaiting a follow up review by Internal Audit, the remaining 4 recommendations are currently at follow-up audit status. We expect a number of them to move to fully implemented or partially implemented status.
  - 60 open recommendations from 2023-24, with 25 of these recommendations at proposed for closure status.
  - 2 partially implemented recommendations from the period 2022–2023, a reduction of 8 from the last reporting period.
  - Missed deadlines in relation to outstanding recommendations: 9 high, 10 medium and 2 low priority.
  - 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.

#### 4. GOVERNANCE CHECKLIST

Strategic Objective	Contribution
<b>Dignity, fairness and respect</b>  Delivering a service with dignity, fairness and respect at its core.	This report does not have any direct contributions, however audit recommendations will frequently contribute towards each of these objectives.
<b>Equality and tackling poverty</b>  Promoting equality and tackling poverty.	
<b>Efficiency and alignment</b>  Ensuring efficiency and aligning our activities with wider public sector for the benefit of the people we serve.	
<b>Economy, society and environment</b>  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 to manage the corporate response to recommendations. Progress is reported to the Agency Leadership Team, Executive Team and Audit and Assurance Committee.
Data	Individual audit recommendations may impact on data management.
Finance	Individual audit recommendations may impact on finance.
Staff	Individual audit recommendations may impact on staff.
Equalities	Individual audit recommendations may impact on equalities.
Estates	Individual audit recommendations may impact on estates.
Communications and Presentation	Not applicable

Impact Assessment
Not applicable



## 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 five annexes:

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

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

**Annex C** – Investigatory Powers Commissioner's Office (IPCO) update.

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

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

### 3 Summary of Progress

The Corporate Assurance Team continue to support action owners to 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

- Mailroom
- EPC Usage

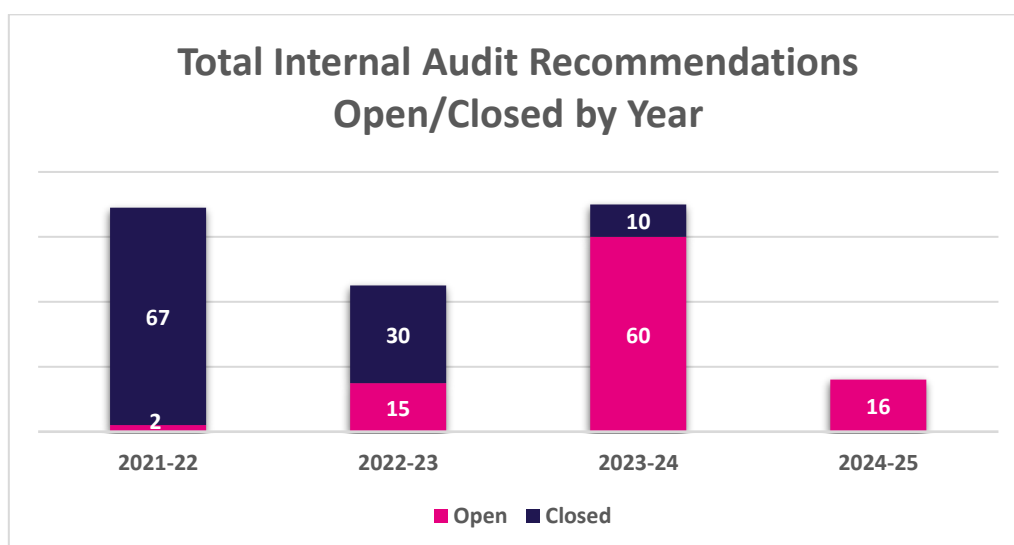
The remaining quarter one reports, GP Payments and Data Sharing and Data Governance, are at the final stages of sign off.

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	50	1
<b>Limited Assurance</b> Controls are developing but weak	22	1
<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 which have a revised expected date of completion of March 2025. In addition, with the Performance Management Review scheduled during quarter 3 2024-2025, we believe these may be superseded by the outputs of the new review.
- 2022-23 recommendations – 15 recommendations are open and 30 are closed. 11 of the 15 open recommendations are proposed for closure.
- 2023-24 recommendations – 25 of the 60 open recommendations are proposed for closure.
- 2024-25 recommendations – all 16 recommendations are open.

Although not shown in the graph, it is important to note that a further 2 recommendations (2022-



23) 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						
	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Previous quarter	1	1	2	2	3	1	10
Current quarter	0	0	0	0	2	0	2
+/-	-1	-1	-2	-2	-1	-1	-8

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

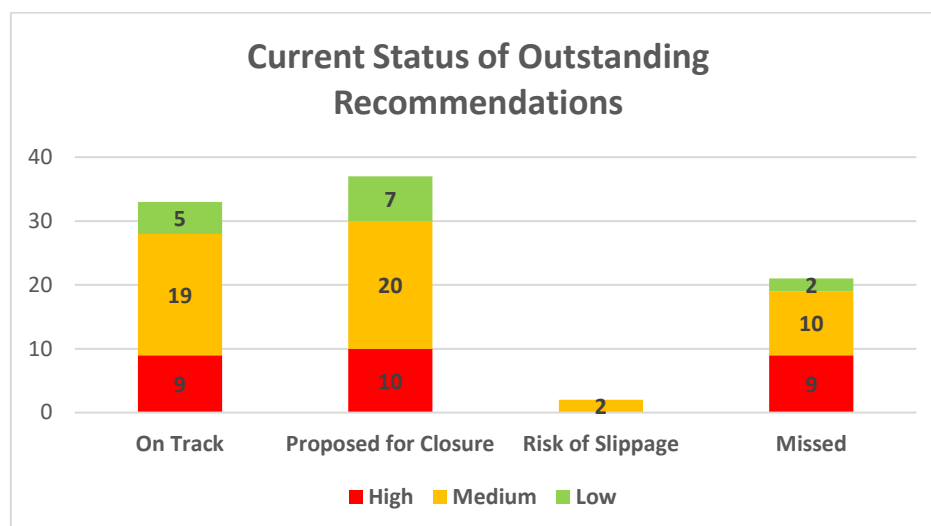
The below table provides an overview of open Internal Audit recommendations which have missed their deadlines or are at risk of slippage.

Internal Audit Report	Assurance	Missed	Risk of slippage
Client Services Delivery			
Child Disability Payment In-Depth 2024	Limited	0	1 Medium Priority
Mailroom	Limited	0	1 Medium Priority
Finance and Corporate Services			
Internal Controls – Post Award Controls	Limited	3 High Priority 1 Medium Priority	0
Organisational Strategy and Performance			
Productivity and Efficiency	Limited	2 Medium Priority	0
Continuous Improvement	Limited	1 High Priority 2 Medium Priority	0
Risk Management	Reasonable	1 High Priority 2 Medium Priority	0
Governance	Reasonable	2 Low Priority	0



Health and Social Care			
<b>Safeguarding</b>	Limited	4 High Priority 3 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 (28)

- 9 are on track
- 10 are proposed for closure
- 9 have missed the deadline (Internal Controls Post Award Controls, Risk Management, Safeguarding and Continuous Improvement.)

### Medium Priority Recommendations (51)

- 19 are on track
- 20 are proposed for closure
- 2 are at risk of slippage (Child Disability Payment in Depth and Mailroom).
- 10 have missed deadlines (Productivity and Efficiency, Internal Controls Post Award Controls, Continuous Improvement, Safeguarding, and Risk Management).

### Low Priority Recommendations (14)

- 5 are on track
- 7 are proposed for closure
- 2 have missed the deadline (Governance).



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.**

Productivity and Efficiency			
Rec	Recommendation	Update	Status
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.	<p>A Performance Framework will be published by 31 March 2025 that provides a clear performance narrative for internal and external stakeholders. It will link together National Outcomes, the Charter Measurement Framework the Scottish Government's Social Security Programme's Measurable Improvements Strategy and Evaluation Activity and all the statistical and social research data we publish. A session with our Executive Team is scheduled for 26 November.</p> <p>A Performance Management audit review will also be carried out over quarter 3 and 4 of 2024-25.</p> <p>Expected date of completion – March 2025</p>	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

Safeguarding			
Rec	Recommendation	Update	Status
SG1 - High	<p>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.</p> <p>B) The outcome of the review should be communicated to all relevant stakeholders to prevent any further misunderstandings.</p> <p>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.</p>	<p>A Safeguarding discovery project is underway that has audit requirements embedded into this.</p> <p>A paper will go to the Executive Team on 5th November which will present options for future. It is likely the planned follow-up review will now be extended as a result.</p>	Missed
SG2 - High	<p>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.</p> <p>B) Appropriate training should also be put in place to ensure all staff are aware of the correct practices to be followed.</p>	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	<p>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.</p> <p>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.</p> <p>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.</p>	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</p>	As above	Missed

	inform longer term resource needs and to allow for reporting against established targets.		
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

Mailroom			
Rec	Recommendation	Update	Status
MR10 – Medium	Management should complete their Business Continuity Plan and ensure that there are clear plans on what action should be taken in the event that one or both mailrooms become inaccessible or unusable.	<p>Emergency/contingency scenarios mapped out and shared with Place Services, Business Resilience and Health and Safety for input and refinement.</p> <p>Risk of slippage if agreement is not obtained with impacted business areas. However we have established that each mailroom could be used as contingency, at least for a period of time.</p>	Risk of slippage

Internal Controls – Post Award Controls			
Rec	Recommendation	Update	Status
ICPA1 – High	Management should identify ownership in developments of Post Award controls along with Programme Directorate support and seek to develop an action plan to address governance issues of post award controls and seek assurance that all identified weaknesses are being appropriately managed and mitigated.	Follow-up review in progress.	Missed
ICPA2 – Medium	Management should review existing training and guidance and understand where gaps are before implementing a plan to address gaps.	Follow-up review in progress.	Missed
ICPA3 – High	Management should seek to improve controls for task management and work queues which are less resource intensive and manual and address the root cause i.e. system issues.	Follow-up review in progress.	Missed
ICPA4 – High	Management should take necessary action to ensure system controls are imbedded within SPM to support colleagues and ensure actions are undertaken correctly and also provide sufficient approval processes as part of the post award maintenance activities.	Follow-up review in progress.	Missed

Child Disability Payment In Depth			
Rec	Recommendation	Update	Status
CDP2024-4 - Medium	Management to ensure that when automated tools, reports and trackers are being developed, the process for obtaining and acting on feedback from the Child Disability Payment, or other relevant team, is clear and effective to ensure that development considers the end users needs and that the end products are fit for purpose.	Management Information is one of the key areas being focused on with the Agency 2024/25 Business Plan. A project has been stood up to scope this but has been delayed due to conflicting priorities. A more positive update is expected next quarter,	Risk of slippage

Continuous Improvement			
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,</p>	<p>Work on the continuous improvement framework has been delayed due to conflicting resource requirements and is currently blocked.</p> <p>Expected date of completion - March 25 although if resource is not secured this could be deprioritised and pushed into the next financial year for consideration.</p> <p>Follow-up review will therefore be delayed until April 2025.</p>	Missed

	ensuring regular review points. Further action necessary to ensure the effective implementation of the strategy, process and guidance should also be considered.		
CI2 - Medium	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.	Continuous Improvement work has been paused due to lack of specialist resource.  Expected date of completion – April 2025.	Missed
CI4 - Medium	We recommend that all continuous improvement initiatives impacting Social Security Scotland be 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.  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.	Continuous Improvement work has been paused due to lack of specialist resource, the team are however, conducting a full review of the single prioritised backlog and the development of the landing/capacity plan is well under way.  Expected date of completion – April 2025.	

Risk Management			
Rec	Recommendation	Update	Status
RM3 - Medium	Management should review these documents to ensure that they represent and detail the full process undertaken in respect of strategic risk management and thereafter ensure that they are published, shared with appropriate stakeholders and embedded as business as usual. Requirements for ongoing review should be stated to ensure documents / processes remain current and effective in driving the risk management activities in Social Security Scotland.	<p>The risk framework will begin its formal quarterly reporting to the Executive Team on 26th November. It was recommended by the chair of the Audit and Assurance Committee that it would be best for risk to be discussed during performance mode. A quarterly cycle is in now in place and has been aligned with meeting of Audit and Assurance Committee.</p> <p>Work has been completed to link the current strategic risks to the Single Prioritised Backlog of work to be taken forward by Social Security Scotland and Social Security Programme, which forms part of work being taken forward for business plans 2024-2025.</p> <p>Work is underway to ensure that strategic risks are visible as part of business planning for 2025-2026.</p> <p>Partially Complete- awaiting clearance on risk framework.</p> <p>Expected date of completion – March 2025</p>	Missed
RM5 - High	Management should review the approach to strategic issue management and, where appropriate, ensure strategies, guidance and processes are documented	Issue management forms part of the revised risk framework currently under review. Social Security Scotland's risk framework is aligned more with core Scottish Government and as such takes the advice	Missed



	to support the agreed approach, with action taken to implement to ensure issues are effectively managed.	<p>from their framework and implements an approach to issue management that is “business as usual”.</p> <p>The risk management team is expected to form part of a “lessons learned” team that would look at the issue, once it has been resolved, and seek to understand how the risk materialised, was a risk captured, and is there any residual risk that needs to be tracked.</p> <p>Partially Implemented- delegated responsibility work is in progress that will help to form governance around issue management/lessons learned.</p> <p>Expected date of completion – March 2025</p>	
RM6 - Medium	<p>Management should consider making risk management training mandatory for relevant roles to increase awareness in, and create a culture of, risk management.</p> <p>Training should continue to be developed to include strategic risk and strategic issue management, with a log retained of who has received training.</p>	<p>Work has not progressed as quickly as wished due to other priorities within the organisation.</p> <p>We should be in a better position to begin to develop our own Social Security Scotland focused learning offer once the risk framework and strategy are published.</p> <p>We hope to provide sessions on various topics including:</p> <ul style="list-style-type: none"> <li>• What is risk management within Social Security Scotland</li> <li>• Risk scoring</li> <li>• Risk appetite</li> </ul>	Missed

		<ul style="list-style-type: none"> <li>• Risk or Issue?</li> </ul> <p>Expected date of completion – March 2025</p>	
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Governance			
Rec	Recommendation	Update	Status
G1 - Low	We recommend all Terms of References and Saltire pages are reviewed to ensure that they reflect current governance structures and arrangements. Upon completion these should be approved and subject regular review.	<p>Terms of Reference are the responsibility of each individual forum and their secretariat. The Governance lead will meet with all forum chairs and sponsors from w/c 4th November and will raise this recommendation for each forum to take forward.</p> <p>Terms of Reference for key governance groups including Executive Team, Executive Advisory Body, Joint Executive and Portfolio Sponsor have all been reviewed and agreed in Q2. Work is in hand to review the remainder and to update Saltire pages as part of the team workplan/ objectives for 2024/25.</p> <p>Expected date of completion March 2025</p>	Missed
G4 - Low	Management should consider developing an assurance map to provide a well-structured analysis of assurance within the organisation to ensure effective coordination and structure of assurance activities.	<p>3 lines of defence proposals put to Executive Team for decision.</p> <p>Assurance mapping won't be able to take place for some time due to the volume of work required and current limitations on recruitment. A more robust update will be provided next quarter as discussions</p>	Missed

		still to take place on the future of assurance mapping and 3 lines of defence.  Next update January 2025	
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## **7 Closed Internal Audit Recommendations**

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

- SPM Management Information and Reporting

Follow-up reviews are currently in progress for

- Internal Controls - Post Award Controls
- Case Transfers
- Redeterminations and Appeals
- Governance

The Corporate Assurance Team continues to internally monitor and report on the partially implemented recommendations. We have recently closed the final outstanding 2018-19 Quality Assurance Framework recommendation with the work carried out on the Performance Framework.

## **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

<b>Audit Scotland Report Action Plan 2023-24</b>	<b>Status</b>
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

<b>National Performance Report 2022 Recommendations</b>	<b>Status</b>
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.	On track
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.	On track
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.	On track
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: Investigatory Powers Commissioner's Office (IPCO) update**

The Investigatory Powers Commissioner's Office are the independent body with responsibility for overseeing the use of covert investigatory powers by certain, specific public authorities. This includes Social Security Scotland which is inspected on a bi-annual basis with the latest taking place on the 11<sup>th</sup> and 12<sup>th</sup> of April 2024. The Investigatory Powers Commissioner's Office compile a report on each inspection in which they detail any areas of non-compliance as critical, priority or action. They also include observations which detail actions to be taken at the discretion of the Senior Responsible Officer within the public authority.

The report, following the visit to Social Security Scotland, identified no areas of non-compliance. Thirteen separate observations were identified as having the potential to improve efficiency and compliance. Additionally, a further six points were noted during the visit in conversation with the Inspectors which were assessed as being worthy of inclusion for action despite not having been referenced in their report. Of these nineteen actions points, seventeen were fully discharged in the period between the 8<sup>th</sup> May and 22<sup>nd</sup> August 2024 and the two remaining actions are at advanced stages and nearing completion. One was delayed to await the implementation of the new Fraud Case Management System whilst the other related to a large piece of work involving the creation of an operational policy document with several contributory stakeholders.

## Annex D: 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 E: 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.