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Directorate for Internal Audit and Assurance

Internal Audit Report

Social Security Scotland 2024-25

Payments to GPs and Third Sector Organisations

Directorate for Internal Audit and Assurance

Issue Date: 11-11-2024

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Report Distribution

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Internal Audit Business Support Hub*	

* Final Report only

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1. Introduction

1.1. Introduction

This internal audit review of payments to GPs and third sector organisations formed part of the planned audit coverage detailed in the 2024-25 plan, agreed by the Accountable Officer and noted by the Audit and Assurance Committee on 27 March 2024. The Accountable Officer for Social Security Scotland is responsible for maintaining a sound system of governance, risk management and system of internal control that supports the achievement of the organisation's policies, aims and objectives.

Applications for Adult Disability Payment or Child Disability Payment require one piece of Supporting Information (SI) to be obtained from a professional in support of the application. GPs and third sector organisations can receive a payment for providing SI or providing conformation of a terminal illness. In the 2023-24 financial year over 50,000 payments were made, totalling over £1.6 million.

1.2. Audit Scope

The scope of this review was to evaluate and report on the controls in place in relation to payments to GPs and third sector organisations to ensure there is appropriate governance, risk management and controls in place.

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

1.3. Assurance and Recommendations

Assurance Category	Limited		
Recommendations Priority	High	Medium	Low
	1	5	1

Our review has identified one high, five medium and one low recommendation. A limited assurance rating has been provided. 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.

The rationale for this is that roles and responsibilities have recently been enhanced with the appointment of a Business Owner for Supporting Information, who has accountability and responsibility for the process of payments to GPs and third sector organisations. We also noted clear and concise guidance to GPs and third sector organisations, as well as for staff undertaking the clerical payments process. However, we were advised that there is no overall policy or strategy setting out the organisation's approach for payments to GPs and third sector organisations. Additionally, overtime has generally been utilised to enable the processing of the majority of the payments it is unlikely this is sustainable in the longer term, or provides value for money. Issues in relation to duplicate payments, payments where payment has not been requested and payments where no SI has been received were also raised in relation to the SCI Gateway.

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

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

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

2. Management Action Plan

2.1. Management Action Plan

Our findings are set out in the Management Action Plan below

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
1	<p><u>Strategy/Policy for Payments to GPs and Third Sector Organisations</u></p> <p>Issue: Social Security Scotland does not have a documented strategy or policy which clearly defines the organisation's approach to managing payments to GPs and third sector organisations.</p> <p>Risk: Lack of strategy or policy which clearly defines the organisation's approach to managing payments to GPs and third sector organisations, which is aligned with legislative requirements and value for money best practice.</p>	Consideration should be given to developing a strategy or policy defining the organisation's approach to managing payments to GPs and third sector organisations which, at a minimum, includes the criteria for when payments should be made, process for requesting and making payments and payment values.	M	<p>Response: - Accepted. Policy and Strategy Documents informed the development of Special Rules for Terminal Illness and Supporting Information, including when payments should be made and the level of payment. A process has been developed and operational guidance published on IKM. To date this has not been captured in a Social Security Scotland operational policy.</p> <p>Action: Incorporate current policy positions, processes, guidance steps and quality checks into an Operational Policy.</p> <p>Action Owner:</p>	July 2025

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
				[Redacted] Business Owner to co-ordinate with Finance, Client Service Delivery and Operational policy	
2	<u>Payment Processing – Roles, Responsibilities and Guidance</u> Issue 1: There is no resource allocated for making payments to GPs and third sector organisations during core business hours, resulting in overtime being utilised for this to be carried out. Issue 2: Although the SCI Gateway process is described as automated, there is still a requirement for manual intervention due to compatibility issues with the formatting of the data extract. This is currently carried out by the Product Owner within Social Security Programme due to lack of capacity for this role to be undertaken by Social Security Scotland.	1) Social Security Scotland should ensure there is sufficient capacity and capability within the organisation to undertake the required activities, whilst also ensuring sustainability and value for money. 2) Management should look into making improvements to this process to ensure sufficient controls are in place – either through making the format of the	M	Recommendation 1 response: Accepted. Client Services Delivery have staff allocated to process payments of Clerical Supporting Information and BASRiS fee claims. Though this is not currently included in resource modelling. Action: Incorporate payment activities in resource modelling Action Owner: [Redacted] -Business Owner to coordinate with [Redacted] -Child Disability payment, [Redacted] -Adult Disability Payment, [Redacted] -Pension Age Disability Payment in Client Services Delivery and Social Security Operational Research (SSOR)	June 2025

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	<p>[Redacted] We understand that this process will still need to be carried out once the new ERP system is launched</p> <p>Issue 3: There is currently no formal guidance available for the processing of payments via SCI Gateway.</p> <p>Risk 1: Insufficient capacity and capability within Social Security Scotland leading to ineffective and/or inefficient service delivery.</p> <p>Risk 2: Lack of service design resulting in a lack of clarity on both current and post transition ownership, roles, responsibilities and accountability in relation to GPs and third sector organisations.</p> <p>Risk 3:</p>	<p>data from SCI Gateway compatible with the ERP system, or introducing segregation of duties to the process.</p> <p>3) We would recommend that guidance for SCI Gateway be created and stored in IKM where it's accessible for those across the organisation.</p>		<p>Recommendation 2 response: Accepted</p> <p>Current system functionality prevents automatic file transfer between SCI gateways and ERP due to file compatibility. A Continuous Improvement requirement is to be raised to automate file transfer between Sci gateway and ERP and will be prioritised as part of the continuous improvement backlog.</p> <p>To mitigate the risk, segregation of duties will be introduced as part of the migration to ERP payment system on 01st October. The main Scottish Government Vendor management team will now manage supplier accounts including the validation of bank details. If Agency send through updated bank details to ERP payment team,</p>	

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	<p>[Redacted]</p> <p>Risk 4: Policies, guidance and processes relating to payments to GPs and third sector organisations are not in place, do not align to with the requirements of the Scottish Public Finance Manual (SPFM), or are unclear leading to an ineffective way of working, payments not being made, delays in payments, noncompliance, financial loss or reputational damage.</p>			<p>the vendor management team reach out to GPs to verify bank details independently.</p> <p>Action 1 Introduce segregation of duties so that vendor management team manage supplier account details as part of migration to ERP payment system. Action Owner: [Redacted] -Business Owner</p> <p>Action 2 Raise continuous improvement requirement to automate file transfer from SCl gateway to ERP. Removing any manual intervention. Action Owner: [Redacted] -Business Owner to co-ordinate with [Redacted] – Product Lead [Redacted] – Product Co-Ordinator</p>	<p>February 2025</p> <p>February 2025</p>

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
				Recommendation 3 response: Accepted Action: Publish Sci gateway manual intervention step on IKM. Action Owner: [Redacted] - Business Owner [Redacted] – Product team	March 2025
3	<u>Lessons Learned and Continuous Improvement</u> Issue 1: It was not always clear to staff involved in the processing of payments that issues and lessons learned identified were being escalated to the correct people for action to be taken. Issue 2: [Redacted] Risk 1:	1) Management may want to consider carrying out a lessons learned process to capture areas of good practice and opportunities for improvement. With the Business Owner now in place for SI staff should be made aware that this should be the route for	M	Recommendation 1 response: Accepted A lesson learned is planned as part of the migration to ERP payment system. Monthly checkpoint calls are to be established with Business Owner to provide a route for escalation Action 1 Undertake lessons learned Action 2	December 2024

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	<p>Insufficient and/or ineffective arrangements for capturing lessons learned and identifying continuous improvement in relation to the payments process for GPs and third sector organisations leading to an inability to improve and deliver the service efficiently and effectively.</p> <p>Risk 2: Regular quality checks and reconciliations do not take place leading to errors and an inability to effectively address errors leading to incorrect payments made and an inability to identify areas for improvement.</p>	<p>escalating suggestions coming from such exercises.</p> <p>2) We would recommend that consideration is given to including the process into the quality checks being carried out so that any errors can be identified and lessons learned.</p>		<p>Establish monthly checkpoints between business owner and processing staff</p> <p>Action Owner: [Redacted] - Business Owner</p> <p>Recommendation 2 response: Accepted</p> <p>Action: Review & implement quality assurance checks</p> <p>Action Owner: [Redacted] - Business Owner [Redacted] to coordinate with quality teams</p>	<p>November 2024</p> <p>May 2025</p>
4	<p><u>Risk Management</u></p> <p>Issue:</p>	Management should ensure that this responsibility is allocated	M	<p>Response: Accepted</p>	

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	<p>While Social Security Scotland has a clearly defined Risk Management process, it is currently unclear who has responsibility for management of risk in relation to payments to GPs and third sector organisations – although it is expected this will fall to the Business Owner.</p> <p>Risk: Insufficient or ineffective management of risk in relation to payments to GPs and third sector organisations leading to an inability to mitigate risks resulting in an inability to achieve strategic objectives, leading to financial loss and/or reputational damage due to incorrect payments.</p>	and the risk management process embedded to allow for effective transition from Social Security Programme.		<p>A Business Owner is now in place and will have responsibility for risk management in relation to the process</p> <p>Action: Review Programme an Agency risks and capture in Social Security Scotland risk registers</p> <p>Action Owner: [Redacted] - Business Owner</p>	December 2024
5	<p><u>Management Oversight</u></p> <p>Issue:</p>	Management should consider if it would be of value to have specific	L	<p>Response: Accepted</p>	

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	<p>We were advised that there is no specific reporting, in relation to finance or performance, on payments to GPs and third sector organisations into any forums or to Deputy Directors, with it being included as part of more general reporting.</p> <p>Risk: Insufficient and/or ineffective management oversight and management information in relation to payments to GPs and third sector organisations leading to an inability to address weaknesses, make informed decisions and mitigate risks.</p>	reporting on this, including on financial spend.		<p>Action: Investigate reporting requirements and functionality to identify the level of reporting required, the audience and responsibility for providing the reporting.</p> <p>Action Owner: [Redacted] - Business Owner [Redacted] – Corporate Finance</p>	May 2025
6	<p><u>Training</u></p> <p>Issue:</p>	We would recommend that there be some specific training	M	<p>Response: Noted</p>	

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	<p>Other than the mandatory training required for access to SEAS, there is no formal training on the GP Payments process.</p> <p>Risk: Lack of training for internal staff resulting in inefficient use of resources and/or noncompliance with established procedures.</p>	developed for payments to GPs and third sector organisations to ensure a consistent approach and reduce the risk of tasks being completed incorrectly.		<p>Additional training on ERP payment process is to be provided to staff and strengthened step by step operational guidance published on IKM.</p> <p>Action: Learning commission to be investigated with Client Services Delivery</p> <p>Action Owner: [Redacted] - Business Owner</p>	July 2025
7	<p><u>Processing of Payments</u></p> <p>Issue 1: [Redacted]</p> <p>Issue 2: [Redacted]</p> <p>Issue 3:</p>	1) This has been highlighted to the team responsible for making the clerical payments, who have advised they will update their processes. However management should ensure that this is actioned, and guidance	H	<p>Recommendation 1 response: Accepted</p> <p>As we pay more suppliers through the new ERP payment system, they will be registered on to Oracle with external bank account validation. This will further mitigate the risk</p> <p>Action Process maps and operational guidance for clerical payment process to be updated to</p>	February 2025

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	<p>[Redacted]</p> <p>Issue 4: SCI Gateway releases payment when a response to SI is received. [Redacted]</p> <p>Issue 5: There is no formal process for recovering overpayments.</p> <p>Risk 1: [Redacted]</p> <p>Risk 2: [Redacted]</p> <p>Risk 3: Policies, guidance and processes relating to payments to GPs and third sector organisations are not in place, do not align to with the requirements of the Scottish Public Finance</p>	<p>updated. Consideration of this step should also be given for the new ERP system.</p> <p>2) Management should ensure that sufficient audit trails are retained to demonstrate key communications to and from GPs and third sector organisations.</p> <p>3) Management should carry out a review of the process for making payments to GPs and third sector organisations to reduce the risk of duplicate payments being made.</p>		<p>incorporate checking bank details as part of approver actions.</p> <p>Action Owner: [Redacted] - Business Owner and [Redacted] – Business Analyst</p> <p>Recommendation 2 response: Accepted With the new clerical process GP payment requests are saved [Redacted] allowing us to link payments to GPs with cases Remittance will be saved in Oracle going forward</p> <p>Action Ensure IKM operational guidance contains steps for completing the clerical payment tracker with SPM case numbers</p> <p>Owner: [Redacted] – Business Owner and [Redacted] – Business Analyst</p>	March 2025

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	Manual (SPFM), or are unclear leading to an ineffective way of working, payments not being made, delays in payments, noncompliance, financial loss or reputational damage.	<p>4) Management should review the process for making payments through SCI Gateway to ensure that only where a GP requests payment, that payment is released. Additionally, as part of the policy development (see Recommendation 1) consideration should be given as to whether payment should be made when a response does not include any SI.</p> <p>5) Consideration should be given to designing a process to recover overpayments, if</p>		<p>Recommendation 3 response: Accepted A review has been completed as part of the migration to ERP Payment system. Oracle now has capacity to identify duplicate payments if the invoice numbers match.</p> <p>Action: Review process to identify methods to prevent duplicate payments, strengthen operational guidance and develop operational policy for GP and Third Sector payments</p> <p>Action Owner: [Redacted] – Business Owner [Redacted] – Product Lead [Redacted] – Solution Architect</p> <p>Recommendation 4 response:</p>	July 2025

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
		considered to represent value for money, and thereafter appropriate guidance developed and shared.		<p>Accepted [Redacted]</p> <p>Recommendation 5 response:</p> <p>Noted</p> <p>Overpayments have previously been recovered so functionality exists, though the process has not been mapped specifically for GP and Third Sector payments.</p> <p>Action:</p> <p>Map recovery process and develop operational guidance.</p> <p>Action Owner:</p> <p>[Redacted] - Business Owner to co-ordinate with [Redacted] – Product Lead, Fraud error and Debt, [Redacted] – Corporate Finance</p>	<p>March 2025</p> <p>May 2025</p>

3. Findings, Good Practice and Improvement Opportunities

3.1. Good Practice

Roles and Responsibilities

- 3.1.1. Clarity around roles and responsibilities has recently been improved by the appointment of a Business Owner for SI (which includes payments to GPs and third sector organisations), having accountability and responsibility for the process.

Guidance to GPs and Third Sector Organisations

- 3.1.2. We reviewed the guidance, which is available on Social Security Scotland's website, for claiming fees following submission of SI or a completed BASRiS. We consider the guidance to be clear and concise.

Budget Setting

- 3.1.3. Revised budgets for payments to GPs and third sector organisations have been based on the forecast volume of applications and review numbers provided by the Social Security Analysis, Forecasting and Evaluation team, with assumptions on the numbers requiring SI from GPs completed by a Senior Business Analyst.

Guidance – Clerical Payment Process

- 3.1.4. There are two ways of making payments to GPs and third sector organisations – clerical payments by Client Services delivery and automated via SCI Gateway (a national system in Scotland for the electronic exchange of clinical information). For the clerical payments, all relevant guidance is saved on the Internal Knowledge Management system (IKM). On reviewing the guidance it was confirmed to be clear, concise and aligned to the Scottish Public Finance Manual (SPFM). With it being held on IKM it is also accessible by those who require it.

Segregation of Duties – Clerical Payment Process

- 3.1.5. For clerical payments there is segregation of duties through the SEAS roles of inputter and approver whereby an inputter can't approve payment and approvers cannot input payments. This clearly demonstrates that payments cannot be created then subsequently approved by the same member of the organisation, which we evidenced as part of our walkthroughs

3.2. Improvement Opportunities

Strategy/Policy for Payments to GPs and Third Sector Organisations

- 3.2.1. As part of our discussions with staff during fieldwork it was highlighted that Social Security Scotland does not have a documented strategy or policy which clearly defines the organisation's approach to managing payments to GPs and third sector organisations. As such there is increased risk that the organisation's approach to managing payments to GPs and third sector organisations is insufficient and/or ineffective and not aligned with legislative requirements. During the exit meeting for the audit it was highlighted that the expectation was that this would have been developed by Social Security Programme as part of the development of the Minimal Viable Product (MVP). Consideration should be given to developing a strategy or policy which, at a minimum, includes the criteria for when payments should be made, process for requesting and making payments and payment values. **Recommendation 1**

Payment Processing – Roles, Responsibilities and Guidance

- 3.2.2. There is no resource allocated to making payments to GPs and third sector organisations during core business hours, resulting in overtime being utilised for this to be carried out. As such we were unable to confirm that the current arrangements for administration of these payments is sustainable in the long term and provide value for money. **Recommendation 2**
- 3.2.3. Although the SCI Gateway process is described as automated, there is still a requirement for manual intervention as SEAS does not support automation between SCI Gateway and SEAS. This work is currently carried out by the Product Owner within Social Security Programme due to lack of capacity for this role to be undertaken by Social Security Scotland. **Recommendation 2**
- 3.2.4. [Redacted] **Recommendation 2**
- 3.2.5. In addition, there is currently no guidance in place which also increases the risk of error being made. **Recommendation 2**

Lessons Learned and Continuous Improvement

- 3.2.6. From discussions with staff involved in the processing of payments to GPs and third sector organisations, it was noted that it is not always clear to them that issues and lessons learned identified were being escalated to the correct people. There is an increased risk that arrangements for learning lessons and continuous improvement in relation to the payments process for GPs and third sector organisations is insufficient and/or ineffective leading to an inability to improve and deliver the service efficiently and effectively. Management may want to consider carrying out a lessons learned process to capture areas of good practice and areas for improvement and/or formalise a process for capturing these. With the Business Owner now in place for SI, staff should be made aware that this should be the route for escalating suggestions coming from such exercises.

Recommendation 3

- 3.2.7. [Redacted] **Recommendation 3**

Risk Management

- 3.2.8. While Social Security Scotland has a clearly defined Risk Management process, it is currently unclear who has responsibility for management of risk in relation to payments to GPs and third sector organisations, although it is expected this will fall to the newly appointed Business Owner. As such, there is a risk that risks are not sufficiently identified or mitigated. Management should ensure that this responsibility is allocated and the risk management process embedded to allow for effective transition from Social Security Programme. **Recommendation 4**

Management Oversight

- 3.2.9. During fieldwork discussions we were advised that there is no specific reporting on payments to GPs and third sector organisations into any forums or to Deputy Directors, with it being included as part of more general reporting. This could lead to insufficient and/or ineffective management oversight resulting in an inability to address weaknesses, make informed decisions or mitigate risks. Management should consider if it would be of value to have specific reporting on this, including on financial spend. **Recommendation 5**

Training

- 3.2.10. Other than the mandatory training required for access to SEAS, there is no formal training on the GP Payments process. We would recommend that there be some

specific training developed for payments to GPs and third sector organisations to ensure a consistent approach and reduce the risk of tasks being completed incorrectly. **Recommendation 6**

Processing of Payments

3.2.11. As part of our fieldwork we carried out a walkthrough of the process for making clerical payments, which was generally carried out in line with the guidance. As part of this we noted that there was no check carried out by the approver on the bank details payment was being made to, resulting in a risk of fraud and/or error being introduced with incorrect bank details being input. The guidance on IKM states “6. Check the one-off payee details are present and entered correctly” – it’s on clicking this that a screen appears with the bank details. Unlike the inputter guidance, there are no screenshots showing SEAS which would help. This has been highlighted to the team responsible for making the clerical payments, who have advised they will update their processes. However management should ensure that this is actioned, and guidance updated. Consideration of this step should also be given for the new ERP system. **Recommendation 7**

3.2.12. During our substantive testing we noted that the payment requests from GPs are saved on the R Drive. However, the naming of them makes it difficult to link it to cases on SPM. As a result, for the ones we tested we only viewed the completed expense form for one of the 10 sampled as such we could not verify that the other nine were valid claims and that the GP had requested payment. In addition, letters and emails (for both clerical and automated payments) to GPs confirming payment are not retained. Management should ensure that sufficient audit trails are retained to demonstrate key communications to and from GPs and third sector organisations. **Recommendation 7**

3.2.13. [Redacted] **Recommendation 7**

3.2.14. [Redacted] **Recommendation 7**

Annex A Definition of Assurance and Recommendation Categories

Assurance Levels

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

Recommendation Priority

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

Directorate for Internal Audit and Assurance

Internal Audit Terms of Reference

Social Security Scotland 2024-25

Payments to GPs and Third Sector Organisations

Key Audit Contacts

Audit Year:	2024-25
Client Accountable Officer:	David Wallace, Social Security Scotland Chief Executive
Deputy Director:	Deputy Director Finance and Corporate Services
Client Audit Contact(s):	[Redacted] – Head of Finance [Redacted] [Redacted] – Head of Business Change Management [Redacted] – Head of Business Owners [Redacted] – Transition Project Manager [Redacted] – Product Owner – Supporting Information, Social Security Programme [Redacted] – Business Owner – Supporting Information [Redacted] – Client Services Delivery Operations Lead [Redacted] – Solution Architect
Senior Internal Audit Manager:	[Redacted]
Internal Audit Manager:	[Redacted]
Internal Auditor:	[Redacted]

Estimated Reporting Timescale

Fieldwork Starts:	29 th April 2024
Fieldwork Ends:	31 st May 2024
Draft Report Issued:	14 th June 2024
Final Report Issued:	28 th June 2024
Estimated Resource Days:	30

1. Introduction

- 1.1. This internal audit review forms parts of our planned audit coverage agreed by the Accountable Officer and shared with the Audit and Assurance Committee on 27th March 2024.
- 1.2. Applications for Adult Disability Payment or Child Disability Payment require one piece of supporting information to be obtained from a professional in support of the application. Supporting information is used to broadly confirm someone's conditions, disability or needs. GPs and third sector organisations can receive a payment for providing supporting information (£33.50) or providing conformation of a terminal illness through completion of a Benefits Assessment for Special Rules in Scotland (BASRiS) form (£20.40). Payments can either be paid manually (clerical payments) or electronically (automatic payments) using the Scottish Care Information (SCI) Gateway.
- 1.3. Social Security Scotland's Strategic Risk Register includes the following risks which are relevant to this review:

“Social Security Scotland must demonstrate that its operations secure value for money, that we are operating economically, efficiently and effectively. Failure to demonstrate this may undermine public confidence in the organisation and lead to reputational damage and public and stakeholder criticism.” (CR-03a)

“Acknowledging our growth and operational maturity we need to prioritise actions to sustain appropriate internal operational processes, systems, controls and performance levels to support delivery of our service. If we do not, then we risk the reputation on which we rely to secure engagement with the public and stakeholders to deliver a public service.” (CR-09)

- 1.4. It is important to acknowledge that development and delivery of the systems and processes for Social Security Scotland is being undertaken following an agile methodology. As such Minimal Viable Products (MVPs) for policies, systems and processes for each benefit are designed, built, and delivered by Social Security Programme and Policy teams within the Social Security Directorate, with input from Social Security Scotland. Systems and processes are then operationalised by Social Security Scotland. After a period of support and in some instances joint development beyond MVP, systems and processes will transition to Social Security Scotland with an understanding of live running costs and funding arrangements agreed until the end of the Social Security Programme. Once transitioned, it is the responsibility of Social Security Scotland to make arrangements to improve the systems and processes.
- 1.5. We met with relevant colleagues within Social Security Scotland on 15th April 2024 to discuss the relevant risks and agree details of this review.
- 1.6. Our key risks below have been developed through these discussion and our knowledge of the organisation and its objectives.

2. Scope

- 2.1. To evaluate and report on the controls in place in relation to payments to GPs and third sector organisations to ensure there is appropriate governance, risk management and controls in place.

- 2.2. **Remit Item 1 – Governance, Roles and Responsibilities**

To ascertain whether there is appropriate governance, risk management, scrutiny and oversight of payments to GPs and third sector organisations in relation to supporting information which establishes the organisation's approach to managing payments and that ownership and roles and responsibilities are appropriate and clearly defined.

Key Risks:

- Lack of strategy or policy which clearly defines the organisation's approach to managing payments to GPs and third sector organisations, which is aligned with legislative requirements and value for money best practice.
- Lack of service design resulting in a lack of clarity on both current and post transition ownership, roles, responsibilities and accountability in relation to GPs and third sector organisations.
- Insufficient guidance to GPs and third sector organisations leading to claims being submitted where they are not eligible, or incomplete/noncompliant claims being submitted.
- [Redacted].
- Insufficient and ineffective arrangements in relation to transition leading to lack of agreement on the MVP requirements, unclear roles and responsibilities during the transition process, lack of transferred and forecast budget and being unaware of the impact on staff roles and ways of working, leading to an inability to manage the change effectively and on time.
- Insufficient and/or ineffective management oversight and management information in relation to payments to GPs and third sector organisations leading to an inability to address weaknesses, make informed decisions and mitigate risks.
- Insufficient forecast arrangements as part of initial service design leading to a lack of transferred and forecast budget from Social Security Programme

2.3. Remit Item 2 – GP and Third Sector Organisation Payment Process

To ascertain that appropriate procedures and controls are in place for effective and efficient management of payments to GPs and third sector organisations.

Key Risks:

- Policies, guidance and processes relating to payments to GPs and third sector organisations are not in place, do not align to with the requirements of the Scottish Public Finance Manual (SPFM), or are unclear leading to an ineffective way of working, payments not being made, delays in payments, noncompliance, financial loss or reputational damage.
- Lack of training for internal staff resulting in inefficient use of resources and/or noncompliance with established procedures.

- Lack of built in controls and segregation of duties for payments to GPs and third sector organisations leading to individuals accessing/using payments systems, overwriting automated processes and making incorrect, duplicate or unauthorised payments, or payments where supporting information has not been provided.
- Reliance on manual processes or interventions which introduce the risk of error being made.
- Regular quality checks and reconciliations do not take place leading to errors and an inability to effectively address errors leading to incorrect payments made and an inability to identify areas for improvement.

3. Approach

- 3.1. We will undertake the audit in compliance with the Internal Audit Charter and the Memorandum of Understanding agreed between Internal Audit and Social Security Scotland.
- 3.2. At the conclusion of the audit a customer satisfaction questionnaire will be issued to the main client audit contact. Internal Audit appreciate feedback and to facilitate continuous improvement, we would be grateful if you could complete and return the questionnaire.
- 3.3. Management are reminded of our need for timely access to people and responsiveness to information requests, to enable the reporting timetable to be met.