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Directorate for Internal Audit and Assurance

Internal Audit Report

Social Security Scotland 2024-25

Mailroom

Directorate for Internal Audit and Assurance

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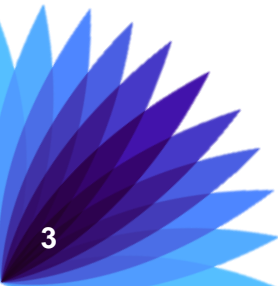
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1. Introduction

1.1. Introduction

This Internal Audit review of the Mailroom formed part of the Audit 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.

1.2. Audit Scope

The scope of this review was to evaluate and report on the controls in place to manage the risk surrounding Social Security Scotland's mailroom arrangements to ensure there is appropriate governance, risk management and controls in place for the management of inbound and outbound mail.

The processing of mail is a crucial activity that underpins most business areas within Social Security Scotland, who operate two mailrooms, one within Enterprise House (Dundee) and the other in High Street (Glasgow).

Mailrooms are currently made up of 31 Advisers who provide mail services for the organisation. Mailroom staff numbers are due to increase ahead of the launch of further benefits such as Pension Age Disability Payment (PADP) later this year. Based on mailroom clerical records 2023-24 saw over 190,000 mail items received through the mailrooms and over 50,000 outbound items processed and sent out.

It is important to acknowledge that the development and delivery of 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.

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
	2	7	2

Our review has identified two high, seven medium and two low priority recommendations. 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 the mailroom is a critical function of Social Security Scotland, however its role and functionality has developed and evolved as the organisation has matured with limited strategic input and oversight, resulting in a number of issues within the business area.

We are keen to highlight that our review found that where gaps and weaknesses have been identified, mailroom staff are aware of these, and we have evidenced efforts made on several occasions to address and rectify issues, linking in relevant stakeholders. We also note several of these issues are logged as risks within local and strategic risk registers. Action launched to address issues have often resulted in slow progress or blockers due to a lack of an appropriate decision-making framework to support staff.

With a growing number of tactical workarounds, technology issues and anticipated increases in demand, we are concerned that without action inefficiencies will continue impacting mailroom services and the wider organisation.

Recent developments and improvements have been realised with mailroom relocations progressing and a Mailroom Improvements and Optimising Cost Savings project underway, however there are still outstanding challenges to be addressed.

We believe that the implementation of our recommendations will significantly improve the risk, governance and control arrangements in relation to mailroom arrangements and reduce the exposure to the risks highlighted in this report.

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>Roles and Responsibilities within the Mailroom</u></p> <p>Issue: Mailroom roles and responsibilities have not been reviewed since the mailroom's inception and we were unable to evidence role objectives in place for key mailroom roles.</p> <p>Risk: This risks an unclear understanding of mailroom roles and responsibilities leading to a lack of understanding among mailroom staff of their tasks and duties.</p>	Social Security Scotland should review and document each mailroom role ensuring duties are grade appropriate and relevant objectives are in place at all levels. These should then be shared with staff and reviewed at regular intervals to ensure they remain up to date.	L	<p>Response: Management accept the recommendation</p> <p>Action: Work is underway by Business Analyst to review and document roles and responsibilities within the mailroom.</p> <p>Action Owner: [Redacted] Business Owner</p> <p>[Redacted]</p>	March 2025

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
				Operational Lead	
2	<p><u>Lack of Communication Channels with Other Business Areas</u></p> <p>Issue 1: Mailroom functions are not widely communicated or understood throughout Social Security Scotland.</p> <p>Issue 2: There is no formal procedure/route in place for notifying the mailroom of any changes that may impact their work or a defined path for internal stakeholders to consult with the mailroom.</p> <p>Issue 3: The mailroom is not included in, nor is it required to report to, any forum which likely exacerbates a lack of understanding or collaboration with mailroom colleagues and the wider organisation.</p>	<p>A) Management should consider how mailroom functions could be better communicated to service users within Social Security Scotland and take action as appropriate.</p> <p>B) Social Security Scotland should consider how the mailroom could be better linked into the wider organisation, ensuring key messages/information are communicated to mailroom management and ensuring linkages into decision making that would likely impact the business area.</p>	M	<p>Response: Management accept the recommendation</p> <p>Action: A) Work is currently underway with internal communications to investigate what improvements can be made to communication of mailroom services, such as use of Saltire.</p> <p>B) Business Owner role will now allow for full engagement with mailroom management team and the agency project teams. This will ensure visibility and inclusion of mailroom considerations going forward. An overview of requirements will be</p>	<p>March 2025</p> <p>March 2025</p>

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	<p>Risk 1: Lack of awareness of mailroom functions amongst users of mailroom services leading to inappropriate service requests and contributing to inefficiencies when administering mail.</p> <p>Risk 2: Key messages/information impacting mailroom services not communicated to mailroom management resulting in unforeseen impacts on mailroom processes and systems.</p> <p>Risk 3: Mailroom management are not linked into decision making impacting their business area resulting in unforeseen impacts on mailroom processes and systems.</p>			<p>provided to the Organisational Strategy & Performance Unit.</p> <p>Action Owner: A) [Redacted] Operations Lead B) [Redacted] Business Owner [Redacted] Head of Business Owners</p>	
3	<p><u>Mailroom Ownership</u></p> <p>Issue: Mailroom ownership currently sits within Client Services Delivery, however the cross-cutting function has never had a review to</p>	Social Security Scotland should review mailroom ownership arrangements, bearing in mind its cross-	M	<p>Response: Management accept the recommendation</p>	

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	<p>ensure location is appropriate and aligns with strategic direction of Social Security Scotland.</p> <p>Risk: Lack of clarity on mailroom future direction and ownership leading to delivery challenges and poor staff engagement from across the organisation as well as impacts on the future proofing of the organisational design and support for mailroom services.</p>	<p>cutting nature and considering the long-term future direction of mailroom services.</p>		<p>Action:</p> <p>Ownership is part of the wider business planning initiative for the mailroom. This work is ongoing and will be considered by Executive Team as part of the longer term vision.</p> <p>Action Owner:</p> <p>Andrew McClintock Chief Digital Information Officer</p>	<p>August 2025</p>
4	<p><u>Guidance for Mailroom Advisors and Internal Service Users</u></p> <p>Issue 1: We found gaps and a misalignment of practice with available guidance. For example, we found no guidance for several procedures such as the storage and destruction procedure for received mail, and noted KTA guidance could be more descriptive to better aid a user referring to guidance.</p>	<p>A) Social Security Scotland should look to address gaps and misalignments between guidance and procedures to ensure proper direction and support for each function / role. Additionally, where appropriate, management should incorporate all</p>	M	<p>Response:</p> <p>Management accept the recommendation</p> <p>Action:</p> <p>A) A workshop with Business Analysts to review gaps and potential improvements with guidance and procedures will be conducted. This will</p>	<p>March 2025</p>

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	<p>Issue 2: Whilst the majority of available guidance is held within IKM, a One Note document is also used to hold additional information to perform mailroom processes. Where appropriate, this guidance should be incorporated within IKM to ensure proper document control. There are often delays in updating or adding new guidance to IKM as there is no content writer in place for the mailroom to liaise with.</p> <p>Issue 3: There is no guidance detailing how outbound mail should be submitted to the mailroom from service users outwith Client Service Delivery.</p> <p>Risk 1: A failure to establish sufficient guidance leading to an inconsistent or ineffective approach to delivery increasing the possibility</p>	<p>guidance available into IKM. Aligning a Content Writer to the mailroom could help management create and maintain IKM guidance.</p> <p>B) Management should consider producing guidance on a widely accessible platform (e.g. Saltire and/or IKM) to communicate mailroom services and how to request assistance.</p>		<p>map out requirements which can then be prioritised in line with the wider agency content requirements.</p> <p>B) Work is currently underway with internal communications to investigate what improvements can be made to communication of mailroom services, such as use of Saltire.</p> <p>Action Owner:</p> <p>A) [Redacted] Business Owner</p> <p>[Redacted] Product Owner</p> <p>[Redacted] Disability Benefits Live Service Manager</p>	March 2025

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	<p>that inbound and outbound mail will not be administered correctly.</p> <p>Risk 2: A lack of understanding of mailroom services including little awareness of what the mailroom does and how to request services.</p>			<p>B) [Redacted] Business Owner</p> <p>[Redacted] Operations Manager</p>	
5	<p><u>Lack of Formal Training Arrangements</u></p> <p>Issue: Unlike other Client Services Delivery Advisors, we did not find any formal training arrangements in place for Mailroom Advisors. Training is informal in nature and risks inconsistent approaches being developed.</p> <p>Risk: Ineffective training for staff leading to a lack of staff knowledge and an inability to provide mailroom activities resulting in poor quality and diminished service levels.</p>	<p>Social Security Scotland should look to formalise training arrangements within the mailroom to ensure new starts and existing staff are provided with a robust and consistent programme of training.</p>	M	<p>Response: Management accept the recommendation</p> <p>Action: A formal learning commission will be submitted to Organisational Development to establish standardised routeways and training for mailroom colleagues.</p> <p>Action Owner:</p>	July 2025

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
				[Redacted] Operational Lead [Redacted] Leadership and Strategic Capability Lead	
6	<u>Mailroom Budgets</u> Issue 1: The process in place for overseeing mailroom budgets relies on one Mailroom Manager and the procedure for monitoring budgets is not formally documented. This presents as a single point of failure in the budget monitoring process. Issue 2: Whilst we recognise variable factors such as unforeseen increases in mail demand and price increases imposed by Royal Mail impacting closing budget totals, budgets allocated to the mailroom have overspent for	A) Management should ensure the process for monitoring mailroom budget is documented and formally signed off by relevant personnel. Additional staff should be trained in monitoring budgets to serve as a contingency. B) Management should review mailroom budget allocation arrangements and consider if budgets should	H	Response: Management accept the recommendation Action: A) Work is currently underway to review process for managing mailroom budgets. A formal process will be put in place with the relevant colleagues trained. There is currently formal budget delegation process in place for overall financial control.	March 2025

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	<p>the past two consecutive years when compared to the initial forecasted budgets.</p> <p>Issue 3: Mailroom management could not always corroborate 3rd party invoices with internal data sources due to a lack of available management information on automated notifications from SPM.</p> <p>Issue 4: The process in place for mailroom to acquire mailroom budget holder approval does not allow for appropriate scrutiny and challenge prior to authorising spend.</p> <p>Risk 1: A lack of formality risking loss of corporate memory and a loss of valuable budget monitoring knowledge.</p> <p>Risk 2: A lack of awareness of the mailroom budgets across the wider organisation and the</p>	<p>be in place for each business area of the organisation to increase oversight of spend and promote awareness of spend against mailroom budgets.</p> <p>C) Social Security Scotland should address the raised Jira Ticket and consider how internal reports could be produced to provide information on notification volumes to corroborate 3rd party invoices.</p> <p>D) Management should review the mailroom budget holder authorisation process and look to ensure that</p>		<p>B) Consideration will be given to budget allocations as part of the wider mailroom business plan initiative.</p> <p>C) Procurement will investigate what options are available to provide improved management information to corroborate third party invoices.</p> <p>D) This process will be reviewed to ensure clearer information is provided</p> <p>Action Owner: A) [Redacted] Business Owner</p> <p>[Redacted] Operations Manager</p>	<p>March 2025</p> <p>August 2025</p> <p>March 2025</p>

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	<p>Social Security Directorate leading to overspend of mailroom budgets.</p> <p>Risk 3: Insufficient and/or ineffective financial controls leading to financial loss.</p>	<p>approvers are provided with sufficient information to appropriately approve spend.</p>		<p>[Redacted] Product Owner</p> <p>[Redacted] Business Owner</p> <p>B) [Redacted] Finance Business Partner</p> <p>C) [Redacted] Procurement Portfolio Manager</p> <p>D) [Redacted] Business Owner</p> <p>[Redacted] Operations Manager</p> <p>[Redacted]</p>	

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
				Product Owner	
7	Security Procedures in relation to Inbound Mail [Redacted]	[Redacted], mandatory training and subsequent refresher sessions should be provided for those handling inbound mail.	H	Response: Management accept the recommendation Action: [Redacted] Consideration will be given to improved guidance or training requirements. Action Owner: [Redacted] Business Owner [Redacted] Operations Manager	March 2025

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
8	<u>Capturing Lessons Learned</u> Issue: There is currently no formal process in place to capture lessons learned in relation to mailroom activities. Risk: Insufficient action being taken to improve systems, processes and controls leading to an inability to improve performance and deliver a mail service efficiently and effectively.	Management should consider implementing a formal lesson learned record to inform future work to avoid general pitfalls that have previously been encountered and identify good practice so this can be repeated.	L	Response: Management accept the recommendation Action: Lessons Learned Log has now been implemented. Action Owner: [Redacted] Business Owner	
9	<u>Technical Issues</u> Issue: Known defects in new form releases have been accepted at development stages of	Management should ensure a defined process is established to notify the	M	Response: Management accept the recommendation	

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	<p>new documents which directly impact mailroom procedures. These defects have not always been communicated to mailroom staff ahead of benefit launch dates. Due to various system issues with SPM and KTA there are a number of workarounds already employed hampering mailroom productivity.</p> <p>Risk: Systems and tools available to mailroom teams for managing mail are not fit for purpose resulting in manual processes and workarounds being established, leading to a risk of insufficient/ineffective processes causing delays.</p>	<p>mailroom of all known defects as identified during testing stages of new document releases. Where defects are accepted appropriate guidance should be provided ahead of release to allow for digital mail to be administrated appropriately and help prevent heads of work occurring.</p>		<p>Action: Business Owners are now engaging with Project Teams to review how communication can be improved to advise of any defects that may impact the mailroom during testing period.</p> <p>Action Owner: [Redacted] Business Owner</p> <p>[Redacted] Business Owner</p>	March 2025
10	<p><u>Business Continuity Plan</u></p> <p>Issue: When reviewing the Mailroom Business Continuity Plan, we found no fallback</p>	<p>Management should complete their Business Continuity Plan and ensure</p>	M	<p>Response: Management accept the recommendation</p>	

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	<p>accommodation had been identified for use in the event a mailroom were to become inaccessible. We were advised that it was not possible for one mailroom to handle all inbound/outbound mail in the event one were to go offline.</p> <p>Risk: The suspension of mailroom services impacting the operational delivery of benefits served through that mailroom. Other business areas (e.g. Fraud Teams and Corporate Teams) that depend on mailroom services would also be impacted.</p>	that there are clear plans on what action should be taken in the event that one or both mailrooms become inaccessible or unusable.		<p>Action: Management will consider what options are available for alternative accommodation to provide greater business continuity.</p> <p>Action Owner: [Redacted] Head of Low Income Benefits</p> <p>[Redacted] Head of Place Services</p>	December 2024
11	<p><u>Glasgow Mailroom Relocations</u></p> <p>Issue: A definitive date has not been determined for the completion of the Glasgow</p>	Management should seek assurances as to when relocation works are due to complete to allow for plans	M	<p>Response: Management accept the recommendation</p>	

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	<p>mailroom. Work is scheduled to complete in Autumn 2024. Whilst we endeavoured to obtain a clearer idea of when work would complete, we were advised that due to the stage of current works it was not possible to obtain a defined completion date. With new starts due to uptake posts at the start of September, there is a risk that an incomplete relocation could impact the training of new staff and the delivery of the PADP which is to be processed within the Glasgow mailroom. Mailroom management have created a paper which details possible temporary arrangements in the event relocation work is not complete within ideal timeframes.</p> <p>Risk 1: Inability to train new entrants before PADP launch, risking business delivery and build-up of a backlog impacting client journey and damaging organisational reputation.</p>	to be executed in the event relocation work completes after the onboarding of new starts and the launch of PADP.		<p>Action:</p> <p>Work is being prioritised to confirm the plans, with a temporary solution in place by September 2024 and a formal solution planned for end of March 2025</p> <p>Action Owner:</p> <p>[Redacted] Head of Low Income Benefits</p> <p>[Redacted] Property Lead</p> <p>[Redacted] Head of Place Services</p>	March 2025

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	Risk 2: Inability to scale up mailroom operations, risking business delivery and build-up of a backlog impacting client journey, and damaging organisational reputation.				

3. Findings, Good Practice and Improvement Opportunities

3.1. Good Practice

Mailroom Hierarchy and Reporting Lines within Client Services Delivery

- 3.1.1. Our review found there to be good understanding of roles and responsibilities relating to the administration of inbound and outbound mail within mailrooms. Locally produced documents were available detailing the mailroom workforce structure across both Dundee and Glasgow mailroom sites. Furthermore, duties undertaken by each role were formally noted and found to reflect current workforce arrangements.
- 3.1.2. Communication lines within the mailroom are facilitated by weekly meetings held by mailroom management that allow operational staff to cascade any issues. Line management arrangements allow for information to be escalated through the hierarchy and inevitably reach the Senior Leadership Team when necessary. Linkages across Client Services Delivery (CSD) are largely facilitated by CSD Operational Support colleagues who host regular meetings with mailroom management.

Risk Registers and Technical Issue Log

- 3.1.3. We found local risk registers in place and designed in line with risk management best practice. We also found that all risks on the local mailroom register contained evidence of a recent review, evaluation and update on mitigating actions in place and up-to-date risk scores. Furthermore, the strategic risk register for Social Security Scotland was recently updated to reflect risks related to mailroom. Risks and issues in relation to mailroom arrangements are being appropriately recorded, managed or escalated.
- 3.1.4. Due to the number of live Jira tickets submitted by the mailroom, an issue log is maintained which denotes various technical issues that are due to be resolved. At the time of our review, we found over 60 live tickets in progress spanning from February 2023. The log is updated with ticket information as it is received and allows for progress to be tracked against each issue. Whilst it is not ideal having so many live tickets open in relation to mailroom, maintaining a structured log of all technical issues and updating issues in real time has allowed mailroom

management to get traction with long standing technical issues and communicate updates with mailroom staff accordingly.

Mailroom Performance Monitoring

- 3.1.5. Overall, we found the process in place for administration of mail to be well organised with staff having a good working knowledge of processes in place. The mailroom has been able to locally develop a system for clerically tracking and monitoring throughput in the absence of attainable automated MI options. Although productivity is not reported outwith the mailroom, these processes are used to help allocate sufficient resource to tasks and provide necessary oversight of the physical processing of mail.

Mailroom Improvements and Cost Optimisation Project

- 3.1.6. A Mailroom Improvements and Cost Optimisation Project Initiation Document has been produced which aims to deliver improvements across mailroom processes, drive efficiencies and optimise cost savings. The proposed project looks to address various issues identified throughout our review including:
- Agreement on long term ownership of mailroom functions;
 - Reduction in postage costs through streamlining of notifications e.g. Charter, Passporting, Certificate of Entitlement; and
 - Improvement in mailroom technology, hardware and environment.
- 3.1.7. We consider the development of the Project Initiation Document to be a positive measure which looks to address known issues within the business area and encourage management to ensure action is taken where appropriate.

3.2. Improvement Opportunities

Roles and Responsibilities within the Mailroom

- 3.2.1. Although we did not find any Job Descriptions in place for mailroom roles, we did evidence documents broadly outlining responsibilities for all internal mailroom roles. We note there have been significant changes within mailroom arrangements since its set up within Social Security Scotland and it is unclear when responsibilities and duties were last reviewed. Roles and responsibilities must be clearly defined to ensure a cohesive approach to the management and delivery of mailroom services. Social Security Scotland should review and document each mailroom role ensuring duties are grade appropriate and relevant objectives are in place at all levels. We understand an Operations Lead

will look to review roles and responsibilities within the mailroom and this will be considered as a part of the Mailroom Business Plan Initiative however we deem it necessary to include a recommendation to follow up progress.

[Recommendation 1](#)

Lack of Communication Channels with Other Business Areas

- 3.2.2. Despite the mailroom having many key users across Social Security Scotland, there are no arrangements in place to communicate mailroom hierarchy or how to engage with mailroom staff to query/acquire information related to mail services. Due to the cross-cutting functions and the essential role mailrooms play in benefit delivery and organisational functions, consideration should be given as to how mailroom services could be better communicated to promote and raise awareness of the work the mailroom is responsible for. This could include what the mailroom do, as well as don't do, and common issues encountered e.g. letters still with red and highlighted text, which impacts mailroom productivity. [Recommendation 2](#)
- 3.2.3. We found no formal procedure/route in place for notifying the mailroom of any changes that may impact their work or a defined path to consult with the mailroom. It was highlighted that decisions are often made without cognisance of the mailroom leading to a reactive work style and impacts on mailroom efficiency. Defined routes for engagement with the mailroom should be created and communicated to relevant stakeholders to allow for information to be fed into mailroom management within a timely manner. [Recommendation 2](#)
- 3.2.4. The mailroom is not included in, nor is it required to report to, any forum which likely exacerbates a lack of understanding or collaboration with mailroom colleagues and the wider organisation. It is our opinion that the mailroom should be aligned and report into a suitable forum to allow for the transfer of information to and from the mailroom and other areas of the business. This should aid achieving traction with issues and better inform mailroom management of occurrences across the wider organisation. It is hoped that the Mailroom Improvement and Cost Optimisation project will address this gap however we find it necessary to provide a recommendation to follow up on progress in the near future. [Recommendation 2](#)

Mailroom Ownership

- 3.2.5. The mailroom is a corporate function that serves many users throughout Social Security Scotland. Whilst our review did not find any material issues with the ownership of the mailroom within Client Services Delivery (CSD), we also did not find any strategic reasoning or considerations to justify its current placing within the organisation. We are concerned that the mailroom is seen as a CSD function rather than a corporate function for Social Security Scotland, resulting in a lack of strategic direction and management of the function, its services and future direction. There seems to be a lack of decision-making framework supporting the mailroom and its activities, presenting challenges when looking to drive efficiencies and improvements, which could be addressed with a more strategic alignment of the function within the organisation. We note that mailroom is linked into communications cascaded throughout CSD but as the mailroom and its demands have rapidly evolved and as Social Security Scotland has matured, it would be prudent for management to review mailroom ownership arrangements to consider whether mailrooms would be more strategically aligned as a centralised function, given the dependencies on mailroom services throughout the whole organisation. Agreement on long term ownership of mailroom functions is a stated aim of the Mailroom Improvement and Cost Optimisation Project Initiation Document however we find it necessary to provide a recommendation to follow up on progress in the near future. [Recommendation](#)

3

Guidance for Mailroom Advisors and Internal Service Users

- 3.2.6. Guidance for mailroom processes has recently been included within Social Security Scotland's Internal Knowledge Management Hub (IKM) and supplemented by a OneNote document created by Mailroom Advisers. Whilst we consider it best practice to hold all guidance centrally on IKM, to allow for sufficient document control measures, we recognise there have been challenges for the mailroom in achieving this. Mailrooms do not currently have a content writer for IKM. This means when any updates are required it can take a considerable amount of time for the change to be realised within IKM guidance. Furthermore, with a number of technical workarounds in place, the OneNote can be easily accessed to provide detail on procedure until the problem is resolved.

Available IKM guidance for sorting and scanning physical mail was adequately detailed and was found to note most steps as observed during walkthroughs.

- 3.2.7. We found gaps and a misalignment of practice with available guidance for physical mail once scanned and digitised, along with guidance for resolving non-matching tasks in the SPM Scan. This is likely due to system issues associated with Kofax Total Agility (an integrated platform that enables the mailroom to automate content and touchpoints that previously required human intervention) and SPM leading to the deployment of a variety of workarounds as previously mentioned. It was highlighted that it would be challenging to document and upload temporary guidance within IKM for all workarounds in place, due to time pressures and the time taken for guidance to be made available, especially as a result of the Mailroom not having a dedicated Content Writer.
- 3.2.8. Having said that, it is our view that IKM guidance could be improved to include additional detail such as the document types Kofax Total Agility (KTA) can and cannot handle, including examples of what each document type looks like. Additionally, procedure to follow in the event of a data breach (i.e. sending mail to the wrong client/address) should be signposted within the mailroom guidance section of IKM to ensure Mailroom Advisors are fully aware of the procedure to follow if such an event were to occur.
- 3.2.9. Whilst we recognise the progress made to include elements of guidance within IKM, it is our opinion that all guidance, where possible, should be held centrally within IKM. Aligning a Content Writer with the mailroom could help aid mailroom management put these arrangements in place. We also found guidance was not fully sufficient for Mailroom Advisors completing all expected tasks. For example, we found no guidance in place for several procedures such as the storage and destruction procedure for received mail, and noted KTA guidance could be more descriptive to better aid a user referring to guidance. Furthermore, no instructions are available for what Advisors should do in the event a hazardous item is received through inbound mail (this issue is expanded on in subsequent paragraphs). Management should therefore review guidance in place and consider where gaps and misalignments exist, look to address these and update or add guidance within IKM where appropriate. [Recommendation 4](#)
- 3.2.10. The mailroom is referenced within IKM guidance which is available to operational staff within CSD processing benefit applications. References mostly relate to the steps to be undertaken when a manual letter for a client should be sent via the

mailroom. Outwith this example, we found no available guidance detailing how outbound mail should be submitted to the mailroom from other service users. Our testing did not evaluate if guidance has been developed locally within different business areas regularly using mailroom services, however we would expect shared intranet services such as Saltire to hold such information for ad-hoc service users. Furthermore, when observing walkthroughs of outbound mail processing we noted several incidents of CSD Client Advisors submitting letters that still contained tracked changes and incorrect client information, which ultimately causes delays in the issuing of mail. It may be beneficial to consider how available guidance could be improved to better communicate to Client Advisors expected standards. Furthermore, management should look to produce guidance for other internal stakeholders to communicate how mailroom services can be requested. [Recommendation 4](#)

Lack of Formal Training Arrangements

- 3.2.11. Training arrangements for Mailroom Advisors are informal in nature. New Mailroom Advisors are paired with more experienced colleagues as a 'buddy' to learn tasks associated with the role. Additional materials, such as PowerPoint guides, have been produced to support new starts. There are also Mailroom Advisors who have been identified as 'champions' to support others with queries regarding specific processes and systems. Whilst we recognise the benefits of shadowing experienced members of staff, the mailroom could further benefit from a structured, well-defined plan for new starts to work through to ensure consistency in the delivery of training. We also note gaps in training for existing colleagues (e.g. refresher training on specific elements - especially higher risk areas such as data protection issues specific to the mailroom [Redacted]) It is our opinion that formal, documented training procedures and records should be in place, especially with use of specialist equipment such as industrial guillotines which have the potential to cause bodily harm if used inappropriately. Support from Organisational Development colleagues would be beneficial in creating a Routeway in a similar fashion to that in place for Client Service Delivery Client Advisors. [Recommendation 5](#)

- 3.2.12. When mailroom budget monitoring duties were transferred to the mailroom during 2023 it was noted that there were weaknesses in the inherited procedure at an operational level when monitoring mailroom budgets. Subsequently adaptations were made to strengthen oversight of budget spend by a Mailroom Manager assigned to oversee budgets. We recognise the current process in place is a vast improvement to that previously undertaken and has been successful in identifying and reclaiming erroneous charges totalling over £200,000.
- 3.2.13. However, the monitoring of mailroom budgets requires significant time and attention to manually corroborate and scrutinise various invoices from several third-party partners. It is our opinion that there is a lack of formality, as the process for one to follow has not been documented. This presents a single point of failure as only one staff member is involved in collating and overseeing this process and risks the loss of budget monitoring knowledge within the mailroom function. There are formal financial mechanisms and delegations in place at a higher level to provide lines of accountability and scrutiny of budgets, however, we believe at a local level the mailroom the budget monitoring process requires formal documentation to ensure knowledge retention. This will ensure sufficient corporate memory with regard to the process and procedures involved in the monitoring and reporting of mailroom budgets. [Recommendation 6](#)
- 3.2.14. In addition, our review found Social Security Scotland could not corroborate all 3rd party invoices with internal data sources due to a lack of available MI. At present there is no way to reconcile or validate the volume of notifications issued to clients. This means that invoices from particular third-parties cannot be confirmed as no MI is generated from SPM for this at present, increasing the risk of erroneous charges from external stakeholders. This has been raised by mailroom staff in a Jira ticket and we understand work is ongoing to address this. We will therefore include a recommendation to follow up on progress made in relation to this issue. [Recommendation 6](#)
- 3.2.15. We were advised 2022-23 mailroom budgets totalled around 146% overspend decreasing to an overspend of 84% for 2023-24 compared to opening budgets. It is important to note our review evidenced monthly meetings occurring between mailroom management and Finance Business Partners to allow for increases in spend to be reflected in financial forecasts throughout the year. Variable factors such as demand and price increases imposed by Royal Mail have also impacted

closing budget totals. Furthermore, decisions made outwith the mailroom and previously insufficient budget monitoring arrangements (as mentioned in paragraph 3.2.12) have contributed to increased spend through these budgets as well. Our review found incidences of decision making occurring externally to the mailroom and materialising in increased spend within mailroom budgets. With improved budget monitoring processes and reasonable oversight at an operational level now in place, it is hoped a more proactive approach can be taken to identify and update forecasts. However, there is a lack of awareness of the mailroom budget across the wider organisation which could be contributing to unforeseen spend increases from across Social Security Scotland and Social Security Programme. Social Security Scotland should consider if allocating a mailroom budget to each business area within the organisation could help increase the awareness of mailroom spend, promote value for money and highlight the financial impact of particular decisions that relate to mail activities.

Recommendation 6

- 3.2.16. Arrangements in place to support budget holders to know when to approve or deny spend were lacking. The mailroom budget is unique in that spend can originate from decisions not only made throughout Social Security Scotland but also from within the Social Security Programme. We found the mailroom were often not included in discussions around such decisions which made it difficult for budget holders to have all necessary information to approve spend. To ensure budget holders can appropriately approve spend a process should be put in place to allow budget holders to know that requests have gone through proper due process and have been signed off by the relevant personnel prior to submitting a request to mailroom budget holders. Implementing such a process would allow budget holders to appropriately scrutinise spend and come to an informed decision when approving or denying spend whilst also serving as a sufficient audit trail for records. This process could include a template that must be filled in prior to submitting a spend request. **Recommendation 6**
- 3.2.17. [Redacted] Collaboration between mailroom management and the newly set up Physical Security Team has previously been sought to look at implementing a formalised process. [Redacted] This process should be reviewed to reassure mailroom staff necessary checks have been performed ahead of receipt of internal mail at Enterprise House. **Recommendation 7**

Capturing Lessons Learned

- 3.2.18. There is currently no formal process in place to capture lessons learned in relation to mailroom activities. It is our opinion that as Social Security Scotland continues to evolve and mature as an organisation it would be beneficial for the mailroom to record and have a means to share lessons learned. This should help inform future work to avoid general pitfalls that have previously been encountered and identify good practice so this can be repeated.

Recommendation 8

Technical Issues

- 3.2.19. Scanners are utilised in conjunction with a computer software called 'Kofax' to allow Mailroom Advisors to scan and review documents received through the mail. Once reviewed, documents are uploaded to a software called 'Kofax Total Agility (KTA)' where a Mailroom Advisor must quality check and send the document to SPM for upload into a client's profile. If a scanned document cannot be matched to a client profile it will land within the Non-Matching Work Queue (NMQ) where the document will have to be manually attached.
- 3.2.20. It was noted during walkthroughs several software issues related to KTA and SPM impact mailroom efficiency and productivity, especially during periods of high mail volumes. We were advised that all known system issues have been escalated to IT colleagues in Jira tickets. Mailroom productivity is measured and assessed on a weekly basis within RAG Status records. We took a sample of these to assess for trends in heads of work within the mailroom and found the only 'Amber' scoring for the month sampled were attributed to KTA and NMQ tasks across both Glasgow and Dundee mailroom locations. All other mailroom processes for the sample period had remained 'Green'.
- 3.2.21. When new documents are created as part of new or updated product/benefit launches, development work is required, and testing is performed ahead of administrating new documents in the live environment. Through development and testing stages, issues and defects can be identified and have previously been accepted without notifying mailroom management in a timely manner ahead of launching a new product. This directly impacts mailroom procedures and leads to the use of technical workarounds. However, with workarounds in place this often de-escalates raised tickets contributing to delays in having the

issues addressed. As previously mentioned, KTA and SPM related processes often create heads of work within mailrooms.

- 3.2.22. It is acknowledged that not all defects can be remedied immediately due to competing priorities and limited resources. However, management should ensure a defined process is established to notify the mailroom of all known defects as identified during testing stages of new document releases. Where defects are accepted, the impact of the defect should be fully understood and appropriate guidance on required workarounds should be provided ahead of release to allow for digital mail to be administrated and help prevent heads of work occurring. [Recommendation 9](#)

Business Continuity Plan

- 3.2.23. We were advised that it was not possible to for one mailroom to handle all inbound/outbound mail in the event one were to go offline. Although the likelihood that a mailroom would cease all activity is relatively low, it is our opinion a well-defined continuity plan be put in place to identify realistic solutions in such a scenario. When reviewing the Mailroom Business Continuity Plan which is currently in draft, we found no fallback accommodation had been identified for use in the event a mailroom were to become inaccessible, impacting the operational delivery of a number of business areas. Whilst we recognise it may not be possible to identify an alternative location to suit mailroom needs, 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.

[Recommendation 10](#)

Glasgow Mailroom Relocation

- 3.2.24. New spaces for both Dundee and Glasgow mailrooms have been identified within Enterprise House and High Street. This will help facilitate the predicted increase of mail volumes expected as a result of PADP launch. Additionally, the locations have increased in space and have been purposely designed to fit the needs of mailroom staff. During fieldwork we found the Enterprise relocation was almost complete, with minor work still to occur. However, a definitive date has not been determined for the completion of the Glasgow mailroom. We were advised that work was due to complete in Autumn 2024. Due to the stage of the current works it was not possible to obtain a defined completion date. With new

starts due to uptake posts at the start of September, there is a risk that an incomplete relocation could impact the training of new staff and the delivery of the PADP which is to be processed within the Glasgow mailroom. A paper has been created by mailroom management who have performed a scenario planning exercise, considering various available options in the circumstance that the completion of the relocation occurs after the onboarding of new staff and the release of PADP. This included minimum requirements for a temporary space for a significant period of four to six months, and for a shorter period of time, where compromises could be made, providing no adverse health and safety impacts on staff. Management should look to seek assurances as to when relocation works are due to complete to allow for plans to be executed in the event relocation work completes after onboarding new starts and the launch of PADP.

Recommendation 11

Annex A Definition of Assurance and Recommendation Categories

Assurance Levels

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

Recommendation Priority

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

Annex B – Terms of Reference



Directorate for Internal Audit and Assurance

Internal Audit Terms of Reference

Social Security Scotland 2024-25

Mailroom

Key Audit Contacts

Audit Year:	2024-25
Client Accountable Officer:	David Wallace, Chief Executive
Deputy Director	Janet Richardson, Deputy Director of Client Services Delivery
Client Audit Contact(s):	[Redacted], Head of Business Change Management [Redacted] Head of Operations Dundee [Redacted] Operations Manager [Redacted] Business Owner [Redacted], Senior Business Owner [Redacted] Operations Manager [Redacted] Head of Business Owners
Senior Internal Audit Manager:	[Redacted]
Internal Audit Manager:	[Redacted]
Assurance Support Officer:	[Redacted]

Estimated Reporting Timescale

Fieldwork Starts:	May 2024
Fieldwork Ends:	May 2024
Draft Report Issued:	June 2024
Final Report Issued:	July 2024
Estimated Resource Days:	15

1. Introduction

- 1.1. This Internal Audit review forms parts of our planned audit coverage agreed by the Accountable Officer and noted by the Audit and Assurance Committee on 27 March 2024.
- 1.2. Social Security Scotland must ensure it has appropriate arrangements in place to support sufficient mailroom activities. The processing of inbound and outbound mail is a crucial activity that underpins all benefits administered by Client Services Delivery. Furthermore, key functions throughout Social Security Scotland such as Local Delivery and Health and Social Care also rely on the Mailroom to facilitate their work. Social Security Scotland currently operate two mailrooms, one within Enterprise House (Dundee) and the other in High Street (Glasgow). Appropriate governance, capacity, capability and internal controls are all essential components required to ensure the efficient administration of mail within Social Security Scotland.
- 1.3. Social Security Scotland's Strategic Risk Register includes the following risk which is relevant to this review:

“Acknowledging our growth and Operational maturity we need to sustain appropriate operational processes, systems and controls to support delivery in line with our Charter. If we do not then we risk the reputation on which we rely to secure engagement with the public and stakeholders.” (CR-009)

This has a linked Divisional Risk within Client Services Delivery's Risk Register of:

“IF we do not have a coherent, strategic and aligned Agency approach for the Mailrooms THEN we will not provide the obligated services for our clients RESULTING IN failure to meet service agreements, client hardship, staff attrition and reputational damage.” (CSD-OR018)

- 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 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 held a planning meeting with key contacts on 15th April 2024 to discuss relevant risks and scope of this review. Our key risks below have been developed through this discussion and our knowledge of Social Security Scotland and its objectives.

2. Scope

- 2.1. To evaluate and report on the controls in place to manage the risk surrounding Social Security Scotland's mailroom arrangements to ensure there is appropriate governance, risk management and controls in place for the management of inbound and outbound mail.

2.2. Remit Item 1 – Roles, Responsibilities, Guidance and Management Oversight

To assess the governance arrangements in place in relation to mailroom activities and the handling of inbound and outbound mail to determine whether there are effective controls and processes are suitable considering ownership, roles and responsibilities, guidance and management oversight.

Key Risks:

- Roles, responsibilities and accountabilities for mailroom activities have not been clearly defined, communicated and understood both within the Mailroom and across the wider organisation.
- Insufficient and ineffective ownership arrangements of the Mailroom leading to inadequate management oversight and an inability of the mailroom to deliver a quality service for all functions across the organisation.
- Lack of policies, procedures and guidance in relation to mailroom activities, both within the Mailroom and amongst key users, that would be considered appropriate in relation to Social Security Scotland's corporate requirements.
- Lack of robust training and development around mailroom processes results in inconsistent ways of working and staff not having the appropriate training and skills to ensure compliance with existing processes and procedures.
- Insufficient budget provision for associated print and mail costs incorporated into benefit launches and/or policy changes, ineffective budget setting and processes and procedures surrounding the approval and monitoring of expenditure, which leads to mailrooms not being adequately supported resulting in operational requirements and ministerial priorities not being delivered within the agreed budget for Social Security Scotland.
- Insufficient or ineffective management of risks and issues in relation to the Mailroom.
- Lack of management oversight resulting in changes to processes being developed and implemented in isolation, without cognisance of the impact on the Mailroom.

2.3. Remit Item 2 – Processes, Systems and Controls

To determine if the systems, processes and controls are appropriate for the management and day-to-day operations of the mailroom.

Key Risks:

- [Redacted]
- Current arrangements for management and administration of inbound and outbound mail are inefficient or ineffective, leading to an inability to achieve value for money and deliver benefits effectively.
- Systems and tools available to mailroom teams for managing mail are not fit for purpose resulting in manual processes and workarounds being

established, leading to a risk of insufficient/ineffective processes causing delays.

- Established systems, processes and controls are not sustainable in the long term as the organisation, the number of benefits delivered and the volume of clients continues to grow.

3. Approach

- 3.1. We will undertake the audit in compliance with the Internal Audit Charter and Memorandum of Understanding agreed between Internal Audit and Social Security Scotland.
- 3.2. 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. Social Security Scotland is reminded of our need for timely access to people and responsiveness to information requests, to enable the reporting timetable to be met.