



Assurance Category

Reasonable

Directorate for Internal Audit & Assurance Client Services Delivery Benefit Compliance Review

Social Security Scotland 2022/23

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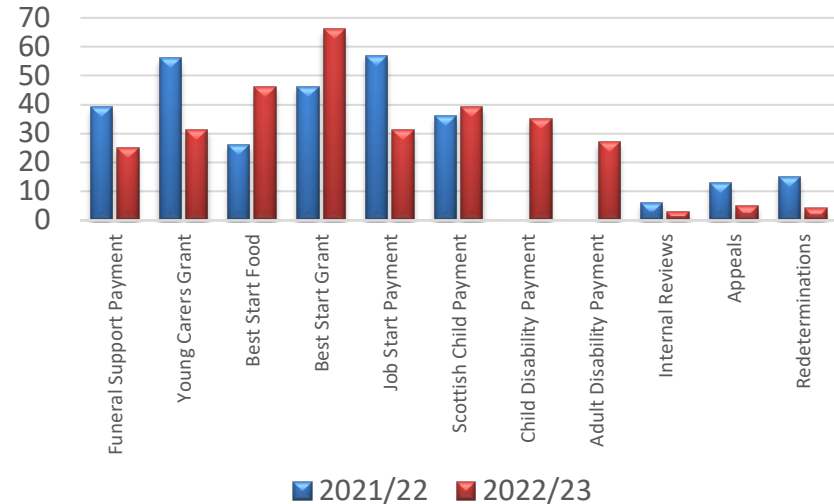
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1. Compliance Review

Background

- ❑ This compliance review aimed to provide independent assurance on compliance to Client Services Delivery.
- ❑ Testing took place from June 2022 to February 2023 with colleagues from the Interventions Team, Fraud Decision Making Team and Client Experience Team using monthly data extracts obtained from AWS QuickSight to select cases to sample.
- ❑ At the completion of each month's compliance testing, we provided Client Services Delivery with the outcome from our testing and areas of non-compliance, Client Services Delivery were therefore able to take prompt action and report back any inaccuracies.
- ❑ We have chosen to report the outcomes of this compliance review different to a traditional report format to allow us to better outline progress and comparison with previous work.

**Figure 1: No of Applications Tested by Benefit
2021/22 vs 2022/23**



Total Tested 2021/22	Total Tested 2022/23
260	300 (Total population 203,420)

Note that the total population size obtained through AWS QuickSight data extracts may differ from official published statistics on the total number of applications managed by Social Security Scotland.

Scope

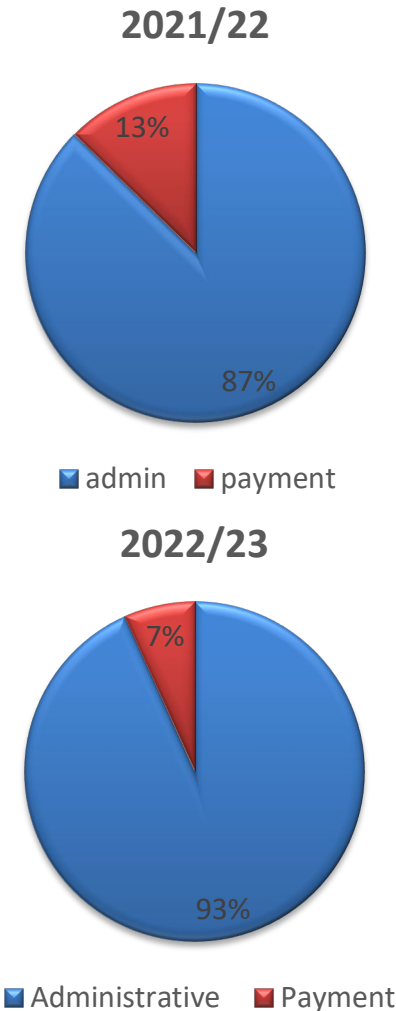
To evaluate and report on the controls in place to manage the risks surrounding Social Security Scotland's Client Services Delivery processes. We assessed compliance with guidance in relation to the processing of applications, redeterminations, appeals and change of circumstances, approval of payments and interaction with Local Delivery and the mailroom across all live benefits.

As part of the remit, we undertook substantive testing to confirm compliance with policies, procedures and guidance. Our samples covered all elements of Best Start Grant, Young Carers Grant, Funeral Support Payment, Job Start Payment, Scottish Child Payment, Child Disability Payment and Adult Disability Payment. Testing was refined to focus predominantly on the highest risk areas that could cause financial hardship to clients, financial loss to Social Security Scotland and reputational damage to the organisation.

2. Summary of Compliance

- ❑ Compliance issues associated with payment errors identified throughout sample testing reduced since the last review in 2021/22.
- ❑ 66% of our sample was compliant with processes and guidance. There was improvement in areas such as segregation of duties in approvals and clearance of verifications in approved cases.
- ❑ We also found no decision errors within our Client Experience sample. This suggests that levels of non-compliance has been reducing and improvements have been made.
- ❑ Non-compliance identified was mainly administrative with payment and processing errors low, (3% of total cases tested), which means we found little error that resulted in the client being paid incorrectly or receiving incorrect determinations.
- ❑ Client Services Delivery were proactive in taking remedial action on areas of non-compliance identified in our sample. This included issuing reminders to staff, requests to guidance changes, technical input and 1-2-1 discussion with Social Security Scotland staff.

Figure 2: Total Non-Compliance by Type

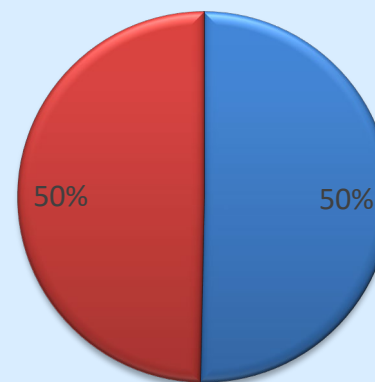


3. Non-Compliance – Themes

Non-compliance Themes Across All Benefits

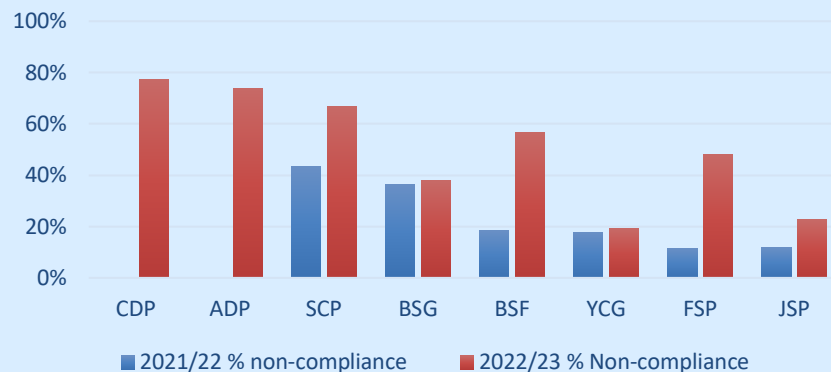
- Lack of consistent notes on SPM leading to a poor audit trail
- Lack of evidence of Searchlight access
- Lack of or error in letters including decision letters across denied and withdrawn cases, lack of acknowledgement letters and decision letters not sent or not suppressed
- Cases found to have been withdrawn which should have been denied in line with guidance
- Inconsistency in the use of trackers across Disability Benefits and Client Experience cases

Figure 3: Summary of Compliance



■ Total Compliant ■ Total Non-Compliant

Figure 4: % Non-Compliance by Benefit 2021/22 vs 2022/23



4. Non-Compliance – Across Benefits

Non-compliance – Low Income Benefit

- ❑ Inaccuracy of award letters for Scottish Child Payment
- ❑ Inconsistency in Funeral Support Payment processes for award letters
- ❑ 3 payment errors related to Scottish Child Payment caused by an award underpayment
- ❑ 2 payment errors for Best Start Grant where an Approver error resulted in duplicate payment
- ❑ 2 payment errors for Best Start Foods where the relevant approved cases had not been sent to Interventions for action

Non-Compliance – Disability Benefits

- ❑ 2 payment errors due to incorrect award date
- ❑ Unclear case review dates due to SPM functionality not being utilised

Non-Compliance – Client Experience

- ❑ Redeterminations - Client ID checks not evidenced on SPM and tasks left open
- ❑ Internal Reviews – Late acknowledgement call and no evidence of approval in SPM, 1 case where new staff worked the case and no evidence of checks as per guidance
- ❑ Appeals – 1 case where timescales were not met for correspondence to be issued and the task to be closed, no evidence if this was issued manually as a result of an SPM issue.

5. Suggested Areas for Improvement

Issue 1: Guidance	Suggested Improvement
<p>Specific guidance issues identified:</p> <ul style="list-style-type: none">❑ As part of testing for Funeral Support Payment, we noted that award letters to Funeral Directors were not sent out. Low Income Benefit suggested this is not part of their operational process, however, guidance stipulates that Funeral Director's should receive manual award letters.❑ Across this year's testing, there were cases found to have been withdrawn which should have been denied in line with guidance.❑ Within the small Client Experience sample, there was a high level of administrative non-compliance and lack of audit trail and approval. We found that up to date guidance lacked on the Knowledge Management Hub and relied on Client Experience advising the processes followed.❑ We noted that the Case Review Date functionality on the front page of SPM is not utilised. Controls for managing when review dates are due are unclear which meant testing compliance with review dates was not feasible.	<p>Client Services Delivery should take action to address gaps or weaknesses in guidance available to operational staff to ensure processes are clear and align with guidance.</p>
Issue 2: SPM Notes and Audit Trail	
<p>Despite staff reminders and development of standardised notes in SPM, there continues to be a theme of insufficient notes being left by Client Advisors and Approvers with standardised notes not being used, no notes to demonstrate quality checks and notes missing or being held in different locations. Therefore there is risk that best practice is not being followed and a lack of audit trail and justification on the steps taken.</p>	<p>Client Services Delivery should seek to review further options to mitigate the risks from non-compliance with the use of SPM notes in the absence of robust audit trail functionality.</p>

5. Suggested Areas for Improvement – continued

Issue 3: Issues with Letters

We found inaccuracy in the amount awarded for Scottish Child Payment award letters, lack of decision letters (where expected for approved, denied or withdrawn) and lack of acknowledgement letters.

The content of award letters should be reviewed to ensure that the amount awarded to the Client is correctly stated. This is particularly important when benefits are updated. Consideration should be given to whether technical support would be beneficial to address the root cause of award letters not being issued or containing the wrong information.

Issue 4: Use of Manual Trackers

In line with processes, the completion of manual trackers was expected as part of the process in completing Disability and Client Experience cases. When testing for completion of manual trackers we were unable to find the cases sampled which suggested that the trackers were not consistently being utilised. There were also issues with corrupt files due to the volume of users accessing the trackers. Client Services Delivery suggested that they were moving away from the use of trackers, however at the time of review, we expected to see completion.

There is a need to review the consistency of the use of trackers and seek assurance over the management and need for trackers. Guidance should be kept up to date with the use of trackers to ensure compliance.

Issue 5: Payment Errors

A small number of payment were identified which required remedial action.

Client Services Delivery should continue to ensure remedial action is taken to address the cause and correct the payment error and consider detection controls in high risk areas.