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Directorate for Internal Audit and Assurance

Internal Audit Report

Social Security Scotland 2022-23

Document Management

Directorate for Internal Audit and Assurance

Issue Date: 23-02-2023

Audit Personnel

Senior Internal Audit Manager:	[Redacted]
Internal Audit Manager:	[Redacted]
Internal Auditor	[Redacted]

Report Distribution

Client Accountable Officer*	David Wallace, Chief Executive
External Audit*	Audit Scotland
Key Audit contacts	[Redacted], Head of Operations Dundee [Redacted], Operations Support Lead; [Redacted], Client Services Delivery Support Senior Officer; [Redacted], Operational Lead- Low Income Benefits; [Redacted], Operations Manager; [Redacted], Performance Manager; [Redacted], Operations Lead; [Redacted], Operational Lead; [Redacted], Operational Lead; [Redacted], Head of Operational Capability and Transition; [Redacted], Client Experience Lead; [Redacted], Client Experience Lead; [Redacted], Client Experience Manager; [Redacted], Operations Manager; [Redacted], Operations Lead; [Redacted], Head of Change and Project Management [Redacted], Technical Platform Owner [Redacted], Data Protection and Information Governance Lead; [Redacted], Data Protection Manager; [Redacted], Corporate Records Manager; [Redacted], Product Owner, Social Security Directorate; [Redacted], Technical Platform Owner.
Internal Audit Business Support Hub*	[Redacted],

* Final Report only

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1. Introduction

1.1. Introduction

This internal audit review of Document Management formed part of the Audit Plan agreed by the Accountable Officer and noted by the Audit and Assurance Committee on 25 March 2022. 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 organisations 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 Document Management arrangements to ensure there is appropriate governance, risk management and controls in place for the management of inbound and outbound documentary evidence obtained as part of the benefit administration and determination process.

The agreed Terms of Reference for this review is attached at Annex B.

1.3. Assurance and Recommendations

Assurance Category	Reasonable		
Recommendations Priority	High	Medium	Low
	0	5	0

Our review has identified five medium priority recommendations. A reasonable assurance rating has been provided. 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.

The rationale for this is that whilst there were some areas of good practice identified, there were a number of weaknesses identified [Redacted]

Whilst individually the weaknesses are not of a significant nature, collectively they do pose an ever increasing risk to Social Security Scotland as the organisation and the services it delivers continues to grow. There is currently some activity ongoing within both Social Security Scotland and Social Security Directorate in relation to a number of the weaknesses highlighted, however there are no firm outcomes agreed. As Document Management arrangements are important both now and in the future for Social Security Scotland it is essential that progress in the areas of weakness identified continues so as to ensure sufficient controls are in place and risks in relation to document management are appropriately managed and where possible mitigated.

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	**Issue: No Mailroom Product Owner** Throughout this audit it was highlighted that there are no specific Product Owners, or similar, in either Social Security Directorate or Social Security Scotland for mailrooms. There are Product Owners for Document Management, and there is currently a Business Owner for Document Management. However the remit of these roles is more focussed on document management systems and configuration, rather than mailroom as a whole. **Risk**: Lack of ownership of the mailroom function and development of this to ensure it is	Management should consider the current arrangements for ownership of the mailroom function and development needs and ensure where there are gaps action is taken.	**M**	**Response:** Management accept the recommendation. **Action:** Mailroom Project has been stood up and will look to resolve concerns including: • Physical space • Mailroom sustainability and efficiency strategy • Ownership of the mailroom function **Action Owner:** [Redacted], Project Manager	June 2023

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	efficient, effective and sustainable for future needs.			[Redacted], Lead Business Architect [Redacted], Business Architect	
2	**Issue: Guidance** There are known gaps and weaknesses in the guidance available on Knowledge Hub for Mailroom colleagues. 'Valuable Documents' that are returned by Royal Mail; 1. [Redacted], 2. SPM Notes; 3. Sending out application forms. There are weaknesses in ensuring Mailroom colleagues are aware of and involved in the development of any new or changing guidance which relates to them.	a) Appropriate guidance should be put in place for all Mailroom processes to ensure that they are performed in the appropriate and complete manner. b) Where procedures are drafted or updated and include Mailroom practices, the said department should be advised in order to provide input and to acknowledge the new/changed processes. c) The processes for telephone re-determination and appeals	**M**	**Response:** Management accept the recommendations. **Action:** a) . [Redacted], The Mailroom project will undertake review of guidance. b) Where appropriate colleagues will be engaged in the review.	June 2023 June 2023

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	The process for phone applications for re-determinations and appeals, as documented in guidance, is not efficient and could lead to delays in processing and has implications in relation to data protection. **Risk:** Incomplete process notes can lead to operational failures that can damage Social Security Scotland both reputational and financially.	applications should be reviewed to ensure the process is efficient and compliant with Data Protection requirements.		Colleagues will be reminded to consult Internal Knowledge Management Hub for guidance. Version control is in place. Operations Manager will engage with content team to increase awareness of new version release dates. c) Management accept the recommendation and understand the risk, which is being mitigated by a temporary process that has been in place since benefit delivery began within Social Security Scotland in 2018. Work has commenced to review the longer term requirements	

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
				Action Owner: a) [Redacted], Project Manager b) [Redacted], Project Manager, [Redacted], Operations Manager c) [Redacted], Head of Business Owners, [Redacted], Head of Client Experience and Business Support	
3	**Issue: Dundee and Glasgow Mailrooms** Due to the volume of inbound mail, the limited space available for sorting mail in both mailrooms increases the risk that documents from different clients could be easily mixed up and end up misplaced, or in the wrong bundle/uploaded to the wrong case. Whilst we are aware that there is current activity looking at the setup of mailrooms, there is no clear decision made on how this will be resolved	Management should reconsider the location and setup of both mailrooms and ensure sufficient space for the volume of inbound/outbound mail is provided to the teams, in order for the Mail Advisors to perform their duties in a manner that is efficient, effective and does not	**M**	**Response:** Management accepts the recommendations. **Action:** Project team will work with agency stakeholders to review both the immediate and longer term requirement. **Action Owner:** [Redacted], Project Manager	April 2023

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	and as such we are keen to highlight the current risks which exist. **Risk:** Client records may be mixed up and documents may go missing, because of paper being shuffled around in the mailroom. This could result in a personal data breach which would have both financial and reputational implications.	hinder data protection compliance.		[Redacted], Lead Business Architect [Redacted],, Business Architect [Redacted], Head of Place Services [Redacted], Head of Operations Dundee/Low Income Benefits	
4	**Issue: SPM Processes and Controls** A number of weaknesses were identified in relation to current document management systems, processes and controls including: a) [Redacted],. b) Cover arrangements for approval and similar queues when colleagues are on planned or unplanned leave.	a) [Redacted],. b) Management to remind colleagues that when unexpected leave takes place,		**Response:** Management accept these recommendations. **Action:** a) Business Owner will review with Programme colleagues to consider how best to address the recommendation within the current SPM system design.	April 2023

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
	c) For all Low Income benefits, the initial application form is not held on the client record in SPM after its formation, instead it shows as a web link. Where access to the original application form is needed, Client Advisors must raise a request with the IT Service Desk to retrieve the application form which causes delays and is not efficient. **Risk:** [Redacted],	this should be communicated as soon as possible and effectively to the relevant teams, in order that the current processes are not delayed. c) Management to look into and resolve the current issue with the formatting of the Application form document on SPM for all Low Income Benefits.	**M**	b) Operational Manager will address this point. c) Management accept initial applications not held on SPM, however PDFs can be requested, which is acceptable at this time. Business Owner will work with Programme colleagues to review formatting. **Action Owner:** a) [Redacted], Head of Business Owners b) [Redacted], Operational Lead Low Income Benefits c) [Redacted], Operational Lead Operations Readiness, Implementation & Improvement Team	Dec 2022 May 2023

No.	Issue & Risk	Recommendation	Priority	Management Response & Action Owner	Action Date
5	**Issue: Manual Letter Templates containing client information** [Redacted], **Risk:** [Redacted],	[Redacted],	**M**	**Response:** Management accept this recommendation. **Action:** Storage of master letters will be reviewed in ERDM. [Redacted], **Action Owner:** [Redacted], Operational Lead Operations Readiness, Implementation & Improvement Team [Redacted], Operational Lead Low Income Benefits [Redacted], Operations Manager	 Apr 2023 Nov 2022

3. Findings, Good Practice and Improvement Opportunities

3.1. Good Practice

Area of Good Practice 1 – **Awareness of keeping information secure**

3.1.1. Throughout the audit we were pleased to note that there is a general awareness in all the teams we spoke to of the need to keep information secure and prevent unnecessary processing and access.

Area of Good Practice 2 – **Current activity to develop the Mailroom processes and arrangements**

3.1.2. From the start of the fieldwork of this review, it was evident that there is currently a lot of activity focussed on the development of the current mailroom processes and mailroom arrangements and we encourage the focus on this.

Area of Good Practice 3 – **Risk Management**

3.1.3. From the interviews held with members of Mailroom, Client Services Delivery, Learning and Development, Chief Digital Office and Social Security Directorate, we understand that teams have received risk training and education, risk reporting is in place and where relevant the risks feed into the corporate Strategic Risk Register.

3.2. Improvement Opportunities

Area of Improvement 1 – **No Mailroom Product Owner**

3.2.1. The lack of ownership of the mailroom functions has been highlighted in meetings for a long time now and it is viewed as a significant gap. We understand that there might be a debate over whether mailrooms can be classified as ‘products’ or not, however, in our view, the mailrooms are key operational functions within Social Security Scotland and should be given the consideration and importance they deserve. Product ownership of these functions should contribute in understanding the relationship between the various teams, systems, documents and benefits mailroom staff have access to and should offer a coherent representation of both internal and external user priorities to the mailroom teams and ensure the delivery is performed as per the standards set and expected.

(Please see **Recommendation 1)**

Area of Improvement 2 - **Guidance**

3.2.2. While some mailroom processes are appropriately documented, not all working practices are recorded, formally reviewed and regularly updated. [Redacted], Valuable Documents, SPM Notes, Sending out Application Forms are still to be written up. Without such procedures and guidance there is an increased risk that inconsistent working practices and poor quality of output will occur and documentation can be lost.

3.2.3. In addition, we understand that guidance stored on Knowledge Hub referring to mailroom practices, is not always shared with Mailroom staff and they often have no input into its development.

3.2.4. Moreover, current guidance requires that phone applications for re-determinations and appeals is sent by Client Advisors to be electronically date stamped by Mailroom colleagues and once that is done, the information is then forwarded to the Client Experience team. Sharing of such information can cause delays and the client information gets shared wider than is necessary, therefore consideration needs to be given to potentially changing existing practices in order to include date stamping from those Client teams who complete these forms on the phone with clients.

(Please see **Recommendation 2)**

Area of Improvement 3 - **Dundee and Glasgow Mailrooms**

3.2.5. We understand that the current set-up of both Mailroom locations is being considered at present, however, at the time of drafting this report, no decisions had been made as yet on what, if any, changes would be made.

3.2.6. We therefore need to bring to Management's attention the risk of records accidentally going missing by getting mixed up due to both the volume of paperwork from inbound mail and the lack of space in the designated mailroom areas. **(**Please see **Recommendation 3)**

3.2.7.

3.2.8. [Redacted], When unplanned leave occurs amongst Client Services Delivery colleagues, this is not always communicated timely to others who cover work during their absence. As an example, we understand that there have been instances of clients cases needing approval that remained in the relevant folders until colleagues were back from their leave. This can cause unexpected delays in the Client Services Delivery operations impacting negatively on the clients experience and could result in their financial hardship.

3.2.9. All Social Security Scotland's clients need to complete an application form with personal information and details that will contribute to the decision making process for granting the relevant benefit(s). This is a key document in the client service process. However, from our testing we found that the application form for Low Income benefits is not kept on the SPM client record, instead a static hyperlink is shown instead. Client Advisors cannot access this hyperlink and they need to open a request with the IT Service Desk to look into the issue and restore the application form. We understand the fix/resolution of this issue can take significant time and therefore can impact the client service by significantly delaying the process and even adding errors in the service provided.
(Please see **Recommendation 4)**

Area of Improvement 5 - **Manual Letter Templates containing client information**

3.2.10. While we highlight good practice of the Client teams on awareness around keeping information securely, [Redacted],

Area of Improvement 6 – **Various**

3.2.11. A number of points were highlighted during our fieldwork as posing risk to Social Security Scotland, however due to other activities ongoing within the organisation, or previous recommendations having been made, we have not made any recommendations as part of this review. These are detailed below:

a) Guidance for clients both on the online portal and on letters mentions that providing their National Insurance Number (NINO) on their application form is optional. As an individual's National Insurance Number is the main identifier for client/applicant matching on SPM, in our opinion the guidance could be updated to ensure applicants are aware of the National Insurance Number's importance and as such they are encouraged to provide this, where they know the information. At the exit meeting this point was discussed, however it was advised that this issue had been escalated previously but Legal and Policy colleagues had advised that the proposed changes could not be made. On this basis, we will not be making any further recommendations in relation to this.

b) Whilst there are guidance notes around processes for the benefits administered by Social Security Scotland, there is no Document Management Policy for the organisation. Social Security Scotland will soon need to make decisions on document retention. The majority of the paper documents received from the clients are retained for 30 days, however, there is no guidance around that. In addition, some departments (e.g. Mailroom) have received advice (from Information Governance) that if mail is scanned and Mailroom keeps a digital copy, there is no need to retain physical files. However, as there are currently issues with documents not landing correctly on SPM, it could be that the 30 day destruction of physical documents is not appropriate and therefore needs to be reconsidered. Moreover, Team Managers receive information from the Department for Work and Pensions within dedicated inboxes (such as 'New Applications', 'Special Rules', etc) and with this information the case is being built in Social Security Scotland. It has been mentioned that within 48 hours from when the information is received in the dedicated inboxes, data is deleted. The timeframe for this may not be realistic depending on volume received and other

resource priorities. There are also no defined roles/responsibilities regarding document management. All issues raised on this point were discussed at the exit meeting where it was highlighted that there is a Records Management Plan in place and work is currently ongoing with colleagues across Social Security Scotland to establish a retention schedule for the organisation and it is progressing to sign off. As such no recommendation will be made.

c) We understand that some personal ‘live’ documents containing notes used for reviewing evidence and decision-making on disability benefits are populated and stored in personal workspaces (by the Case Managers). During our review we were advised that a separate dedicated space on eRDM was to be implemented for such notes. This was due to be launched after our fieldwork had completed and training and guidance has been updated accordingly. This issue was previously highlighted in our in-depth review of Child Disability Payment and as such no further recommendation will be made. The current improvements being made will be reviewed as part of the follow up to the Child Disability Payment review to confirm that actions taken have been sufficient to mitigate this risk.

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

Scottish Government
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Directorate for Internal Audit and Assurance

Internal Audit Terms of Reference

Social Security Scotland 2022-23

Document Management

Directorate for Internal Audit and Assurance

Issue Date: 16-08-2022

Key Audit Contacts

Audit Year:	2022-23
Client Accountable Officer:	David Wallace, Chief Executive
Client Audit Contact(s):	[Redacted], Head of Operations Dundee [Redacted], Operations Support Lead; [Redacted], Client Services Delivery Support Senior Officer; [Redacted], Operational Lead- Low Income Benefits; [Redacted], Operations Manager; [Redacted], Performance Manager; [Redacted], Operations Lead; [Redacted], Operational Lead; [Redacted], Operational Lead; [Redacted], Head of Operational Capability and Transition; [Redacted], Client Experience Lead; [Redacted], Client Experience Lead; [Redacted], Client Experience Manager; [Redacted], Operations Manager; [Redacted], Operations Lead; [Redacted], Head of Change and Project Management [Redacted], Technical Platform Owner [Redacted], Data Protection and Information Governance Lead; [Redacted], Data Protection Manager; [Redacted], Corporate Records Manager; [Redacted], Product Owner, Social Security Directorate; [Redacted], Technical Platform Owner.
Lead Senior Internal Audit Manager:	[Redacted],
Internal Audit Manager:	[Redacted],
Internal Auditor	[Redacted],

Estimated Reporting Timescale

Fieldwork Starts:	August 2022

Fieldwork Ends:	September 2022

Draft Report Issued:	September 2022
Final Report Issued:	September 2022
Estimated Resource Days:	30

1. Introduction

1.1. This review forms part of our planned audit coverage set out in our Annual Internal Audit plan issued on 25 March 2022 and agreed by the Accountable Officer and noted by the Audit and Assurance Committee.

1.2. In order to administer the Scottish social security benefits evidence must be obtained to validate the information on which determinations are based. As such Social Security Scotland must have in place effective processes for identifying, obtaining, storing and disposing of such documentation. This review will evaluate the processes and controls in place for the management of inbound and outbound evidence. This will include consideration of the how Social Security Scotland ensures they only request and obtain necessary evidence, methods for obtaining the evidence and the controls in place for this, processes for ensuring it is held securely, attached to the correct case and only accessible to those who need to view it and processes for the return and/or disposal of evidence once it is no longer required. Both hard copy evidence received via the Mailroom, as well as electronic evidence submitted by clients and stakeholders will be considered in this review.

1.3. Social Security Scotland's Strategic Risk Register includes the following risks which are relevant to this review:

- *IF the Agency fails to comply with data protection legislation or were to suffer a personal data breach which it is found to be liable for THEN the Agency may face censure by the Information Commissioner's Office RESULTING in potentially heavy financial penalties (up to 20m euros), significant reputational damage and be required to account to Scottish Ministers for any organisational failings.*
- *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.*

1.4. We met with [Redacted], Head of Operations Dundee; [Redacted], Operations Support Lead; [Redacted], Client Services Delivery Support Senior Officer; [Redacted], Operational Lead - Low Income Benefits; [Redacted], Operations Lead; [Redacted], Operational Lead; [Redacted], Client Experience Manager and [Redacted], Operations Manager, on 20th June 2022 to discuss relevant risks and agree the details of this review. Our key risks below have been developed through these discussions 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 Document Management arrangements to ensure there is appropriate governance, risk management and controls in place for the management of inbound and outbound documentary evidence obtained as part of the benefit administration and determination process.

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

To assess the governance arrangements in place in relation to document management and the handling of incoming and outgoing evidence to determine whether there are effective controls and processes in place in relation to roles and responsibilities, guidance and training, risk management and management oversight.

Key Risks:

- Inadequate governance arrangements and a failure to clearly define roles, responsibilities and accountabilities in relation to document management arrangements;
- Lack of relevant policy, procedure and guidance which aligns with system processes and controls and relevant legislative requirements;
- Lack of robust training and development around document management processes results in staff not having the appropriate training and skills to ensure compliance with existing processes and procedures;
- Insufficient or ineffective management of risks in relation to document management;

- Insufficient arrangements for monitoring and reporting on document management performance and outcomes;
- Inability to improve and develop arrangements for the management and administration of inbound and outbound evidence due to lack of processes for capturing and considering lessons learned.

2.3. Remit Item 2 – Systems, processes and controls

To determine if the systems, processes and controls are appropriate for the management and administration of both electronic and hard copy documentation utilised within the benefit administration and determination process.

Key Risks:

- Inefficient use of systems and resources due to outdated methods for gathering, storing and disposing of both electronic and hardcopy evidence.
- Social Security Scotland do not obtain, retain or maintain the information required for the processing of Scottish social security benefits;
- Poor service quality and low client and stakeholder satisfaction due to insufficient or ineffective means for obtaining, retaining and returning both hard copy and electronic evidence;
- Poor information handling and access protocols result in a failure to embed effective access controls leading to a failure to protect the integrity of information held by Social Security Scotland;
- Inadequate internal physical security and control processes, increasing the possibility that potential issues relating to effective information management are not detected;
- Current arrangements for management and administration of inbound and outbound evidence is not sustainable in the future, leading to an inability to achieve strategic objectives and deliver benefits effectively.

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. Management are reminded of our need for timely access to people and responsiveness to information requests, to enable the reporting timetable to be met.

3.3. 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.