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Mr Richard Leonard
Convenor Public Audit Committee

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cc. Cabinet Secretary for Finance and the Economy
Director of Internal Audit and Assurance
Director Corporate Transformation and Workplace
Deputy Director Cloud & Digital Services
Permanent Secretary
Director General Corporate

20 May 2022

Dear Mr Leonard

MAJOR ICT PROJECTS – ACCOUNTABILITY AND GOVERNANCE

Thank you for your letter of 22 April 2022 in which you seek additional information regarding the accountability and governance structures for major ICT projects and programmes. This follows my appearance at the Public Audit Committee ("the Committee") on 31 March 2022.

I welcome the opportunity to provide clarity on the points you raise, and I have attached a response to each point below.

I hope that you find this information helpful and would of course be happy to provide any further detail that you may require.

Yours sincerely

Geoff Huggins
Director Digital

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DIAGRAMS SETTING OUT THE ACCOUNTABILITY AND GOVERNANCE STRUCTURES FOR THE OVERSIGHT OF THE DIGITAL STRATEGY AND FOR MAJOR ICT PROJECTS AND PROGRAMMES

General Accountability

As the Committee will be aware, the Scottish Public Finance Manual ("the SPFM") is issued by Scottish Government Ministers to provide guidance on the proper handling and reporting of public funds.[1] The Public Finance and Accountability (Scotland) Act 2000 ("the PFA Act") makes provision for Accountable Officers for the Scottish Administration as well as our related public bodies. The essence of the Accountable Officer's role is a personal responsibility for the propriety and regularity of the finances under their stewardship and for the economic, efficient and effective use of all related resources. Accountable Officers are also personally answerable to the Scottish Parliament for the exercise of their functions and have a statutory duty to obtain written authority from Scottish Ministers or the relevant governing body before taking any action that they consider may be inconsistent with the proper performance of their functions. The system is designed to promote good governance.

Section 15 of the PFA Act provides the Principal Accountable Officer (i.e. the Permanent Secretary of the Scottish Government) with the power to designate an Accountable Officer for public bodies outwith the Scottish Administration which are required by statute to be audited by the Auditor General for Scotland. Annex 2 of the SPFM sets out the specific roles and responsibilities of Accountable Officers for other public bodies.

These responsibilities include:

- ensuring that appropriate financial systems are in place and applied;
- signing annual accounts and associated governance statements;
- ensuring proper financial and accounting procedures are followed;
- ensuring that public funds are properly managed and safeguarded;
- ensuring that assets (such as land, buildings or other properties) are controlled and safeguarded;
- ensuring that all financial considerations are taken into account in considering policy proposals;
- ensuring that delegation of responsibility is accompanied by clear lines of control and accountability;
- ensuring that procurement activity is conducted in accordance with the procurement requirements of the SPFM;
- ensuring that effective management systems, including financial monitoring and control systems have been put in place;
- ensuring that risks are identified, assessed and managed within relevant areas;

[1] https://www.gov.scot/publications/scottish-public-finance-manual/

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- ensuring that arrangements have been made to secure the best value as set out in the SPFM;
- ensuring that managers at all levels have a clear view of their objectives (and means to assess and measure outcomes and performance);
- ensuring that mangers at all levels are assigned well defined responsibilities for making best use of resources; and,
- ensuring that managers at all levels have the relevant information, training and access to expert advice to exercise their responsibilities effectively.

The Directorate for Internal Audit and Assurance (DIAA) was formed in 2019 to bring together independent assurance functions with the aims of delivering continuous improvement to assurance and to enable a more integrated approach to the provision of assurance services.

DIAA sits within DG Scottish Exchequer for line management purposes however the Director for DIAA has a direct reporting line to the Permanent Secretary (the Principal Accountable Officer), the Accountable Officers of the public bodies to which they provide a service, and to the Chair and Members of the Scottish Government Audit and Assurance Committee.

DIAA is comprised of the following services:

Internal Audit – provision of independent assurance that an organisation's risk management, governance and internal control processes are operating effectively. These services are provided to the Scottish Government and 24 public bodies.

Counter Fraud – provision of expertise on the strategic and operational management of fraud risk in line with national counter fraud standards and the principles set out in the Scottish Public Finance Manual.

Data Protection Officer – the Scottish Government's point of contact for the Information Commissioner's Office and the public, responsible for ensuring internal compliance and providing assurance to the highest level of the Scottish Government.

Digital Assurance Office (DAO) – operation of the Technology Assurance Framework across Central Government (excluding health bodies) which encompasses:

- independent assurance of major digital projects
- assessment of compliance with the Digital Scotland Service Standard for new or transformed services

Portfolio, Programme and Project Assurance (PPPA) – manages and arranges independent project assurance, typically through Gateway Review, for public bodies covered by the Scottish Public Finance Manual.

For illustrative purposes, I have set out some examples of how these services have been applied to implementation of devolved Social Security benefits:

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- Internal Audit supports Social Security Scotland through an annual audit plan and advisory services. This has included helping Social Security Scotland, as a relatively new Executive Agency, to ensure that it has the right corporate governance, risk management and controls in place.
- The PPPA has arranged Gateway Reviews of the Social Security Programme at key points during the Programme. These strategic reviews have considered the wider policy context and also the overall health of the Programme.
- the DAO has assessed new benefits for compliance with the Digital Standards and carried out major digital project reviews on high risk/cost projects and services within the Programme at key stages during delivery
- The Data Protection Officer provides advice, breach response and complaints assistance to the Agency as well as providing advice to the Programme. The DPO reviews the Data Protection Impact Assessments and undertakes any required Article 36(4) consultations with ICO.

The DIAA teams work collaboratively with the Social Security Programme and Social Security Scotland and meet quarterly as a collective to consider integrated assurance needs.

1. Projects within public bodies

a) You asked for a diagram covering projects where responsibility lies with the accountable officer of a public body. In particular you asked that we used a current project being undertaken by Police Scotland as a case study.

Response – Please see the detailed response that Police Scotland have provided separately and sent with this letter (two attachments).

b) You also wished to see how Police Scotland's own digital team fits into the overall governance and accountability structures, and how Internal Audit and Assurance and the Digital Directorate supports, manages and assures these projects.

Response – The role of the DIAA in relation to Police Scotland is set out in the separate response referred to at question 1(a). The Digital Directorate of the Scottish Government does not have a direct role supporting Police Scotland in the delivery of major digital projects.

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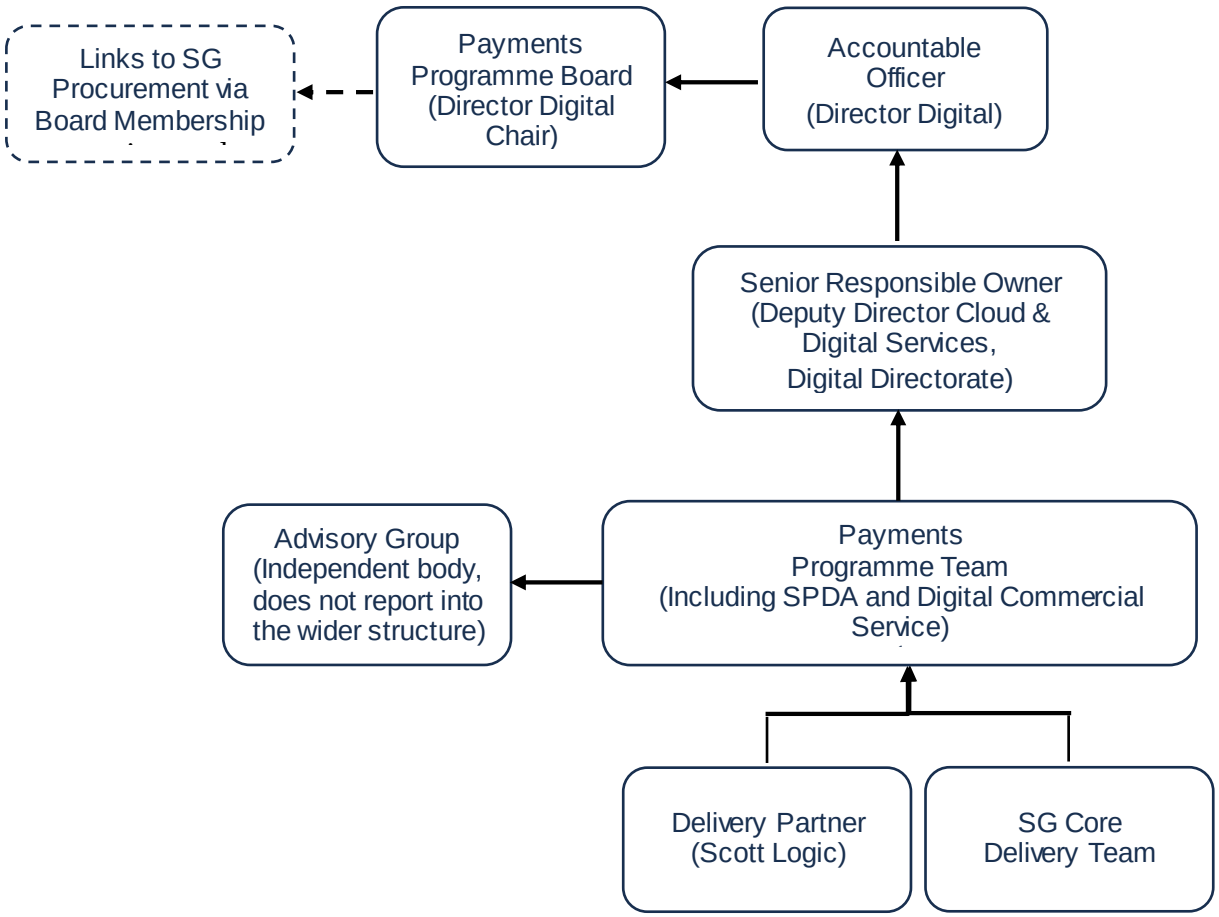
2. Digital Director Accountable Projects

You requested a diagram where the Digital Director is the Accountable Officer, and cited the Digital Identity Service or the Payments Transformation Project as potential examples.

Response – I include the Payments Programme as an example:



Accountable Officer

- **AO.** Director Digital.
- **Role.** Sign-off of assurance certification; overall responsibility for budgets and ensuring the project is strategically aligned with Digital Directorate and broader Scottish Government aims and objectives.
- **Membership of other governance fora.** Chairs the Payments Programme Board.

Senior Responsible Owner (SRO)

- **SRO.** Deputy Director for Cloud & Digital Services.
- **Role.** Accountable for ensuring the Payments Programme meets its objectives and milestones, and delivers projected outcomes.
- **Membership of other governance fora.** Sits on the Payments Programme Board.

Payments Programme Board

- **Chair**. Director Digital.
- **Role.** Provide a strategic steer, and to be an ultimate point of escalation (via Accountable Officer) on matters relating to the Payment Programme.
- **Membership.**
    - **Scottish Government:** Payments Project SRO (Deputy Director for Cloud & Digital Services); Payments Project Service Owner; Chief Financial Officer; Director of Procurement, Social Security Chief Digital Officer; Deputy Director Agriculture and Rural Economy Information Service Division.
    - **Central Government Delivery Bodies.** Head of Finance, Procurement and Risk Scottish Public Pensions Agency; Director of Finance Student Awards Agency for Scotland;
    - **Local Government:** Chief Technology Officer,
    - **External:** FinTech Scotland Chief Executive;
    - Director of Finance & Interim Chief Executive at Student Award Agency (SAAS) and Digital Lead at ILF Scotland. (as Beta partners and future adopters)

Payments Programme Team

- Overall objective is to design and build a common payments platform and service for adoption across the public sector.
- For the Beta phase, This will be accomplished with a core SG multi-disciplinary programme team with expertise from Technical, User Centred Design, Delivery and Product development and a technical delivery partner Scott Logic.

SG Core Delivery Team

- Responsible for overseeing design, build and test; selecting suppliers through competitive open market; supplier management; defining and managing standards for user research, service design, data and security

Relationships with Technical Design and Security and Privacy Design Authorities; and Scottish Government Legal Directorate

- Within the Programme Team the Security and Privacy Design Authority oversees all elements of security design and decisions. The Programme Team taps into the Cloud Technical Design Authority (2d) where appropriate.
- Professional support and advice is provided by Digital Commercial Services and SG Legal Department at key stages and provides procurement and contract management advice, DPIA, privacy and shared service agreements advice and review. Strategic scrutiny and challenge in relation to procurement comes from SG Director of Procurement who is a member of the Payments Board.

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Delivery Partner (Scott Logic)

- Collaborative digital partner responsible for the development and delivery of the technical platform

Advisory Group

- **Chair.** Senior Responsible Owner (Deputy Director for Cloud & Digital Services).
- Role is to provide a forum for organisations likely to use the Beta service to provide feedback and context around their own needs and product direction.
- This group is independent and does not report into the wider structure.

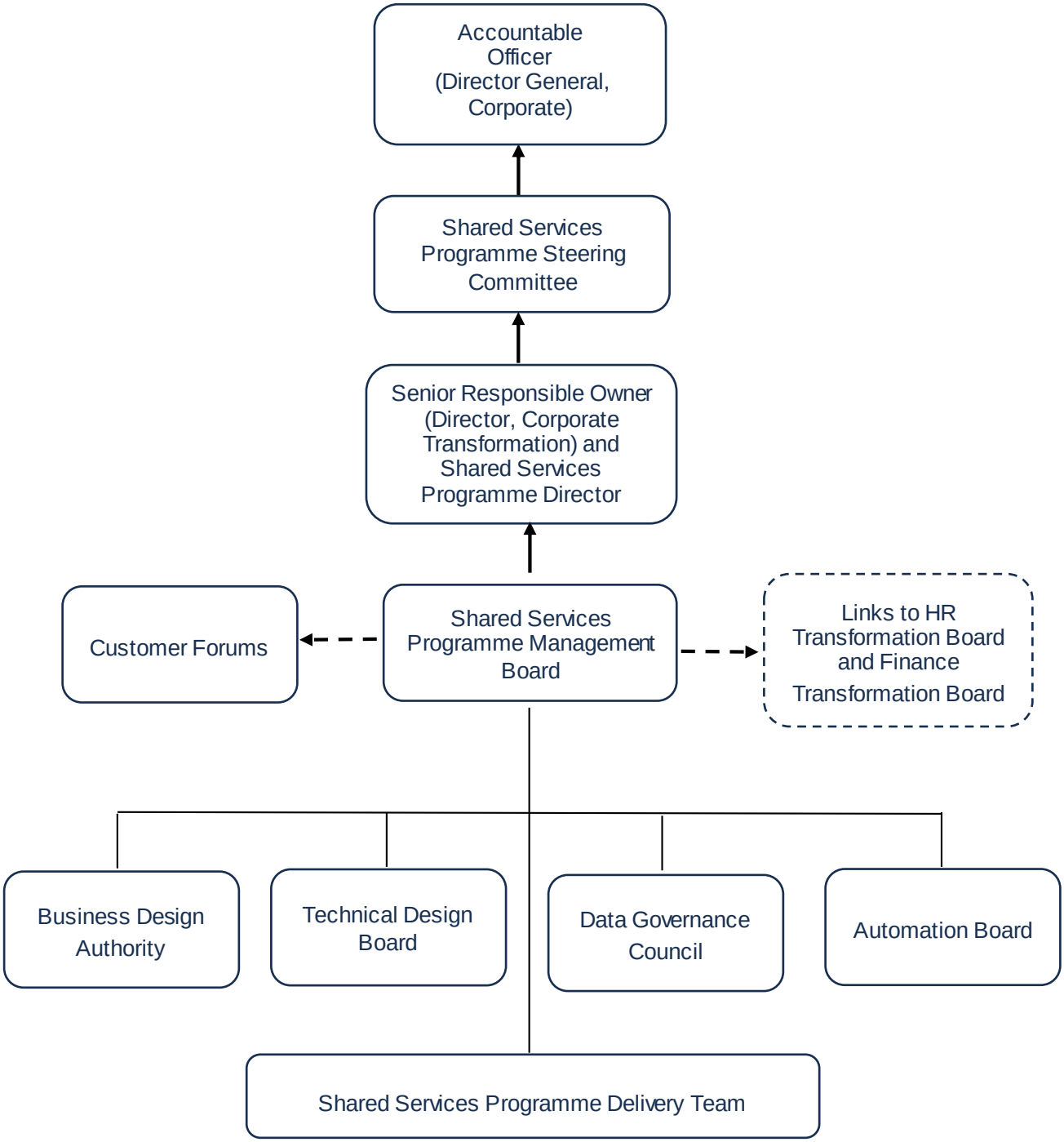
Relationship with Directorate for Internal Audit and Assurance

- All major projects, including the Payments Project, are subject to the Technology Assurance Framework which comes under the remit of The Directorate for Internal Audit and Assurance (DIAA). The DIAA provides independent assurance on major digital projects and new or transformed digital services, and its role and remit has already been set out in the overview of general accountability.

3. Scottish Government Corporate Projects

You asked for a diagram where the accountable officer sits outwith the Digital Directorate.

Response – I include the Shared Services Programme as an example



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The bodies referenced in the diagram above are collectively responsible for the management of:

- Programme planning and tracking
- Change management
- Benefits realisation
- Risk Management
- Programme assurance and post programme evaluation.

Accountable Officer (AO)
- **AO.** DG Corporate as per conditions set out in the Scottish Public Finance Manual.

Director of Corporate Transformation
- **Role.** Responsibility for sign-off of assurance certification; overall responsibility for budgets etc.

Senior Responsible Owner (SRO)
- **SRO.** Director for Corporate Transformation
- **Role.** Is accountable for ensuring the Shared Services Programme meets its objectives and milestones, and delivers projected outcomes.

Shared Services Programme Steering Committee
- **Role.** Responsibility for overseeing the delivery of the programme plan, outcomes and benefits.

Programme Management Board
- **Role.** Responsibility for overseeing overseeing the resourcing and scheduling of programme delivery.

Customer Forums
- **Role.** Provides feedback from a shared services customer perspective, which is important in developing new service catalogues and service level agreements. It has representation from both core Scottish Government and the wider public sector.

HR Transformation Board
- **Role.** Forum providing functional business design from an HR perspective.

Finance Transformation Board
- **Role.** Forum providing functional business design from a Finance perspective.

Technical Design Board
- **Role.** Ensures that all technical aspects of the programme can be delivered, and acts as the relevant technical experts for the Programme Board.

Business Design Authority
- **Role.** Business area-led forum to enable design decision-making.

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Automation Board

- **Role.** Decision making board for Automation Centre of Excellence

Data Council

- **Role.** Forum determining how to make best use of our data.

Programme Delivery Team

- **Role.** Provides feedback from a shared services customer perspective, which is important in developing new service catalogues and service level agreements. It has representation from both core Scottish Government and the wider public sector.

Directorate for Internal Audit and Assurance (DIAA)

- An integrated approach has been adopted to the provision of independent assurance to the Shared Services Programme. As with the Social Security example set out in the General Accountability section above, a range of assurance services will be provided to the Programme during its life. DIAA is working with the Programme to maintain an integrated assurance plan which sets out planned and agreed assurance work, demonstrating focus on key risk areas. DIAA has a designated Integrated Assurance Contact to co-ordinate assurance work and to help ensure consistent messaging of progress and key themes arising from assurance reviews.

4. Spend Controls

You requested a timescale for completion of the Spend Controls pilot, and for an update to the Committee on the conclusion of the pilot.

Response - The Digital Spend Control service is being delivered iteratively to enable value to be delivered early and facilitate a test and learn approach that will allow us to determine the optimum way to address the recommendations in the Audit Scotland 'Enabling digital government' report. A pilot with the Digital Directorate's Information and Technology Services will complete Summer 2022, which will provide learnings to direct the next phases of design and delivery. Once these learnings have been gathered and analysed, an update will be provided to the Committee on the value delivered and how the learnings will be applied to the next phase of service design.

Portfolio Management

POLICE SCOTLAND
Keeping people safe

Date: **Tuesday 17th May 2022**

Title of Paper: **Governance and Assurance of the Digitally Enabled Policing Programme Core Operational Solutions Project**

Submitted by: **Andrew Hendry, Chief Digital Information Officer**

Appendix: **Yes, Appendix A**

1. PURPOSE

The purpose of this paper is to provide assurance to the Public Audit Committee of the Police Scotland Transformation Portfolio governance routes and assurance processes that the Digitally Enabled Policing (DEP) Programme's Core Operational Solutions (COS) Project adheres to.

2. BACKGROUND

Further to the Scottish Government's presentation of evidence to the Public Audit Committee on Thursday 31 March 2022 detailing the governance of the Digital Strategy and digital assurance there was a subsequent request from The Convener for information on governance models for digital projects, this paper demonstrates the governance and assurance structure for Police Scotland's DEP Programme's COS Project.

3. CORE OPERATIONAL SOLUTIONS PROJECT

The COS Project aims to deliver a national integrated and modular Core Operational Solution to Police Scotland which will replace the disparate information management legacy systems currently utilised by front line officers.

4. GOVERNANCE

As the graphics at Appendix A will show, the COS Project has followed Police Scotland's Transformation Portfolio Governance and Reporting routes and has been the subject of both internal and external scrutiny.

4.1 After approval at COS Project Board, DEP Programme Board and Portfolio Management Group, the COS Phase 1 Initial Business Case (IBC) was approved at Police Scotland Change Board, then noted at the Scottish Police Authority (SPA) Board, in May 2018.

4.2 The subsequent Final Business Case (FBC) followed the same route and was approved at Change Board, then approved at SPA Resources Committee and SPA Board in November 2018.

4.3 In September 2020, the COS Phase 2 Project FBC followed the same route and was approved at Change Board, then SPA Resources Committee and SPA Board.

4.4 A Change Request for COS Phase 2 Project detailing a schedule rebaseline was approved at Change Board in October 2020.

4.5 An End Project Report (EPR) is yet to proceed through governance, however, is expected at some point during Q3 2022.

4.6 Subsequently, a Post Implementation Review (PIR) will be conducted by Police Scotland's Portfolio Assurance Team and will follow the same route for approval.

5. ASSURANCE

Throughout the COS Project lifecycle, a series of External and Internal Assurance activities have taken place.

5.1 External Assurance

A series of COS Project external scrutiny reviews have been conducted during this timeline:

5.1.1 In March 2019, the DEP Programme engaged in a Scottish Government Gateway Review (Gate 0). This external scrutiny review encompassed the entire Programme at that time – Mobile Working Project and COS Project.

5.1.2 In October 2020, the COS Project engaged in a Scottish Government Digital Assurance Office (DAO) Technical Assurance Framework (TAF) Delivery Gate Review.

5.1.3 In June 2021, the Project engaged in a TAF Go-Live Gate Review.

5.1.4 A second TAF Delivery Gate Review is planned for around Q3 2022, with an exact date to be confirmed.

5.2 Internal Assurance

A series of Police Scotland internal assurance activities have been conducted during this timeline:

5.2.1 In August 2020, a Risk Assurance Review (RAR) was conducted by the Police Scotland Portfolio Assurance Team on the COS Productions workstream Risk Register.

5.2.2 Also, in August 2020, a RAR was conducted by the Portfolio Assurance Team on the COS Direct Measures workstream Risk Register.

5.2.3 In September 2020, a RAR was conducted on the COS Case workstream Risk Register.

5.2.4 In July 2021, a RAR was conducted on the COS Project Risk Register.

6. RECOMMENDATION

It is recommended that this paper and its associated Appendix is reviewed for noting.

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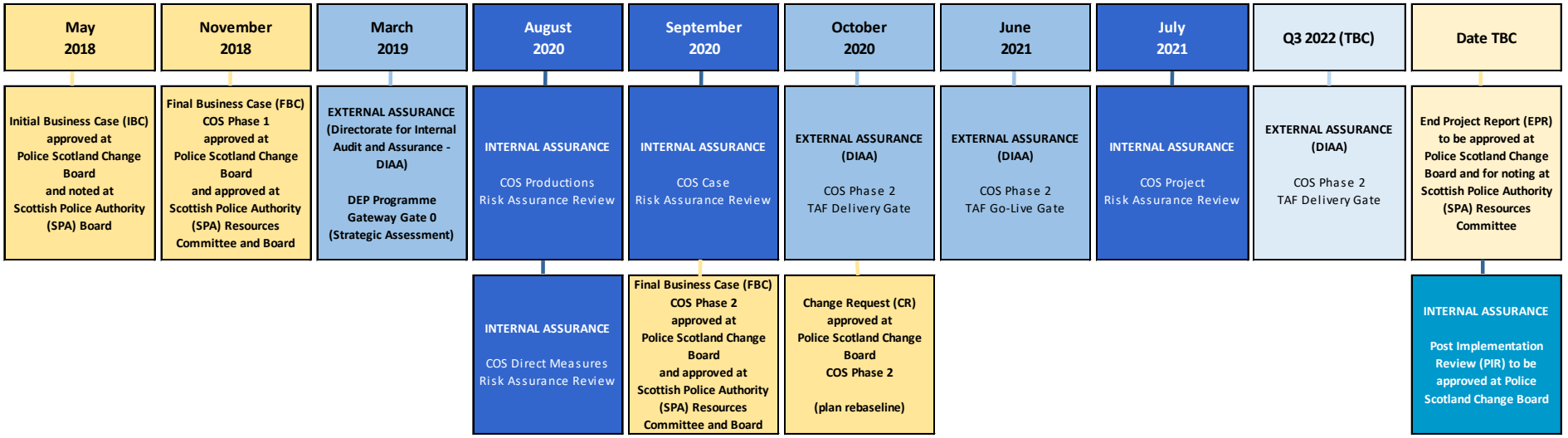
APPENDIX A
Governance, Accountability and Assurance

in relation to
Digitally Enabled Policing Programme
Core Operational Solutions Project

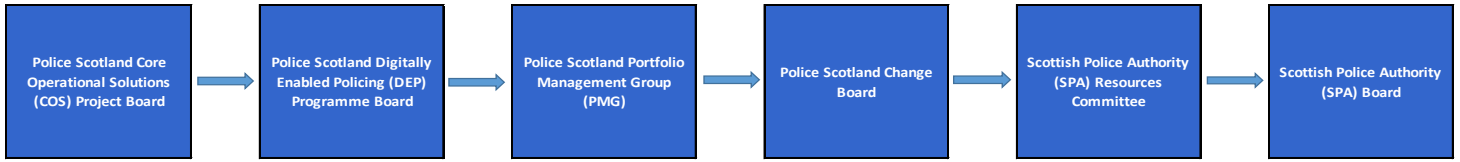
Digitally Enabled Policing Programme – Core Operational Solutions

Core Operational Solutions (COS) is a Project within the Digitally Enabled Policing (DEP) Programme which aims to deliver a national integrated and modular Core Operational Solution to replace the disparate information management legacy systems currently utilised in Police Scotland by front line officers. Like other projects within the DEP Programme, COS follows Police Scotland Transformation Portfolio Governance routes. The timeline below shows the Governance routes and Assurance that COS has undertaken to date with future Governance and Assurance planned, as per our Framework.

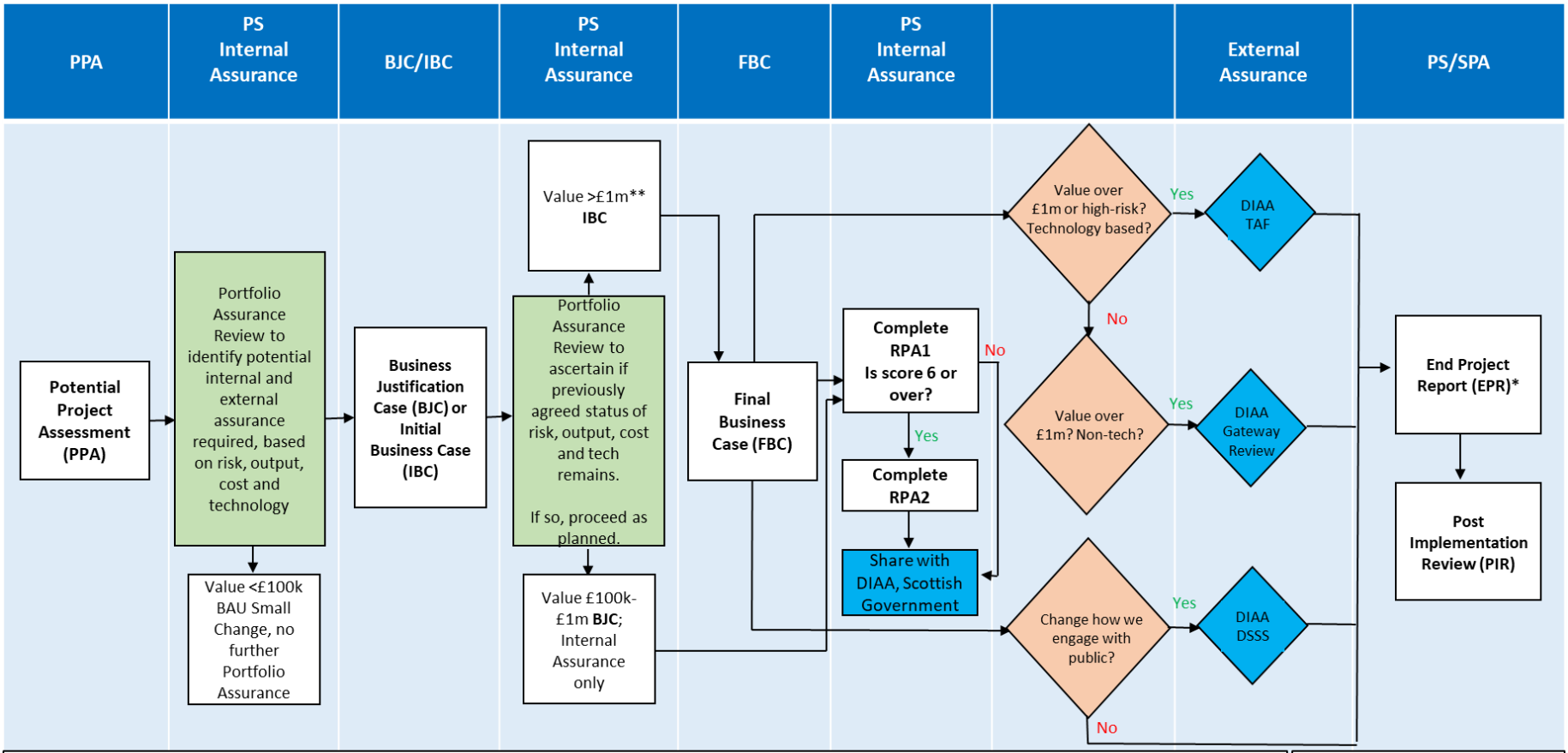
Core Operational Solutions (COS) Project Governance and Assurance Timeline



Core Operational Solutions (COS) Governance Route



Governance and Assurance Touch Points



NOTE: Post Project Approval, all Projects are subject to ongoing PS internal assurance throughout the Project lifecycle which includes (but not limited to) Health Checks, Risk and Benefit Assurance Reviews.
In addition to TAF, Gateway and DSSS, external assurance will include SPA Internal Audit and HMICS scrutiny, all of which are overseen/facilitated by the Portfolio Assurance team.

- EPRs are reviewed/noted by the SPA in line with the Scheme of Delegation

**Value are determined by the Investment Governance Framework)

KEY:
TAF – Technical Assurance Framework
DSSS - Digital Scotland Service Standard (previously Digital First)
RPA – Risk Potential Assessment
DIAA – Directorate for Internal Audit and Assurance

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