



The Scottish Parliament
Pàrlamaid na h-Alba

Compliance Obligations Reporting Refresh

26th June 2023

Reference: LT (2023) Paper 16

Executive summary

1. The following paper will outline to Group Heads upcoming changes to our compliance reporting framework after a review by the Resilience Team, at the request of the Deputy Chief Executive. It is intended to replace and greatly simplify our approach.
2. As Principal Accountable Officer, the decision on how compliance obligations for the Scottish Parliament are monitored and reported sits with the Clerk / Chief Executive. Leadership Team are invited to discuss the future approach and the extent to which it offers the necessary assurances for the Accountable Officer.
3. Leadership Team are asked to note that:
 - The current quarterly compliance report will be set aside.
 - There will be greater clarity within Group Head delegation letters on the compliance and other assurance obligations for which each Group Head, has been assigned.
 - Aligned to, and informed by, the Assurance Map, short quarterly returns will be issued to Group Heads requesting confirmation that, for the areas that they have delegated responsibility, management controls are in place and are operating effectively thereby ensuring that the Parliament is compliant with its statutory and regulatory obligations
 - Compliance reporting will sit separately from Performance reporting but will operate on the same schedule. This approach is intended to be in place for Q2 2023/24 reporting.
 - The expectation that any compliance breach, or any imminent threat of a breach, will be escalated at once within existing management structures remains.
4. Group Heads will have existing arrangements in place to oversee and ensure compliance with statutory and regulatory obligations. This exercise

may be an opportune time to revisit/refresh within each Group if that is necessary.

Issues and options

5. The Resilience Team now takes the lead on arrangements for monitoring statutory and regulatory compliance and how Leadership Team's assurance needs are fulfilled. This has prompted a review of what we monitor and report for compliance purposes and the effectiveness and efficiency of those arrangements.
6. Discussions took place with most Subject Matter Experts (SMEs) to gather their thoughts on the value added by the current quarterly reporting model for each compliance area and the use of existing measures prepared for reporting and monitoring operational performance.
7. Compliance monitoring and reporting arrangements must ensure that the organisation has reliable systems and processes in place that identify breaches or potential breaches in statutory and regulatory obligations. These arrangements must enable the organisation to take prompt action to respond to a breach, avoid such a breach where this is imminent and to improve its preventative measures to avoid reoccurrence.
8. The review found that, while there is no suggestion that the organization is not complying with its statutory and regulatory obligations, the existing KPI approach to compliance measures does not provide the necessary level of assurance to the PAO.
9. Following further discussions with some SMEs and the Deputy Chief Executive on how assurances would be best provided, the following arrangements will be implemented:
 - Discontinue quarterly compliance reporting to LT in its current format
 - Move Environmental Performance to the Quarterly Performance report as it is a strategic goal on current Session 6 strategy, and likely to continue into future Sessions.
 - A quarterly, concise, compliance obligations return will be issued directly to Group Heads for completion.

New Compliance Reporting Arrangements

10. In setting out the new arrangements, there are three overall outcomes that will influence what is implemented:
 - a) that Group Heads (and others) are clear on their respective responsibilities as set out in the assurance map.
 - b) a clear communication of the respective roles of subject matter experts and their line managers as a key supervisory control mechanism

- c) Reaffirmation of the responsibilities of all to ensure proper and timely escalation of significant issues based professional judgement.

Quarterly Compliance Obligations Return

11. To report to the same schedule as the Performance Management Report, a short quarterly compliance obligations return will be sent to Groups Head (and nominated specialists if needed). The return will ask recipients to self-assess their current satisfaction as to how their compliance obligations are being met via only two questions.
12. Those obligations will come from an updated Assurance Map and will focus on a “general” question and a “specific” question. The “general” question will cover areas that every recipient has responsibility (such as Health & Safety Management), and the other question will cover specific individual obligations.
13. Some Group Heads may not require a “Specific” question, but examples of what that may refer to include ensuring that:
 - a. there is adequate employers’ liability insurance provision in place, which will sit with the Group Head for Resilience and Sustainability; or
 - b. Complaints procedures are operating within the “Model Complaints Handling Procedure” from the SPSO.
14. The return will be succinct and will be used to demonstrate arrangements already in place. It is not therefore expected to unnecessarily increase preparatory work in each Group.
15. Recipients will be asked to respond to each question, each quarter from one of the following options:
 - **Yes:** You can supply evidence in support of the statement, which would confirm that your management of this area is adequate and effective.
 - **Partial:** You can supply **some** evidence in support of the statement, but some improvements are needed to enhance the adequacy and effectiveness of your management of this area. This will have already been advised to the Clerk/Chief Executive or Deputy Chief Executive as part of normal line management discussions.
 - **No:** You can supply **little or no** evidence in support of the statement, and significant or fundamental improvements are needed to enhance the adequacy and effectiveness of your

management of this area. This will have already been advised to the Clerk/Chief Executive or Deputy Chief Executive as part of normal line management discussions.

16. Normally evidence will not be sought to substantiate the responses from a Group Head. On occasion, as part of the annual Internal Audit plan or in response to a particular compliance risk or issue, a compliance review may need to take place help identify the scope for any enhancements or improvements.
17. An **example** of what the Compliance Statements may look like is set out below:

Statement	Staff are aware of general H&S responsibilities and there are risk assessments in place specific to your area of responsibility.			
Guidance	<ul style="list-style-type: none"> - Safety risks are regularly reviewed, and operability of control measures communicated - H&S training is in place for those that have roles such as DSE assessors or Nominated Persons - Aims and objectives are in place for relevant staff 			
Period	Q1	Q2	Q3	Q4
Response	Yes	Partial	No	Yes
Comments	This area will allow for explanations / advice on rectification steps where a response is "Partial" or "No"			

18. The method of collecting the information is yet to be determined – this may be via a Word / Excel template or by using other tools in our Microsoft 365 estate.

Assurance Map

19. The existing document, considered previously at LT, will be refreshed over summer to ensure currency and clear identification of where responsibilities sit for every and each Group Head. This is unlikely to change significantly.

Letters of Assurance for Governance Statement within the SPCB's Annual Report and Accounts

20. The next iteration of the letter will be updated to better reflect compliance assurance from Group Heads, thereby enhancing and embedding existing accountability arrangements.
21. This update to the template will also include a section to acknowledge where any non-compliances have been identified during the reporting year and to provide confirmation that actions have been taken to resolve the issue and to reduce the likelihood of reoccurrence.

Delegations

22. A minor change to current delegations will be made to include specific reference to the updated Assurance Map.

Line Management and Escalation

23. It is Group Heads' responsibility under normal operating procedures to establish and oversee in-Group management structures that ensure the Group's objectives are being met and that statutory and regulatory compliance obligations are being managed effectively. Existing management structures must ensure that any breaches, or potential breaches, are identified in early course with appropriate actions being taken.
24. As a result, the quarterly Compliance Obligations Return does **not replace** the need for urgent non-compliance (and other) issues being promptly escalated within line management and/or to the Clerk/Chief Executive where appropriate
25. Separately, escalation of issues which may require invocation of IMT, was noted in the review of how our Incident Management approach should operate and it is intended that there will be further work to cover matters discussed in that review. Work had been done with BIT, FM, and Security previously and this will be the basis on which the update is based.

Governance

26. The management, and the demonstration of the management, of compliance obligations is for the Accountable Officer. In our case that is the Clerk / Chief Executive and any person/group that the postholder has delegated that responsibility to e.g., the Deputy Chief Executive. As senior stakeholders, Group Heads are strongly encouraged to suggest improvements to the processes and tools used to facilitate compliance obligation reporting.

27. This new approach will be implemented for reporting against Q2 this reporting year and reviewed, along with an update of the Assurance Map, for the start of each subsequent reporting year.

Next Steps

28. The next steps for this work are to:
- a. Consider feedback from members of Leadership Team on how to implement the revised approach
 - b. Gather information from SMEs to consider the wording of compliance statements and to ensure there is clarity on what is expected from Group Heads.
 - c. Light touch review to update the Assurance Map.
 - d. Update wording of the Letters of Assurance
 - e. Consider the best mechanism to capture the compliance survey responses.
29. This work cannot be completed by the Resilience Team alone and support from other areas will be needed:
- a. From within Resilience and Sustainability, re-prioritisation of current work may be needed for co-ordination and startup of the Compliance Obligations Survey.
 - b. Support from Deputy Chief Executive's Office will be needed to refresh the Assurance Map and consider updates to Delegations and redrafting of the Letters of Assurance
 - c. Some limited Input from relevant SMEs will be needed on summarising compliance obligations. It is for SMEs as part of their role to ensure evidence/supporting material is in place.

Publication Scheme

30. This paper can be published.

Decision

31. Leadership Team is invited to discuss the new approach to ensure it enhances the assurance provided for the Accountable Officer.

Tommy Lynch
Head of Resilience
June 2023