

**Bon Accord Care (BAC)**

<b>Sector</b>	Health and Social Care
<b>Level of ACC Control</b>	The Council is the sole shareholder of both Bon Accord Care Ltd and Bon Accord Support Services Ltd
<b>ACC Funding 2018-19</b>	£26.88m
<b>Service</b>	Aberdeen City Health and Social Care Partnership

**The Hub requested assurance in the following areas:-**

**1. Governance**

**1.1 Assurance on existing approach towards Data Protection – Bon Accord Care (BAC) provided copies of its:-**

- Data Protection Policy
- Records Management Policy
- Control of Records Policy

**1.2 Assurance on General Data Protection Regulation (GDPR) preparations – BAC have nominated their Quality and Compliance Manager to lead on GDPR implementation and advised that a project group has been set up to assess regulatory requirements and to oversee implementation to ensure GDPR compliance by 25 May 2018.**

**1.3 Assurance on GDPR training – BAC highlighted that the following training had been undertaken or was planned to prepare for GDPR:-**

- ‘Are You Ready for GDPR?’ Delivered through ACC network event – 13 September 2017
- Board Training - 15 December 2017
- GDPR Awareness delivered through Aberdeen Chamber of Commerce (external) – 16 February 2018
- Presentation by Information Commissioner’s Office (ICO) delivered through ACVO (external) – 27 February 2018
- Ongoing blogs and alerts being received from ICO on GDPR
- Presentation on Cyber Security through Aberdeen Chamber of Commerce (external) – 28 February 2018
- GDPR Readiness Training for ALEOs delivered by ACC – 1 March 2018
- Signed up for blogs and alerts from ICO on GDPR

**1.4 Assurance on GDPR readiness** – BAC provided assurance that the Board and organisation have an understanding of the additional requirements of GDPR and have allocated resource and capacity to review current systems. BAC advised they had allocated resource to ensure the implementation plan could be delivered in order to comply with the regulation by 25 May 2018.

**Assurance on board recruitment and succession planning** – BAC provided a copy of its Board Development Plan dated January 2018 which was now a standing agenda item at Board meetings. The Plan was owned by one of the Board's Non-Executive Directors with support from the Managing Director and aimed to demonstrate the Board's commitment to ensure strategic alignment with the values of the organisation. The Development Plan contained a section on Board Recruitment and its outcomes included:-

- A fair and inclusive recruitment process
- The recruitment of a diverse pool of Board members which reflect the local community
- An understanding of knowledge and skills required for prospective members
- Clarity about the level of contributions and time expected from members
- Regular and timely transition of members

The Board Development Plan also outlined a commitment for 28.5% of all Board members to be female, with at least 20% of all Non-Executive Directors to be female.

**Governance Assessment** – The Hub received legal advice that BAC had a good understanding of current legislative requirements and that its existing data protection policies appeared to be adequate and provide a good basis for implementing GDPR. The Hub received further assurance through BAC's formation of a project group and its appointment of its Quality and Compliance Manager as the accountable officer that the company was aware of the key steps that needed to be taken to implement GDPR. The Hub also welcomed BAC's approach to training and found its decision to categorise GDPR as the highest risk on its risk register to be appropriate and assessed the controls in place to mitigate risk to be satisfactory.

The Hub agreed that due to the administrative and regulatory demands of implementing GDPR which would involve significant systematic and procedural change in addition to the higher costs and risks of a data breach, it was felt that a **Medium Risk** rating was the best score it could assign to any organisation (including the Council) but highlighted that BAC's level of risk may reduce once GDPR systems, processes and practice became embedded. As such the Hub was as assured as it could be that BAC had readied the organisation appropriately for GDPR implementation and had adequately mitigated risk to the Council.

With regards to Board succession planning, the Hub assessed this area to be **Low Risk**. The Hub was assured through provision of BAC's Board Development Plan which identified the skillsets and experience needed in the event of a Board vacancy.

The Hub also welcomed BAC's development of an induction process and its commitment to move towards a greater gender balance on both the Board and the senior management team.

## **2 Risk Management**

**2.1 Assurance on testing of Business Continuity Plan** – BAC provided copies of its Business Continuity Plan (BCP) and Business Continuity Workbook. The BCP contained a section on testing the Plan and this was broken down into four methods:-

- Staff briefings and induction sessions
- Awareness sessions - to ensure staff understand their BCP obligations
- Table top exercises – in which a service audit will be carried out four times a year
- Activation – in the event that the BCP had not been activated within 12 months, a critical incident would be simulated to test the BCP.

**2.2 Assurance that the Board takes risk into account at Board meetings** – BAC provided copies of the Board agenda from 18 January 2018 and a Risk Management report which was submitted to this meeting to provide assurance that risk was considered at Board meetings. The Risk Management report provided an overview of the risk register and risks associated with the company; and the minute of the Risk Management Committee from 9 January 2018 was also appended for members' information.

**Risk Management Assessment** – The Hub was assured that BAC had identified pertinent risks and developed appropriate controls to mitigate risk. BAC's greatest risks following mitigation were GDPR compliance and Cyber Security. The Hub took the view that BAC's Business Continuity Plan (BCP) was comprehensive and assessed its policy to replicate a critical incident if no such event had occurred within 12 months as good practice. The Hub resolved to request further information ahead of its next meeting on what BAC had learned during BCP testing, and made a recommendation that BAC consider expanding the section on IT system failure to demonstrate how critical frontline systems such as Care First could continue to operate and then be fully restored in the event of an IT failure. Overall, based on the assurance provided, BAC's risk management approach was assessed as **Low Risk**.

### **3 Financial Management**

**3.1 Assurance on Management Trading Accounts** – BAC appended a financial report presented to the Board on 16 January 2018 which included the company's trading accounts as at 31 December 2017.

**3.2 Assurance on Scheme of Delegation** – BAC maintained that a scheme of delegation to officers was not relevant for their organisation and referred to the Financial Procedures policy they presented to the Hub in November which in their view was sufficient to meet their governance requirements.

**3.3 Assurance that the Board considers financial implications when taking decisions** – BAC attached the financial report from its Board meeting on 16 January 2018 which included a Financial Implications section; they also provided the minute from this meeting to provide assurance that the Board discussed financial implications prior to decision making.

**3.4 Assurance that financial performance is scrutinised by the Board** – BAC referred to the financial report to the Board from 16 January 2018 which included a section on Points for Discussion for members which covered:-

- Contract Value
- December Financial Report
- Holistic Review Savings
- Budgetary Sizing for 2018-19

BAC also attached the minute from this Board meeting to provide assurance that members scrutinised financial performance and held officers to account.

**3.5 Assurance on Internal Audit** – BAC advised that they had attained ISO9001-2015 accreditation. This is an internationally recognised standard for quality management systems from the International Organisation for Standardization. BAC satisfied the criteria through their appointment of an external auditor and had demonstrated that internal staff were trained and organisationally placed to provide an internal audit service. BAC also appended copies of its Internal Quality Audit policy, Internal Audit Programme and examples of Internal Audit reports to the Board to provide additional assurance.

**Financial Management Assessment** – The Hub assessed BAC's accounts and financial documentation to be of good quality, with no significant issues identified. The Hub took comfort from the Council's decision on 5 March 2018 to approve BAC's annual settlement and the Integration Joint Board's confirmation of this at its meeting on 27 March 2018. The Hub took account of BAC's opinion that the organisation did not require a formal scheme of delegation, to which the Hub agreed

to request further information on how the BAC Board delegates decision making powers to officers. The Hub also recommended that BAC set a review date for its Financial Procedures, and agreed to request additional Internal Audit reports as these provided a key source of assurance on BAC's management of financial risk and governance. Overall, based on the assurance provided, BAC's financial management was assessed as **Low Risk**.

**4 Future Oversight Arrangements** - The Hub was assured that BAC was taking appropriate steps to comply with GDPR by 25 May 2018 and that its risk management approach continued to be robust. The Hub also welcomed BAC's development of a succession plan which placed an emphasis on moving towards greater gender balance on the Board and senior management team. The Hub agreed to request further assurance on procedures relating to IT system failure within BAC's Business Continuity Plan, and how the Board formally delegates decision making power to officers. Overall, based on the assurance provided, the Hub assessed BAC to be **Low-Medium Risk** to the Council. This risk rating remains unchanged since the Hub's last report to the Audit, Risk and Scrutiny Committee on 23 November 2017.

<b>Assurance Standard - May 2018</b>	<b>Risk Rating</b>
Unambiguous responses demonstrating clear understanding and comprehensive ability to fulfil ACC requirements, giving full detail as how these are achieved.	<b>Very Low</b>
Responses provide evidence of good understanding and compliance although limited detail provided for some areas	<b>Low</b>
Responses provide some indication of understanding and compliance	<b>Medium</b>
Minimal or poor responses providing little evidence of understanding or compliance.	<b>High</b>
Nil or inadequate responses with little or no understanding of requirement or evidence of compliance.	<b>Very High</b>