

**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>	£26.75m
<b>Service</b>	Aberdeen City Health and Social Care Partnership

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

**1. Governance**

**1.1 Assurance on General Data Protection Regulation (GDPR) compliance –**  
Bon Accord Care (BAC) have taken a number of steps to ensure compliance with GDPR:-

- BAC provided a copy of its GDPR Action Plan which is owned by its Data Protection Officer and outlined the requirements; action points; responsible officer(s); target dates; and actions taken;
- BAC provided a copy of its revised Data Protection Policy which had been approved by the Board on 1 May 2018 and would be reviewed every three years, or as and when required;
- BAC confirmed that they had appointed its Quality and Compliance Manager as its Data Protection Officer;
- BAC advised that a data audit had been undertaken and a data register was being developed based on the Information Commissioner Office’s template. This would ask officers to record the purpose of processing information; data retention times and the legal basis for processing data, amongst other considerations;
- A review of policies, procedures and systems was ongoing, and a flow chart had been drafted for managers to disseminate key information to staff to provide instruction on the procedure to follow in the event of a data breach. Data Protection issues had also been added to monthly management compliance reports to cover data breaches and follow up actions;

- BAC noted that Board members had received training on GDPR in December 2017 and the Learning and Development Team had been sourcing an update to its current E-Learning provision to incorporate GDPR and confirmed that completion of this course would be mandatory for all staff; and
- BAC advised that GDPR compliance was a material risk on its risk register which was overseen by the Risk Management Committee. They added that the Board would formally review the GDPR risk rating at its meeting in September 2018.

**1.2 GDPR Assessment** - The Hub received legal advice on the steps BAC had taken to become GDPR compliant and was advised that BAC had made good progress since last reporting to the Hub in March 2018 in terms of data mapping; updating policies and procedures; and rolling out training for Board members and staff. The Hub particularly welcomed BAC's intention to source E-Learning software to enhance its GDPR training programme.

The Hub assessed BAC's GDPR arrangements to be **Low-Medium Risk**. This is an improvement from the Medium risk rating reported to Committee in May 2018 and reflected the Hub's increased level of assurance that BAC had taken appropriate steps to be GDPR compliant. The Hub also recognised that GDPR compliance remains an ongoing issue, particularly for BAC which processes and stores significant volumes of special category data and accordingly, the level of risk will continue to be reviewed by the Hub on a regular basis.

**1.3 Assurance on Succession Planning** – The previous Managing Director of BAC has been appointed the new Chief Officer of the Aberdeen City Integration Joint Board (IJB) and left BAC on 31 August 2018. Following this announcement, the Council and BAC agreed a recruitment and selection process to appoint the new Managing Director in which recruitment costs will be met by BAC. The Council has directed BAC to identify a recruitment consultant to support the advertising campaign; conduct executive searches and organise the assessment centre.

It is anticipated that key stakeholders will be involved in the process such as the Council and IJB; and the appointments panel would include both a Council Co-Leader and a Council Director. It is anticipated that a new Managing Director will take up post in November 2018, in the meantime, BAC's Finance Director has been appointed as interim Managing Director to cover the intervening period.

**1.4 Succession Planning Assessment** – The Hub noted the interim arrangements put in place and the decision of the Council’s Urgent Business Committee on 6 July 2018 to direct BAC to follow a recruitment process set by the Council. This provided the Hub with reasonable assurance as the Council had significant recent experience in the field of executive recruitment and therefore assessed succession planning to be **Low Risk** at present to the Council. As this issue was ongoing, the Hub agreed to review this rating at its next meeting, by which time the recruitment process will have concluded and an appointment may have been made.

## **2. Risk Management**

**2.1 Assurance on risk controls (mitigation)** – BAC presented its risk register as at June 2018. The highest risk to the organisation following mitigation was GDPR compliance which had been assessed as a material risk.

**2.2 Assurance on business continuity planning** – BAC provided information on an in-house table top exercise held on 5 July 2018 to test the effectiveness of its Business Continuity Plan. The exercise also aimed to test the effectiveness of the whole system approach across the company and identify areas for improvement. Twenty-four senior managers, representing Business Support; Enhanced Services; and the four locality areas took part in an exercise which was facilitated by the Managing Director. BAC advised that the exercise was successful, and a number of learning points had been identified. They added that a de-brief report would be presented to the Board’s next meeting.

**2.3 Risk Management Assessment** - The Hub agreed that the formatting of the risk register was appropriate, and it took reasonable assurance from BAC’s identification of risk. The Hub recommended that the controls to mitigate GDPR risk could be expanded to also include (1) the development of a GDPR action plan; (2) the completion of a data audit; (3) the formal appointment of a Data Protection Officer; and (4) the sourcing of E-Learning to strengthen staff training and awareness of GDPR. Ahead of its next scrutiny period, the Hub also agreed to request further information on the process BAC’s Risk Management Committee adopted when reviewing its risk register.

In terms of business continuity planning, the Hub noted that BAC had a comprehensive Business Continuity Plan in place and Members were satisfied with the arrangements Management had developed to test whether the Plan remained fit for purpose and if staff had capacity to manage the organisation through an emergency or critical event. The Hub was advised that a formal de-brief on the learning outcomes of the testing exercise would be reported to

the Board in August and the Hub agreed to request the de-brief report ahead of its next meeting to provide further assurance to Committee.

Overall, based on the assurance provided, BAC's risk management approach was assessed as **Low Risk**. The risk rating remains unchanged since the Hub's last report to Committee in May 2018.

### **3 Financial Management**

- 3.1 Assurance on Management Trading Accounts** – BAC appended a financial report presented to the Board in May 2018 and included management trading accounts as at 30 April 2018.
- 3.2 Assurance on Scheme of Delegation** – BAC have agreed to develop a formal Scheme of Delegation and planned to submit a draft scheme to the Board on 20 July 2018 for consideration and review before a final scheme is presented to the Board for approval in November 2018. BAC advised that the scheme would be made available prior to the Hub's next meeting to provide assurance to the Audit, Risk and Scrutiny Committee.
- 3.3 Assurance on financial reporting process for Managers** – The Hub examined BAC's financial reporting to the Board during its previous cycle and on this occasion asked BAC to provide assurance on the financial process for managers. BAC appended copies of its corporate finance policy and financial monitoring policy and provided examples of financial reports prepared by and for managers.
- 3.4 Assurance on Internal Audit** – BAC provided its Internal Audit schedule which covered (1) Corporate Services; (2) Care and Residential Facilities by area; (3) Enhanced Services; and (4) ISO 9001 Quality Management Systems. BAC also provided a number of completed service audits covering a range of organisational areas, in which the Hub assessed a sample of these including the Head Office Administration Team audit and the Learning and Development audit.
- 3.5 Assurance on External Audit** – BAC provided letters of representation from its external auditor, Johnston Carmichael LLP dated 12 June 2018 which confirmed that they had identified no material misstatements and made no audit recommendations for either Bon Accord Care or Bon Accord Support Services.

**3.6 Financial Management Assessment** – The Hub welcomed that BAC had been managing its accounts within budget and was advised that the company had recorded a surplus at Year End. The Hub received significant assurance from BAC’s External Auditors who had audited its annual accounts and issued a clean audit certificate. The Hub noted that BAC had accepted Hub recommendations to include a Financial Implications section within its Board report template which was appended to its submission; and to adopt a formal Scheme of Delegation. The Hub agreed to request the Scheme of Delegation ahead of its next meeting to provide further assurance to Committee. The Hub also found BAC’s Internal Audit arrangements to be robust as they were ISO9001 accredited and agreed to request Board reports on how Management would close off audit recommendations ahead of its next meeting.

Overall, based on the assurance provided, BAC’s financial management was assessed as **Low Risk**. The risk rating remains unchanged from when the Hub last reported to Committee in May 2018.

**4 Overall Assessment** - The Hub welcomed steps BAC had taken to become GDPR compliant but also recognised the significant volume of special category data BAC processed which meant that the level of overall risk would remain slightly elevated. The Hub received reasonable assurance on BAC’s succession planning; management of risk and financial management, though these areas would require follow up inquiries during the Hub’s next scrutiny period.

The Hub was advised by BAC’s Service Lead that the Council’s review of BAC’s contract was nearing completion and that the revised contract would (1) take into account changes to the health and social care landscape since the establishment of BAC in 2013; (2) propose a holistic review of its organisational structure; (3) be more outcome focussed; and (4) incorporate best practice and recommendations made by Audit Scotland in its recent report on ALEOs. The Hub also noted that BAC’s annual Business Plan would be presented to the next meeting of the Strategic Commissioning Committee on 13 September 2018.

Overall, based on the assurance provided, the Hub assessed BAC to be **Low-Medium Risk** to the Council. The risk rating remains unchanged since the Hub’s last report to Committee on 8 May 2018.

<b>Assurance Standard – September 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>