

Assurance Request	Hub response	Risk Rating
<p>Assurance that the organisation has adequate workforce and succession planning arrangements in place. Outline the nature of any changes to workforce or succession plans required as a result of the pandemic.</p>	<p>The Hub noted that work was ongoing to improve BAC's succession planning with regard to some key roles within the organisation. BAC had not experienced any changes to its workforce or succession planning as a result of the pandemic, however difficulties had been experienced with restrictions on staffing but these had been managed with a combination of different approaches.</p> <p>With regard to the EU Exit, BAC advised that they had not noticed any significant impact in terms of staffing, however the situation was being constantly reviewed in order to identify any impacts and take appropriate action. The Hub noted that the EU Exit was on the BAC Risk Register was frequently updated.</p> <p>The Hub noted that permanent MD and FD have been appointed and that this will hopefully provide a period of stability for BAC.</p>	<p>Very low</p>
<p>Assurance on training and development of Board members and workforce to align the needs of the organisation to skillset. Explain the process for training and development of Board members, particularly to advise how any gaps in capability are being addressed.</p>	<p>The Hub noted that a BAC Board Governance Development session had been held in July 2021, with evidence of additional sessions having been held previously, and agreed that the supporting documentation provided a good level of assurance in this area.</p> <p>BAC advised that its Non Executive and Executive Directors were all recent appointments (since January 2021), and that a formal recruitment process had taken place for all BAC Directors with the exception of one Non Executive Director who had been appointed for a shorter period and had thus been co-opted. The Hub noted that considerable work had been ongoing to familiarise Non Executive Directors with the work of BAC.</p>	<p>Very low</p>
<p>Assurance that all governance documentation is regularly reviewed and supports the organisation's governance framework:</p> <ul style="list-style-type: none"> - Delegated powers - Board Structure - Codes of Conduct 	<p>The Hub noted that BAC's Scheme of Governance audit plan had been progressed in line with their agreed schedule. Various governance documents had been approved by the BAC Board, or schedule to be, as below. The Hub agreed that this provided a good level assurance*</p> <ul style="list-style-type: none"> - Scheme of Delegation - approved - Terms of Reference for Board and Committees - approved - Procurement Policy - approved - Delegation of authority - approved in principle but subject to review from ACC (Legal and Procurement). Any updates required will be presented to the Board for adoption on 24th September - Board Code of Conduct - approved in principle but subject to one clarification from ACC. This update will be presented to the Board for adoption on 24th September 	<p>Very low</p>
<p>Assurance that risk registers are in place, are kept under regular review with control actions monitored to completion, and are linked to the achievement of outcomes for the ALEO and the Council. Provide a copy of your risk register and evidence that it has been reviewed and updated since the last cycle of Hub meetings.</p>	<p>BAC continue to demonstrate effective risk management and confirmed that the risk register continues to be updated every two months. Evidence of the most recent review was provided within the Risk Register update report that was provided to the board of Directors in July.</p> <p>The risks with the highest scores are noted as, "Failure to measure, monitor or control quality within the organisation", "Marketing & Communication strategy is not effective in promoting and protecting the brand" and "BAC fail to adapt to a changing environment both internally and externally"</p>	<p>Very Low</p>
<p>Assurance that ALEOs have an established risk appetite which is reflected in decision making structures. Advise of any plans for introducing a risk appetite statement, or do you already have one? If so, can this be shared. If not, can you outline current thinking on whether you would find this useful to guide decision making. The Council approved a risk appetite statement in December 2020 (copy provided).</p>	<p>BAC confirmed that they have a working draft of a Risk Appetite Statement that is pending approval by the MD and board.</p> <p>This work is being co-ordinated by an external consultant who has been appointed to assist BAC with governance. These sessions have involved members of BAC's Senior Management Team (SMT) presenting to the Board on individual risks, mitigations and risk appetite. The next session has been scheduled for mid September to give BAC's new Managing Director time to review what has been done to date and also discuss with other Board members. It is anticipated that the Risk Appetite statement will be agreed then.</p>	<p>Very Low</p>
<p>Assurance that the organisation is managing the impacts of EU Exit, that risks are identified and controls are in place.</p>	<p>BAC confirm that EU Exit related risks are being actively monitored via a specific risk EU Exit risk on the risk register. BAC note that the organisation has not experienced any organisational impacts that can be attributed to EU Exit.</p>	<p>Very Low</p>

<p>Assurance that ALEOs have risk-based internal and external audit plans in place and a process to address and close out audit recommendations to completion. Confirm to what extent audit plans have progressed since the update to the last cycle of meetings.</p>	<p>Internal Audit: The Hub are advised that discussions are progressing with the Internal Audit Team from Aberdeenshire Council with a view to appointing this team as the Internal Auditors to BAC. The Aberdeenshire Team are providing a presentation to the BAC Audit and Assurance Committee in August A meeting between BAC and the Aberdeenshire Council Internal Audit Team is scheduled to take place in September and it is anticipated that the appointment will be subsequently confirmed by the BAC Board on 24 September. BAC confirmed completion of one internal audit since the last reporting cycle which covered Budget Monitoring and a copy of the audit report which includes recommendations was provided to the Hub. BAC confirmed that Quality Management System (QMS) audits continue in accordance with the internal schedule which also includes internal Health and Safety audits. One internal audit has been completed since the last reporting cycle which covered Budget Monitoring and a copy of the audit report and the resulting recommendations was provided to the Hub. Audit recommendations and actions are recorded within the "Skedulo" system which supports the tracking of progress and monitoring of these activities through to completion.</p> <p>External Audit/Inspections BAC confirmed that the External Audit was completed by JCCA in June with Financial Statements approved by the auditors on 1st July with no adverse findings. BAC also noted that the organisation is subject External Audits and Inspections from other regulatory bodies such as the Care Inspectorate, HSE and Environmental Health and noted that no audits or inspections have been conducted in this area within the current reporting cycle.</p> <p>In summary, the level of assurance gained by BAC's audit activities remains high due to the scope and coverage provided by BAC's internal and external auditors.</p>	<p>Very Low</p>
<p>Assurance that appropriate business continuity arrangements are in place including testing and exercising.</p>	<p>BAC confirmed that a review of the Business Continuity Plans (BCP's) covering each service and support function was conducted in June/July.</p> <p>BAC provided evidence of the scenario-based test undertaken in June. This covered the scenario of a Failed Care Home and BAC's response as a provider of last resort. The exercise was completed in collaboration with ACHSCP and the NHS and the findings/lessons learned from the exercise will be reported to the Operations Director. The Hub noted strong evidence through the H&SCP that BAC have been reviewing business continuity arrangements on an on-going basis throughout the pandemic, through daily attendance at Partnership management meetings.</p> <p>The level of assurance in respect to BCP Testing activities remains high due to the review and scenario-based testing undertaken during the current reporting period.</p>	<p>Very Low</p>
<p>Assurance that accounts are being managed within budget and the level of financial risk to the Council is low through presentation of quarterly trading accounts.</p>	<p>The Hub reviewed the papers and documents provided and noted the following.</p> <p>Bon Accord Care were successful in meeting their 2021-22 savings targets, and had plans in place to meet their 2021-22 financial targets. Covid had a direct effect on BAC as it deals directly with vulnerable and elderly service users. BAC have accessed and continue to access additional government funding during 2021-22 as it remains available. The Board has been provided with current year financial data and is working on areas where financial performance is not in line with budget. The Hub also reviewed the internal audit report in respect of budget monitoring and noted whilst some improvements were recommended and agreed, these were indicated to be in the lowest risk category of findings.</p> <p>The Board continues to scrutinise the financial performance of certain services, notably its care homes and what measures are being taken to address the current financial deficit positions. Significant work is ongoing between BAC Finance and Operations to address the deficits and improve financial performance over the remaining financial year remaining.</p>	<p>Low</p>

<p>Assurance that ALEOs have prepared a medium-term financial plan or had incorporated medium term planning into a Business Plan to provide assurance that ALEOs are prepared for core funding pressures.</p> <p>Assurance that ALEOs have a strategy in place to meet the short to medium term effects of Covid and EU Exit as they affect financial risk. Provide responses to the following questions:</p> <ul style="list-style-type: none"> • Does your organisation have a medium term (3 - 5 years) financial strategy/plan in place? • If yes - how many years does it cover? • If yes - does you review the financial strategy/plan on an annual basis? • Does the medium term financial strategy/plan contain details on the following: <ul style="list-style-type: none"> - Changes in partner funding level - Demand pressures (costs) - Costs pressures (inflation and new costs)Income from fees and charges (including service grants) - Savings details and target (including sufficient detail of how savings will be achieved) - Fundamental service redesign - Scenario planning - Assets/liabilities & reserves 	<p>BAC are in the process of undertaking a review of their long term strategy, refreshing this where necessary and also ensuring it aligns to the long term strategy of both ACC and ACHSCP. Work on this has been paused to allow the new Managing Director to join and an appropriate time to understand the business in more detail. The Medium Term Financial Plan will be complementing the strategy review from a financial perspective and also addressing how BAC will achieve its fixed price contract through to 2024. Work on our Medium Term Financial Plan (MTFP) will be commencing late August and will be presented to the BAC Board in November.</p> <p>Whilst work has yet to commence on the MTFP it will cover a five year period as this will cover how BAC will perform post contract with ACHSCP ending in 2024. Evidently major assumptions will need to be made in this regard. BAC can confirm that the MTFP will cover the areas highlighted in the requests. The MTFP will also be refreshed annually thereafter and also provide BAC with a financial model in which to evaluate operational decisions from a financial perspective and/or run scenario planning. The MTFP will be a full income statement, balance sheet and cash flow model.</p> <p>At this time BAC are not experiencing any material effects from the impact of Covid or EU Exit. On Covid, this is obviously reliant on additional Covid funding being provided by the Scottish Government. There is a risk that BAC may need to operate with these operational requirements when funding has been removed, eg Care Home cleaning but this will affect the entire sector and not just BAC. On the EU exit, some inflationary cost pressures are currently being seen but these are market driven and it is hard to determine if they are solely the result of EU exit or more related to global economic impacts. Currently these pressures are not material but we are monitoring them given the impact they have on our ability to meet our fixed price contract.</p> <p>The Hub noted that the the MTFP is currently being updated and the latest version will be available. The Board has made reference to, and is aware of potential risks in relation to EU Exit, Covid and austerity measures. As the MTFP is currently being updated, the Hub will review this after it has been approved by the BAC Board in November 2021.</p>	<p>Low</p>
<p>Assurance that accounts are being managed within budget, are in line with statutory requirements and that the level of financial risk to the Council is low through presentation of Audited Annual Accounts 2019-20 and draft accounts for 2020-21</p>	<p>The Hub reviewed the papers and documents provided (audited financial statements signed 1st July). The external auditors raised no concerns in respect of the audited 2020-21 account. It was also noted that Bon Accord were successful in meeting their 2021-22 savings targets, and had plans in place to meet current year savings target. It was noted that Covid had a direct effect on BA as it deals directly with vulnerable and elderly service users. To this end, there was evidence that BA had accessed and continue to access additional government funding during 2021-22 as it remains available.</p> <p>BAC had also received an internal audit of its budget monitoring arrangements which also provided assurance that the internal budget monitoring process was acceptable. Although there were some recommendation around this process, these were at the lowest risk level and were accepted by BAC and were currently being implemented.</p>	<p>Low</p>