

ABERDEEN CITY COUNCIL

COMMITTEE	Audit, Risk and Scrutiny Committee
DATE	09 May 2024
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Internal Audit Report AC2418 – Biodiversity and the Natural Environment
REPORT NUMBER	IA/AC2418
DIRECTOR	N/A
REPORT AUTHOR	Jamie Dale
TERMS OF REFERENCE	2.2

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to present the planned Internal Audit report on Biodiversity and the Natural Environment.

2. RECOMMENDATION

- 2.1 It is recommended that the Committee review, discuss and comment on the issues raised within this report and the attached appendix, and then endorse the recommendations made.

3. CURRENT SITUATION

- 3.1 Internal Audit has completed the attached report which relates to an audit of Biodiversity and the Natural Environment.

4. FINANCIAL IMPLICATIONS

- 4.1 There are no direct financial implications arising from the recommendations of this report.

5. LEGAL IMPLICATIONS

- 5.1 There are no direct legal implications arising from the recommendations of this report.

6. ENVIRONMENTAL IMPLICATIONS

- 6.1 There are no direct environmental implications arising from the recommendations of this report.

7. RISK

7.1 The Internal Audit process considers risks involved in the areas subject to review. Any risk implications identified through the Internal Audit process are detailed in the resultant Internal Audit reports. Recommendations, consistent with the Council's Risk Appetite Statement, are made to address the identified risks and Internal Audit follows up progress with implementing those that are agreed with management. Those not implemented by their agreed due date are detailed in the attached appendices.

8. OUTCOMES

8.1 There are no direct impacts, as a result of this report, in relation to the Council Delivery Plan, or the Local Outcome Improvement Plan Themes of Prosperous Economy, People or Place.

8.2 However, Internal Audit plays a key role in providing assurance over, and helping to improve, the Council's framework of governance, risk management and control. These arrangements, put in place by the Council, help ensure that the Council achieves its strategic objectives in a well-managed and controlled environment.

9. IMPACT ASSESSMENTS

Assessment	Outcome
Impact Assessment	An assessment is not required because the reason for this report is for Committee to review, discuss and comment on the outcome of an internal audit. As a result, there will be no differential impact, as a result of the proposals in this report, on people with protected characteristics.
Privacy Impact Assessment	Not required

10. BACKGROUND PAPERS

10.1 There are no relevant background papers related directly to this report.

11. APPENDICES

11.1 Internal Audit report AC2418 – Biodiversity and the Natural Environment

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Internal Audit

Assurance Review of Biodiversity and the Natural Environment

Status: Final
Date: 26 March 2024
Risk Level: Corporate

Report No: AC2418
Assurance Year: 2023/24

Net Risk Rating	Description	Assurance Assessment
Moderate	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified, which may put at risk the achievement of objectives in the area audited.	Reasonable

Report Tracking	Planned Date	Actual Date
Scope issued	08-Dec-23	08-Dec-23
Scope agreed	15-Dec-23	15-Dec-23
Fieldwork commenced	03-Jan-24	03-Jan-24
Fieldwork completed	09-Feb-24	21-Feb-24
Draft report issued	01-Mar-24	27-Feb-24
Process owner response	15-Mar-24	15-Mar-24
Director response	22-Mar-24	25-Mar-24
Final report issued	29-Mar-24	26-Mar-24
ARS Committee	09-May-24	

Distribution	
Document type	Assurance Report
Director	Gale Beattie, Director – Commissioning
Process Owner	Sinclair Laing, Climate and Environment Policy Manager
Stakeholders	David Dunne, Chief Officer – Strategic Place Planning
	Gordon McLean, Team Leader – Natural Environment Policy
	Vikki Cuthbert, Interim Chief Officer – Governance*
	Jonathan Belford, Chief Officer – Finance*
Final Only	External Audit
Lead auditor	Farai Magodo, Auditor

1 Introduction

1.1 Area subject to review

Under the Nature Conservation (Scotland) Act 2004, all public bodies in Scotland are required to further the conservation of biodiversity when carrying out their responsibilities. The Wildlife and Natural Environment (Scotland) Act 2011, further requires public bodies in Scotland to provide a publicly available report, every three years, on the actions that they have taken to meet this biodiversity duty.

The Scottish Government describes loss of species and the degradation of the natural environment as an emergency and has drafted a Scottish Biodiversity Strategy with an ambition for Scotland to halt biodiversity loss by 2030 and to have restored and regenerated biodiversity across the country by 2045. By furthering the conservation of biodiversity, the Council is helping to achieve United Nations Sustainable Development Goals 13, 14 and 15, related to climate change and conservation of marine and land resources respectively.

The Regional Economic Strategy includes a work programme to preserve, protect and restore natural environments and biodiversity in the North East of Scotland, while the Aberdeen City Local Outcome Improvement Plan includes a goal to address the nature crisis by protecting or managing 26% of Aberdeen's area for nature by 2026. At a Council level a number of strategies and plans have been established with a view to achieving the Council's legal requirements in relation to biodiversity and the natural environment as well as national, regional and local strategic ambitions.

1.2 Rationale for review

The objective of this audit is to obtain assurance over the monitoring and implementation of the Council's environmental action and any related plans, specifically in relation to biodiversity and the natural environment.

This audit has not been carried out before and has been included in the agreed Internal Audit plan for 2023/24 due to the legal requirement for the Council to conserve biodiversity when carrying out its responsibilities and the risk of reputational damage if planned action to delivery national, regional and local strategic ambitions is not achieved.

1.3 How to use this report

This report has several sections and is designed for different stakeholders. The executive summary (section 2) is designed for senior staff and is cross referenced to the more detailed narrative in later sections (3 onwards) of the report should the reader require it. Section 3 contains the detailed narrative for risks and issues we identified in our work.

2 Executive Summary

2.1 Overall opinion

The full chart of net risk and assurance assessment definitions can be found in Appendix 1 – Assurance Scope and Terms. We have assessed the net risk (risk arising after controls and risk mitigation actions have been applied) as:

Net Risk Rating	Description	Assurance Assessment
Moderate	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified, which may put at risk the achievement of objectives in the area audited.	Reasonable

The organisational risk level at which this risk assessment applies is:

Risk Level	Definition
Corporate	This issue / risk level impacts the Council as a whole. Mitigating actions should be taken at the Senior Leadership level.

2.2 Assurance assessment

The level of net risk is assessed as **MODERATE**, with the control framework deemed to provide **REASONABLE** assurance over the Council's approach to biodiversity and the natural environment.

Substantial assurance was available over the following aspects of governance and control:

- **Scheme of Governance** – Under the Nature Conservation (Scotland) Act 2004, all public bodies in Scotland are required to further the conservation of biodiversity when carrying out their responsibilities. The remit of the Council's Net Zero, Environment and Transport (NZET) Committee includes responsibility for monitoring the Council's compliance with environmental targets, including those relating to biodiversity. More generally, it is a requirement of the Council's committee report and policy templates, to explain the positive and negative environmental implications including biodiversity impacts, for any report to Council / Committee. Also, relevant responsibilities are covered under the Powers Delegated to Chief Officers.
- **Planning** – The Aberdeen Local Development Plan covers protecting and enhancing the natural environment, including biodiversity. In addition, planning applications considered by the Planning Development Management Committee detail implications to biodiversity and the natural environment.
- **Statutory Reporting** – The Wildlife and Natural Environment (Scotland) Act 2011 requires public bodies in Scotland to provide a publicly available report, every three years, on the actions that they have taken to meet their biodiversity duty. The most recent report was approved by the NZET Committee on 31 October 2023 and reported on time to the Scottish Government on 19 December 2023.

However, the review identified some areas of weakness where enhancements could be made to strengthen the framework of control, specifically:

- **Strategies, Partnership Working and Action Plans** – The Council is working in partnership with various bodies to help deliver on biodiversity and natural environment strategic ambitions. This includes the Community Planning Partnership; North East Scotland Biodiversity Partnership (NESBiP); North East Scotland Biological Records Centre (NESBReC); Dee Catchment Partnership; the charity Buglife Scotland; Sustainable Food Place Partnership Aberdeen (SFPPA); the Local Nature Conservation Site (LNCS) Review 2022-24 Panel; and Saving Scotland's Red Squirrels. In addition, relevant strategies, and plans (Net Zero Aberdeen, Trees and Woodlands Strategic Implementation Plan, Open Spaces Strategy, Food Growing Strategy, LOIP) are in place and projects have taken place or commenced which will improve the city's biodiversity and natural environment. However, strategic leadership and partnership working are recognised challenges in the biodiversity duty report and detailed

SMART action plans describing what is still required by when by the Council to meet its local and national biodiversity related obligations have not been fully formalised. NZET Committee is aware of this gap and the Chief Officer – Strategic Place Planning has agreed to work with partners to address this.

- **Engagement and Communication** – The Scottish Biodiversity Strategy to 2045 recognises the need to mobilise actions by individuals, organisations, small, medium and large businesses and adopt a whole-of-society approach to deliver a nature positive Scotland and identifies local authorities as being uniquely positioned to deliver the outreach, awareness, and uptake of national goals for biodiversity across the whole of society. The public has been consulted on relevant strategies and plans. Also, the Council’s Countryside Ranger service (CRS) promotes biodiversity, managing 25 countryside sites across the city, whilst working with volunteers of all ages on conservation and site maintenance, as well as delivering educational activities to school pupils. In addition, various community-based projects relevant to biodiversity have been delivered in partnership with other organisations e.g. via Community Planning Aberdeen and Buglife Scotland. However, the biodiversity duty report acknowledges the fact public and wider stakeholder awareness and engagement remains a key challenge to achieve local and national ambitions. A campaign is planned to help address this by highlighting the value of nature to the City, its citizens and businesses, the risks to nature locally and the need for local action. It is essential this is addressed and longer-term engagement and effective communication continues if national biodiversity goals are to be achieved.
- **Risk Management** – Relevant related risks covering net zero, climate change, climate duties, sea defence failure, wildfire, land asset climate resilience, and tree disease are included on Council risk registers and monitored as necessary. However, the specific risk that local and national biodiversity targets are not achieved, and necessary improvement actions are not progressed is not currently monitored via Cluster or Corporate risk registers. i.e. the LOIP target for protecting or managing 26% of Aberdeen’s area for nature by 2026 and the national biodiversity targets for halting biodiversity loss by 2030 and restoring and regenerating biodiversity by 2045. Necessary risk mitigations measures may be missed as a result.
- **Performance Monitoring** - Whilst NZET Committee is receiving triannual biodiversity duty reports and other reports on improvement project outcomes (e.g. Den Burn restoration) in-year performance reporting does not cover relevant biodiversity and natural environment key performance indicators (KPIs) to achieve strategic actions and targets. Similarly, key performance indicators and progress with necessary actions is not overseen by management via a system of dashboard reporting. These issues risk oversight of poor performance and biodiversity and natural environment targets being missed. The NZET Committee agreed in October 2023 to work proposed by Strategic Place Planning to help address this by officers working with partners to develop and monitor a suite of cross-organisational biodiversity and related data to inform the Council and City’s strategic direction and required on the ground actions and investments. This work should inform the development of Council biodiversity and natural environment KPI reporting and address this risk.
- **Grant Funding and Budget Monitoring** – Whilst in-year officer budget monitoring of Scottish Government nature restoration fund use relevant to biodiversity commenced during this Internal Audit through the Council’s Climate Change Plan - Oversight Group this is yet to be fully operationalised and does not cover all budgets relevant to biodiversity and the natural environment, risking poor strategic budgetary control.

Recommendations have been made to address the above risks including fully formalising a SMART plan detailing specific actions to achieve local and national targets; reviewing risk management controls over biodiversity and natural environment targets; completing the planned engagement and awareness raising campaign and formalising a longer term plan for this; identifying biodiversity and natural environment key performance indicators and ensuring these are regularly monitored by NZET Committee and relevant officers. In addition, it is recommended oversight of relevant budgets is enhanced; training delivered to staff should be reviewed to ensure awareness of biodiversity and natural environment responsibilities; and procurement business cases are updated to specifically cover biodiversity and natural environment impacts.

2.3 Severe or major issues / risks

Issues and risks identified are categorised according to their impact on the Board. The following are summaries of higher rated issues / risks that have been identified as part of this review:

Ref	Severe or Major Issues / Risks	Risk Agreed	Risk Rating	Page No.
1.1	<p>Strategies and Actions Plans – Whilst relevant strategies and plans (Net Zero Aberdeen, Trees and Woodlands Strategic Implementation Plan, Open Spaces Strategy, Food Growing Strategy, LOIP) are in place and partnership work has taken place which will improve the city’s biodiversity and natural environment, detailed SMART action plans describing what is required by when by the Council to meet its local and national biodiversity related obligations have not been fully formalised in the short, medium or long term.</p> <p>This issue has already been recognised by the Chief Officer – Strategic Place Planning, and NZET Committee agreed in October 2023 to a proposal to work with partners to develop and monitor a suite of cross-organisational biodiversity and related data to inform the Council and City’s strategic direction and required on the ground actions and investments.</p>	Yes	Major	7
1.5	<p>Performance Monitoring and Reporting – whilst NZET Committee is receiving triannual biodiversity duty reports and other reports on improvement project outcomes e.g. Den Burn restoration, in-year performance reporting does not cover relevant biodiversity and natural environment key performance indicators to achieve strategic actions and targets. Similarly, key performance indicators and progress with necessary actions is not overseen by management via a system of dashboard reporting.</p> <p>In the absence of adequate performance monitoring arrangements, poor performance and biodiversity / natural environment targets may be missed.</p>	Yes	Major	11

2.4 Management response

Aberdeen City Council welcomes this Internal Audit and the findings it has reached. The overall Net Risk Rating of Moderate with Assurance Assessment rating of Reasonable is agreed with and demonstrates a lot of good work and procedures that are already in place across the Council. Areas for improvement are clear with many of these having already been identified internally with work either planned or underway to address these. The audit highlighting these areas is welcomed along with suggested actions to help embed these across the organisation and ensure better compliance and therefore positive outcomes for biodiversity and the natural environment in Aberdeen.

3 Issues / Risks, Recommendations, and Management Response

3.1 Issues / Risks, recommendations, and management response

Ref	Description	Risk Rating	Major
1.1	<p>Strategies, Partnership Working and Actions Plans – Strategic goals should be specific, measurable, attainable, responsible, and time-bound (SMART) to be meaningful and to ensure they are achieved as anticipated.</p> <p>The Council is working in partnership with various bodies to help deliver on biodiversity and natural environment strategic ambitions. This includes the Community Planning Partnership; North East Scotland Biodiversity Partnership (NESBiP); North East Scotland Biological Records Centre (NESBReC); Dee Catchment Partnership; the charity Buglife Scotland; Sustainable Food Place Partnership Aberdeen (SFPPA); the Local Nature Conservation Site (LNCS) Review 2022-24 Panel; and Saving Scotland’s Red Squirrels.</p> <p>In addition, relevant strategies, and plans (Net Zero Aberdeen, Trees and Woodlands Strategic Implementation Plan, Open Spaces Strategy, Food Growing Strategy, LOIP) are in place and projects have taken place or commenced that will improve the city’s biodiversity and natural environment (e.g. Aberdeen City Centre masterplan; beach development framework; George Street masterplan; sedum roofs on bus shelters; Union Terrace Gardens restoration; and Den Burn restoration).</p> <p>However, detailed SMART action plans describing what is required, by when, by the Council to meet its biodiversity related obligations for local and national targets have not been fully formalised.</p> <p>An example of this relates to the LOIP action, which the Council is lead partner for, to gain pledges from at least 23 organisations across all sectors in Aberdeen to manage at least 10% of their land for nature by 2023 and at least 26 by 2026. Work has been progressed on this target with it being reported to Community Planning Aberdeen Management Group in October 2023 that seven organisations had signed up. However, a detailed plan is not in place describing the remaining area of land that needs to be targeted and how the remaining 16 organisations with access to this spare land are being identified and engaged.</p> <p>In addition, whilst short term actions to 2026 are detailed to some extent, medium and longer-term actions to achieve Scottish Biodiversity Strategy targets to halt biodiversity loss by 2030 and restore and regenerate biodiversity across the country by 2045 have not been formalised.</p> <p>Strategic leadership and partnership working to define required actions to ensure protection and recovery of biodiversity at the pace and scale necessary are highlighted in the biodiversity report as key challenges.</p> <p>These issue has already been reported to the NZET Committee in October 2023, who agreed to a proposal for Strategic Place Planning to work with partners to develop and monitor a suite of cross-organisational biodiversity and related data to inform the Council and City’s strategic direction and required on the ground actions and investments. A recommendation is included to track progress with this work.</p> <p>IA Recommended Mitigating Actions</p> <p>Strategic Place Planning should work with partners to agree necessary actions to deliver on local and national targets and a consolidated SMART action plan, covering the Council’s responsibilities to achieve biodiversity and the natural environment targets, should be formalised. This should cover required short-, medium- and long-term actions, including required investment.</p>		

Ref	Description	Risk Rating	Major
Management Actions to Address Issues/Risks			
<p><i>The Council recognises the importance of clear, consolidated action planning towards meeting its Biodiversity Duty and further ambitions. Much of this work will take place through the process of revising the existing Net Zero Aberdeen Natural Environment Strategy, the Council's Climate Change Plan and subsequent action planning over 2024 and into 2025. Part of this is subject to clarification of expectations from the Scottish Government through a new Scottish Biodiversity Strategy and associated guidance, e.g. on Nature Networks.</i></p> <p><i>Discussions are underway with the James Hutton Institute (JHI) regarding the JHI leading work, in collaboration with Aberdeen City Council and partners, to revise the Natural Environment Strategy and developing a delivery plan. This would cover specialist areas including biodiversity/ natural heritage, trees, open space and outdoor access. The revised strategy, delivery plan and updated Council Climate Plan would allow these specialist areas and their relevant targets to be pulled together into one place. In addition, the Council is in the process of procuring a new Climate Data Tool which will in turn assist with collating, monitoring and reporting that data more easily to internal and external audiences.</i></p>			
Risk Agreed		Person(s)	Due Date
Yes		Climate & Environment Policy Manager	October 2025

Ref	Description	Risk Rating	Moderate
1.2	<p>Risk Management – Effective risk management is essential to ensure threats to the achievement of organisational intended outcomes are identified and mitigated. The Audit, Risk and Scrutiny Committee is responsible for overseeing the Council's system of risk management, including the corporate risk register and for receiving assurance that the Extended Corporate Management Team (ECMT) are effectively identifying and managing risks. It is the role of the Council's service committees to scrutinise the Cluster risk registers that are relevant to each Committee remit to receive assurance of the controls in place.</p> <p>The corporate risk register reported to Audit, Risk and Scrutiny Committee in February 2024 included the risk Climate Change (Place), which covers delivery of the Council's Net Zero Route Map. In addition, the Cluster risk register for Operations and Protective Services covers tree disease and sea defence failure whilst the Strategic Place Planning risk register covers climate duties. In addition, relevant risks are included on operational risk registers not reported to Committee, including vehicle net zero risks, wildfire, property and land asset climate change resilience.</p> <p>However, the specific risk(s) that local and national biodiversity targets are not achieved, and necessary improvement actions are not progressed is not currently monitored via Cluster or Corporate risk registers. i.e. the LOIP target for protecting or managing 26% of Aberdeen's area for nature by 2026 and the national biodiversity targets for halting biodiversity loss by 2030 and restoring and regenerating biodiversity by 2045.</p> <p>Necessary risk mitigation measures and escalation may be missed as a result.</p>		
IA Recommended Mitigating Actions			
The Cluster risk register should be reviewed to ensure it adequately covers threats to delivery of biodiversity and natural environment desired outcomes.			
Management Actions to Address Issues/Risks			

Ref	Description	Risk Rating	Moderate
	<i>Review of relevant Cluster Risk Registers will be taken forward to consider what appropriate risks could be added regarding achieving/ contributing to local and national biodiversity targets.</i>		
	Risk Agreed	Person(s)	Due Date
	Yes	Natural Environment Policy Team Leader	October 2024

Ref	Description	Risk Rating	Minor
1.3	<p>Training and Workforce Development – Comprehensive training and guidance is an essential element in any system of control, providing management with assurance correct and consistent instructions are available, especially in the event of an experienced employee being absent.</p> <p>The biodiversity duty requires the Council to further conservation when carrying out its responsibilities meaning it affects everything the Council does. Environmental training is available to staff, including an e-learning ACC Learn module 'Meeting our Climate Change Duties' and an in-person half-day climate change training course 'Taking Action on Climate Change'. There is also a 'Green Workplace' area of the staff intranet providing information on biodiversity and the wider sustainability agenda. In addition, environmental training was delivered to Councillors as part of their induction.</p> <p>The Council's Countryside Rangers also run a practical outdoor skills course for nursery teachers at two outdoor nurseries run by the Council.</p> <p>However, whilst it is a requirement of the Council's Capability Framework for certain job families to understand the Council's responsibility to tackle nature loss and to take action to protect the natural environment, the training delivered by the Council is predominantly climate change focused rather than biodiversity specific and is not mandatory.</p> <p>In the absence of clear guidance explaining what is required of officers / Councillors, there is a risk the Council will fail to meet its biodiversity and natural environment obligations.</p> <p>IA Recommended Mitigating Actions</p> <p>Training on biodiversity and the natural environment should be reviewed to ensure it fully addresses requirements / expectations of officers and Councillors relating to biodiversity and the natural environment. Consideration should be given to making officer training mandatory.</p> <p>Management Actions to Address Issues/Risks</p> <p><i>Further Councillor training is planned by the Natural Environment Policy team in 2024. It is intended that materials produced for this will then be tailored so that they can be made available for officer use also. Strategic Place Planning, in collaboration with People and Citizen Services, will review the training regime, including consideration of mandatory training requirements.</i></p> <p>Risk Agreed</p> <p>Yes</p> <p>Person(s)</p> <p>Natural Environment Policy Team Leader / People Development Manager</p> <p>Due Date</p> <p>October 2024</p>		

Ref	Description	Risk Rating	Moderate
1.4	<p>Engagement and Communication – The Scottish Biodiversity Strategy to 2045 recognises the need to:</p> <p><i>“mobilise actions by individuals, organisations, small, medium and large businesses and adopt a whole-of-society approach to deliver a nature positive Scotland”.</i></p> <p>The national strategy goes on to state:</p> <p><i>“We want all levels of government to participate fully in the delivery of our goals for biodiversity, in line with the principles identified in the Edinburgh Process led by the Scottish Government for the CBD for CoP15, and with the Edinburgh Declaration. In particular, cities and local authorities play key roles in conserving, restoring and reducing threats to biodiversity, in meeting people’s needs through sustainable use and equitable benefit-sharing, in developing the tools and solutions needed for implementing biodiversity protection actions, and in monitoring and reporting. Their actions in mainstreaming biodiversity ensure that support is in place at all levels. They are uniquely positioned to deliver the outreach, awareness, and uptake of our goals for biodiversity across the whole of society, facilitating engagement with key stakeholders to implement our Strategic Framework.”</i></p> <p>The public has been consulted on related strategies and plans (e.g. LOIP, Aberdeen Local Development Plan, Food Growing Strategy). In addition, Community Planning Aberdeen has delivered on improvement project targets to increase the number of community run green spaces and community food growing.</p> <p>Also, the Council’s Countryside Ranger service (CRS) promotes biodiversity, managing 25 countryside sites across the city, whilst working with volunteers of all ages on conservation and site maintenance, as well as delivering educational activities to school pupils.</p> <p>Furthermore, there have been community planting days as part of the ‘Aberdeen B-lines’ project with Buglife Scotland.</p> <p>However, the biodiversity duty report acknowledges the fact public and wider stakeholder awareness and engagement remains a key challenge to achieve local and national ambitions. A campaign is planned to help address this by highlighting the value of nature to the City to its citizens and businesses, the risks to nature locally and the need for local action, what the Council and partners are doing and what others could also do in support of nature recovery across Aberdeen.</p> <p>It is essential this is delivered and that future engagement and communication with the public and businesses are maintained, if local and national ambitions are to be achieved.</p>		
IA Recommended Mitigating Actions			
<p>a) The planned public and wider stakeholder biodiversity awareness and engagement campaign should be delivered.</p> <p>b) An engagement and communication plan should be prepared for longer term biodiversity engagement and communication with the public and wider stakeholders.</p>			
Management Actions to Address Issues/Risks			
<p><i>As noted, work on a Nature Awareness Campaign is already underway. This is to involve partners across the City, including the Council, and will look to raise awareness, knowledge and ultimately actions by organisations and citizens with regards to biodiversity/ the natural environment. This campaign is not intended to be short-term but to develop and continue into the longer term so can also deliver Recommended Mitigating Action b). An update on proposals for the Nature Awareness Campaign is due to be reported on to Net Zero, Environment and Transport Committee on 11th June 2024.</i></p>			
Risk Agreed	Person(s)	Due Date	

Ref	Description		Risk Rating	Moderate
	Yes	Senior Environmental Planner	April 2025	

Ref	Description		Risk Rating	Major
1.5	<p>Performance Monitoring and Reporting – The Council's Performance Management Framework is intended to support and enable scrutiny of progress with the Council Delivery Plan and its key measures, providing a robust performance management and reporting system which encompasses single and multi-service inputs, outputs and outcomes. The Performance Management Framework also seeks to contribute directly towards delivery of the City's Local Outcome Improvement Plan (LOIP).</p> <p>Whilst NZET Committee is receiving triannual biodiversity duty reports and other reports on improvement project outcomes e.g. Den Burn restoration, in-year quarterly performance reporting does not cover relevant biodiversity and natural environment key performance indicators to achieve strategic actions and targets i.e. LOIP and national targets. Similarly, key performance indicators and progress with necessary actions is not overseen by management via a system of dashboard reporting.</p> <p>The Council's most recent biodiversity report acknowledged data driven decision making is a challenge and more robust nature data and indicators are required to understand how nature is performing locally, which will require evolving resources and expertise within the Council and partnership working.</p> <p>The work instructed by NZET Committee, referred to in 1.1 above, to work with partners to develop and monitor a suite of cross-organisational biodiversity and related data to inform the Council and City's strategic direction and required 'on the ground' actions and investments, could help inform the development of relevant performance reporting to Committee and management.</p> <p>However, in the absence of adequate performance monitoring arrangements currently, poor performance and necessary mitigations may be overlooked and the achievement of objectives impacted negatively.</p>			
IA Recommended Mitigating Actions				
<p>a) Place Planning should collaborate with relevant partners to enhance available data and formalise related key performance indicators to ensure delivery of the Council's local and national biodiversity and natural environment obligations. These KPIs should be regularly monitored by Net Zero, Environment and Transport Committee.</p> <p>b) Dashboard reporting showing key biodiversity and natural environment data and related KPIs should be monitored by relevant Council officers.</p>				
Management Actions to Address Issues/Risks				
<p><i>As noted, work on a Nature Data & Indicators project has already commenced. This project aims to, in collaboration with partners, identify suitable data sources for the area that can be used to clearly evidence the need for change and demonstrate progress. A report is due to go to Net Zero, Environment and Transport committee on this work on 12th November 2024. As this work progresses it will then be investigated if appropriate elements of this data/ indicators can be incorporated into NZET Committee Performance Reporting.</i></p>				
Risk Agreed		Person(s)	Due Date	
Yes		Senior Environmental Planner	November 2024	

Ref	Description	Risk Rating	Moderate
1.6	<p>Investment and Budget Monitoring – An adequate system of budgetary control is essential to ensure funds are spent as intended, Best Value is obtained, and any budget pressures are mitigated by appropriate management action, including income generation and expenditure reduction.</p> <p>Whilst in-year officer budget monitoring of Scottish Government nature restoration fund use relevant to biodiversity commenced during this Internal Audit through the Council's Climate Change Plan - Oversight Group this is yet to be fully operationalised. Also, it was noted that other budgets relevant to progressing the Council's biodiversity and natural environment desired outcomes are dispersed across multiple budget pages / lines (capital, common good, general fund, HRA), and there is no regular consolidated oversight by relevant officers and the NZET Committee.</p> <p>This issue risks funds available not being used as effectively as they could to achieve biodiversity goals.</p>		
IA Recommended Mitigating Actions			
A comprehensive strategic system of budgetary oversight and control should be introduced for all biodiversity and natural environment budgets. This should ensure funds available are used effectively to achieve desired strategic outcomes.			
Management Actions to Address Issues/Risks			
Officers acknowledge there is both a challenge and opportunity in being more strategic in the approach to funding. Acknowledging that this is a very complex area, officers will review current approaches and consider if and how the Council may be able to improve on these to maximise funding opportunities and related outcomes.			
Risk Agreed		Person(s)	Due Date
Yes		Chief Officer - Strategic Place Planning	March 2025

Ref	Description	Risk Rating	Minor
1.7	<p>Procurement Business Cases – In accordance with the Council's Procurement Regulations, any procurement for supplies or services exceeding £50k, or works exceeding £250k must be detailed on a business case for approval by the relevant Chief Officer, Finance and Resources Committee or Council, depending on the specific circumstances relating to the procurement.</p> <p>Whilst the Council's procurement business case template requires details of how proposed contracts support the Council's climate commitments and LOIP priorities, there is no explicit requirement to consider biodiversity implications, risking oversight at an individual procurement level of the Council's biodiversity duty.</p>		
IA Recommended Mitigating Actions			
C&PSS should work with the Climate & Environment Policy Service to update the Council's business case template to cover biodiversity implications more explicitly.			
Management Actions to Address Issues/Risks			

Ref	Description	Risk Rating	Minor
	<i>Discussions have begun between the Climate & Environment Policy Service and Commercial and Procurement Services to add biodiversity/ natural environment implications into the business case template.</i>		
	Risk Agreed	Person(s)	Due Date
	Yes	Strategic Commercial Manager	July 2024

4 Appendix 1 – Assurance Terms and Rating Scales

4.1 Overall report level and net risk rating definitions

The following levels and ratings will be used to assess the risk in this report:

Risk level	Definition
Corporate	This issue / risk level impacts the Council as a whole. Mitigating actions should be taken at the Senior Leadership level.
Function	This issue / risk level has implications at the functional level and the potential to impact across a range of services. They could be mitigated through the redeployment of resources or a change of Policy within a given function.
Cluster	This issue / risk level impacts a particular Service or Cluster. Mitigating actions should be implemented by the responsible Chief Officer.
Programme and Project	This issue / risk level impacts the programme or project that has been reviewed. Mitigating actions should be taken at the level of the programme or project concerned.

Net Risk Rating	Description	Assurance Assessment
Minor	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.	Substantial
Moderate	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified, which may put at risk the achievement of objectives in the area audited.	Reasonable
Major	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.	Limited
Severe	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.	Minimal

Individual Issue / Risk Rating	Definitions
Minor	Although the element of internal control is satisfactory there is scope for improvement. Addressing this issue is considered desirable and should result in enhanced control or better value for money. Action should be taken within a 12 month period.
Moderate	An element of control is missing or only partial in nature. The existence of the weakness identified has an impact on the audited area's adequacy and effectiveness. Action should be taken within a six month period.
Major	The absence of, or failure to comply with, an appropriate internal control, which could result in, for example, a material financial loss. Action should be taken within three months.
Severe	This is an issue / risk that could significantly affect the achievement of one or many of the Council's objectives or could impact the effectiveness or efficiency of the Council's activities or processes. Action is considered imperative to ensure that the Council is not exposed to severe risks and should be taken immediately.

5 Appendix 2 – Assurance Scope and Terms of Reference

5.1 Area subject to review

Under the Nature Conservation (Scotland) Act 2004, all public bodies in Scotland are required to further the conservation of biodiversity when carrying out their responsibilities. The Wildlife and Natural Environment (Scotland) Act 2011, further requires public bodies in Scotland to provide a publicly available report, every three years, on the actions that they have taken to meet this biodiversity duty.

The Scottish Government describes loss of species and the degradation of the natural environment as an emergency and has drafted a Scottish Biodiversity Strategy with an ambition for Scotland to halt biodiversity loss by 2030 and to have restored and regenerated biodiversity across the country by 2045. By furthering the conservation of biodiversity, the Council is helping to achieve United Nations Sustainable Development Goals 13, 14 and 15, related to climate change and conservation of marine and land resources respectively.

The Regional Economic Strategy includes a work programme to preserve, protect and restore natural environments and biodiversity in the North East of Scotland, while the Aberdeen City Local Outcome Improvement Plan includes a goal to address the nature crisis by protecting or managing 26% of Aberdeen's area for nature by 2026. At a Council level a number of strategies and plans have been established with a view to achieving the Council's legal requirements in relation to biodiversity and the natural environment as well as national, regional and local strategic ambitions.

5.2 Rationale for review

The objective of this audit is to obtain assurance over the monitoring and implementation of the Council's environmental action and any related plans, specifically in relation to biodiversity and the natural environment.

This audit has not been carried out before and has been included in the agreed Internal Audit plan for 2023/24 due to the legal requirement for the Council to conserve biodiversity when carrying out its responsibilities and the risk of reputational damage if planned action to delivery national, regional and local strategic ambitions is not achieved.

5.3 Scope and risk level of review

This review will offer the following judgements:

- An overall **net risk** rating at the **Corporate** level.
- Individual **net risk** ratings for findings.

5.3.1 Detailed scope areas

As a risk-based review this scope is not limited by the specific areas of activity listed below. Where related and other issues / risks are identified in the undertaking of this review these will be reported, as considered appropriate by IA, within the resulting report.

The specific areas to be covered by this review are:

- Governance and Partnership Working
- Strategies and Actions Plans
- Training and Workforce Development
- Community Engagement
- Investment and Budget Monitoring
- Performance Monitoring and Reporting

5.4 Methodology

This review will be undertaken through interviews with key staff involved in the process(es) under review and analysis and review of supporting data, documentation, and paperwork. To support our work, we will review relevant legislation, codes of practice, policies, procedures, guidance.

Due to hybrid working across the Council, this review will be undertaken primarily remotely.

5.5 IA outputs

The IA outputs from this review will be:

- A risk-based report with the results of the review, to be shared with the following:
 - Council Key Contacts (see 1.7 below)
 - Audit, Risk and Scrutiny Committee (final only)
 - External Audit (final only)

5.6 IA staff

The IA staff assigned to this review are:

- Farai Magodo, **(audit lead)**
- Andy Johnston, Audit Team Manager
- Jamie Dale, Chief Internal Auditor **(oversight only)**

5.7 Council key contacts

The key contacts for this review across the Council are:

- Gale Beattie, Director – Commissioning
- David Dunne, Chief Officer – Strategic Place Planning
- Sinclair Laing, Climate and Environment Policy Manager **(process owner)**
- Gordon McLean, Team Leader

5.8 Delivery plan and milestones

The key delivery plan and milestones are:

Milestone	Planned date
Scope issued	08-Dec-23
Scope agreed	15-Dec-23
Fieldwork commences	03-Jan-24
Fieldwork completed	09-Feb-24
Draft report issued	01-Mar-24
Process owner response	15-Mar-24
Director response	22-Mar-24
Final report issued	29-Mar-24