



MINUTES OF THE MEETING OF THE AUDIT AND GOVERNANCE COMMITTEE

TUESDAY 24 NOVEMBER 2020
VIA DIGITAL MEETINGS SYSTEM

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Committee Members Present:

Councillor J Henderson (Convener)	Councillor S Currie (Items 1 – 4)
Councillor F Dugdale	Councillor C Hoy
Councillor G Mackett	Councillor K Mackie
Councillor K McLeod	Councillor J Williamson

Other Councillors Present:

Councillor F O'Donnell	Councillor J McMillan
Councillor J Goodfellow	

Council Officials Present:

Ms M Patterson, Chief Executive
Mr A McCrorie, Depute Chief Executive
Mr J Lamond, Head of Council Resources
Ms S Saunders, Head of Communities & Partnerships
Mr D Proudfoot, Head of Development
Mr T Reid, Head of Infrastructure
Ms L Brown, Chief Operating Officer - Education
Ms S Fortune, Chief Operating Officer - Finance
Mr P Vestri, Service Manager – Corporate Policy & Improvement
Mr D Stainbank, Service Manager – Internal Audit
Mr S Kennedy, Emergency Planning, Risk and Resilience Officer
Ms K MacNeill, Service Manager – People & Governance
Mr C Grilli, Service Manager - Legal
Mr R Baty, Companies Manager
Mr E John, Service Manager – Sport, Countryside & Leisure
Mr J Coutts, Service Manager – Community Housing & Homelessness
Ms D Pringle, Corporate Accountant
Mr G Marsden, Planning Obligation Officer
Mrs A Smith, Committees Officer

Clerk:

Miss F Currie

Visitors Present:

Mr B Axon, Enjoyleisure
Ms S Mills, Enjoyleisure
Mr B Farnsworth, Musselburgh Racecourse
Mr D Kennedy, Musselburgh Racecourse
Ms E Symon, Audit Scotland

Apologies:

None

Declarations of Interest:

Item 8a and b – Councillors Currie and Mackie declared an interest as former members of the Musselburgh Racing Associated Committee and indicated they would withdraw from the meeting during this item.

Item 6 – Councillor Mackett declared an interest as a Director of Enjoyleisure and indicated that he would withdraw from the meeting during this item.

Councillor O'Donnell asked whether she could observe proceedings during Items 8a and 8b. Carlo Grilli, Service Manager – Legal, confirmed that as she was not a member of the Audit & Governance Committee there was no need for her to make a declaration.

1. MINUTES OF THE AUDIT AND GOVERNANCE COMMITTEE MEETINGS ON 22 SEPTEMBER AND 26 OCTOBER 2020

The minutes of the Audit and Governance Committee meetings held on 22nd September and 26th October 2020 were approved.

Councillor Currie asked about follow up on his point raised at the meeting on 22nd September regarding costs associated with the Transformation Programme. Sarah Fortune, Chief Operating Officer – Finance, apologised for the delay and advised that officers were drawing together the information and this would be relayed to Councillor Currie and other members of the Committee shortly.

Councillor Williamson raised a point under 'Matters Arising'; referring to a commitment from officers to provide an update at the Committee's next meeting on burial services in Musselburgh. Mr Grilli advised that the agenda business did not permit Members to formally raise 'Matters Arising' but that officers would provide the requested information to Councillor Williamson.

2. INTERNAL AUDIT REPORT – NOVEMBER 2020

A report was submitted by the Depute Chief Executive (Resources & People Services) informing the Committee of Internal Audit reports issued, and follow-up work completed, since the last meeting of the Committee and providing an update on the progress against the 2020/21 annual audit plan.

Duncan Stainbank, Service Manager – Internal Audit, presented the report outlining the purpose of the audits and indicating that as a result of this work an assessment of 'moderate assurance' had been given on Residential and Non-Residential Charging and 'reasonable assurance' on Housing Rents (Billing and Reconciliations) and Section 75 Developer Contributions. He summarised the main findings of the audits, highlighting areas where controls were met and those with scope for improvement.

Mr Stainbank also outlined the findings of the audit undertaken for the EU Exit Assurance Review and advised that the Scottish Housing Regulator Annual Assurance Statement would be dealt with as part of Agenda Item 5. Officers then responded to questions from Members.

Residential and Non-Residential Charging

Iain Gorman, Head of Operations - East Lothian Health & Social Care Partnership, explained that the Debt recovery group had previously met on a quarterly basis but due winter pressures and the onset of COVID-19, no meetings had taken place since August 2019. Prior to this the Group had managed to reduce outstanding debt from £1.3m to £800,000 and the remaining sum included a number of cases of high value and longstanding. However, he acknowledged the recommendations of the audit report and confirmed that the Group would meet shortly and more regularly thereafter. In the meantime, he reassured Members that work was continuing in the background to recover debts where possible.

The Convener thanked Mr Gorman for providing some context to the audit findings and indicated her intention of meeting with the Convener of the Council's Policy & Performance Review Committee to discuss this and other matters.

EU Exit Assurance Review

Mr Stainbank advised that potential risks related to staffing levels in social cares and other commissioned services had been identified and was being monitored. Sharon Saunders, Head of Communities & Partnerships, confirmed that this issue had been discussed at the Brexit Working Group and was included in the relevant service Risk Registers, all of which had been reported to Council at its meeting on 27th October. Work was continuing across areas of the Council and with businesses to monitor the risks in relation to staffing.

Mr Stainbank advised that the potential impact on food supplies and possible mitigation, was continuing to be monitored at local and national level. Ms Saunders added that there would continue to be briefing sessions for Members on EU Exit and she would ensure that Members were kept up to date with progress.

Section 75 Developer Contributions

Mr Stainbank considered that the grading of 'reasonable assurance' was appropriate as there were effective arrangements in place for the setting and monitoring of obligations. There was also a process in place to ensure the Council received necessary information from developers at an early stage.

Ms Fortune gave the Committee her assurance that there had been significant progress since the previous audit in 2016 and she welcomed the approach taken in this most recent audit. There were now robust processes in place regarding Section 75 contributions and Finance colleagues continued to engage with developers to ensure that the Council was receiving the contributions it was due.

Graeme Marsden, Planning Obligation Officer, said the audit had highlighted the Council's positive contacts with major developers and that information was being provided as required. He said it was not in developers' interests to avoid obligations and he and his colleagues would continue to work to ensure all contributions were received on time.

Councillor Mackett welcomed the audit report and congratulated officers on their hard work. He encouraged everyone to adopt a positive outlook as the end of the EU Exit transition period approached.

Councillor Currie said that the Committee could take reasonable assurance that the issues identified in the report were being resolved. He maintained the importance of Members being sighted on all issues affecting the Council in relation to EU Exit and he welcomed the audit report which had highlighted some of these challenges.

Mr Stainbank summarised the audit follow-up work completed since September 2020 and confirmed that all of the recommendations made in relation to the Area Partnerships and Risk Management audits had been completed. He also referred Members to Appendix 2 of his report which outlined progress against the annual audit plan for 2020/21.

Decision

The Committee agreed to note:

- i. the main findings and recommendations from the Internal Audit report issued during the period from September 2020 to November 2020;
- ii. the findings from Internal Audit's follow-up work; and
- iii. Internal Audit's progress against the annual audit plan for 2020/21.

3. INTERNAL AUDIT CHARTER

A report was submitted by the Depute Chief Executive (Resources & People Services) presenting to the Committee the updated Internal Audit Charter.

Mr Stainbank presented the report informing Members that the Charter had been reviewed and updated to reflect minor changes in operating procedures and revised job titles. The Charter defined the Internal Audit activity's purpose, authority and responsibility within the Council.

Mr Stainbank responded to questions from Councillor McMillan and the Convener. He explained that the Charter was reviewed every 5 years in association with Local Authority Chief Internal Auditor's Group. While there were no plans at present to publish the Charter on the Council Intranet, he agreed to consider how best to make it more visible to staff.

Mr Stainbank also outlined the appropriate scope of any advisory work undertaken by Internal Audit. Jim Lamond, Head of Council Resources, offered an illustrative example: referring to the work of the Internal Audit Team on COVID-19 controls assurance reviews, he said that he had engaged with the Team at an early stage to get their input on establishing new control arrangements, e.g. on the new Business Grants scheme. Audit Scotland, in their role as the Council's external auditors, had viewed this as useful advisory input from the Internal Audit Team.

Councillor Dugdale thanked Mr Stainbank and his Team for the Charter and for all of the work they had undertaken over the year. She noted that the part of the purpose of Internal Audit was to add value and to improve operations and that this had been clearly demonstrated in the reports presented to the Committee by Mr Stainbank.

The vote on the recommendation was taken by roll call:

Councillor J Henderson	Agreed
Councillor S Currie	Agreed
Councillor F Dugdale	Agreed
Councillor C Hoy	Agreed
Councillor K Mackie	Agreed

Councillor G Mackett	Agreed
Councillor K McLeod	Agreed
Councillor J Williamson	Agreed

Decision

The Committee approved the updated Internal Audit Charter.

4. TREASURY MANAGEMENT – MID YEAR REVIEW 2020/21

A report was submitted by the Depute Chief Executive (Resources and People Services) updating the Committee on treasury management activity during the first half of 2020-21.

Ms Fortune presented the report highlighting key aspects of treasury management activity during the first half of the current financial year. She confirmed that the Council was currently in an under-borrowed position and that it was expected to remain well within borrowing limits during the second half of the year. She advised that while PWLB interest rates remained low at present, they were forecast to increase gradually over the next few years and this may make it necessary for the Council to consider alternative borrowing options. She also referred to a change in international reporting standards, due to come into force in April 2021, which would have implications for capital and debt calculations.

Ms Fortune responded to questions from Councillor Currie. She explained that the phrase 'under-borrowed' came from treasury management terminology and that being in an under-borrowed position was a positive, as well as being in line with the Council's wider treasury management strategy. She reminded the Committee that the Council could not borrow for revenue purposes except in the short-term. Ms Fortune also responded to a query about the treasury management strategy explaining there were a number of indicators which determined the strategy and these were informed by the Council's capital plan.

Mr Lamond remarked on the Council's under-borrowed position observing that in the current circumstances, using cash rather borrowing made better financial sense. He added that the Council's treasury advisors would continue to provide updates on any likely changes to interest rates allowing the Council the opportunity to reassess its position going forward.

In reply to further questions from Councillor McLeod and the Convener, Ms Fortune advised that the Council had received no flexibility on debt repayments as a result of COVID-19. However, there were wider discussions ongoing regarding fiscal flexibilities, such as possible payment holidays on loan fund repayments. On debt rescheduling, she stated that the Council continued to work closely with its advisors to consider whether debt restructure was required. There were no issues at present and the position would continue to be monitored. However, the change to international reporting standards would have a material impact on the Council's balance sheet as all leases would have to be included and this would impact treasury management indicators. Work was underway to understand the full impact and a further report and revised Treasury Management Strategy would be brought to Council and to the Committee in the coming months.

Councillor Hoy commended the report and reinforced the message from officers that the Council being in an under-borrowed position was not a bad position to be in.

referring to previous discussions regarding the financial impact of EU Exit, he commented on the potential financial impact of independence and the likelihood that this would lead to increased borrowing.

Councillor Currie said that the report emphasised the importance of treasury management in everything that the Council did but he disliked the phrase ‘under-borrowed’ and was concerned that the public understood clearly what it meant. He noted that there were a number of uncertainties, such as the delayed UK Government budget statement, currently impacting on the Council’s ability to understand clearly the challenges it would face in the next financial year and on its ability to discuss and set its budget for 2021/22. However, he welcomed the report and the robust discussions taking place at Council and Committee.

Decision

The Committee agreed to note the content of the report.

Sederunt: Councillor Currie left the meeting.

5. HOUSING ANNUAL ASSURANCE STATEMENT

A report was submitted by the Head of Development advising the Committee of the Scottish Housing Regulator’s regulatory framework and, in particular, the requirement for East Lothian Council to produce an Annual Assurance Statement to be signed off by the Service Manager – Internal Audit, on behalf of the Audit & Governance Committee. The report also sought the Committee’s approval for East Lothian Council’s Annual Assurance Statement.

James Coutts, Service Manager – Community Housing and Homelessness, presented the report outlining the background to the regulatory framework and annual assurance statement and the results of the Internal Audit assurance exercise. He advised Members of the impact of COVID-19 on the Council’s compliance with the regulatory framework in respect of gas safety checks in the first half of 2020/21, as a result of tenants self-isolating and shielding, and confirmed that all outstanding gas safety checks had now been completed. However in dealing with the pandemic, both operationally and in developing new ways of working, the Council had been unable to advance work around data capture and reporting of protected groups under the new regulatory framework. It was now developing forms and systems to meet the target date of April 2021.

Councillor Dugdale highlighted the comments in the report regarding the impact of the current public health emergency on housing services. She added that it was reassuring to know that all gas safety checks were now complete.

The Convener echoed Councillor Dugdale’s remarks observing that it had been a difficult time for all services and housing was one of the Council’s most fundamental roles. She welcomed the report, noting the caveats, and acknowledged the achievement of staff in undertaking the work required to support the annual assurance statement.

Recommendations 2.1 to 2.3 were for noting and were approved by the general agreement of Members. The vote on the recommendation 2.4 was for approval and was taken by roll call:

Councillor J Henderson	Agreed
Councillor F Dugdale	Agreed
Councillor C Hoy	Agreed
Councillor K Mackie	Agreed
Councillor G Mackett	Agreed
Councillor K McLeod	Agreed
Councillor J Williamson	Agreed

Decision

The Committee agreed to:

- i. Note the regulatory framework and the requirement for the Service Manager – Internal Audit to be signed-off the Annual Assurance Statement (AAS) on behalf of the Audit & Governance Committee;
- ii. Note that the regulatory framework had been temporarily amended to allow landlords additional time to submit the AAS and highlight any areas of non-compliance that related specifically to the impact of the COVID-19 pandemic;
- iii. Note the findings from Internal Audit's assurance work; and
- iv. Approve the Annual Assurance Statement, noting that East Lothian Council was fully compliant with the regulatory requirements for the financial year 2019/20 and was partially compliant for the first half of 2020/21 - limited to the Council's ability to effect gas safety checks when tenants were either shielding or self-isolating during the height of the pandemic and to the data collection of all the protected characteristic groups under the Equality Act 2010.

6. ENJOYLEISURE ANNUAL REPORT 2019/20

A report was submitted by Enjoyleisure outlining the organisation's activities and financial position during 2019/20.

Bill Axon, General Manager of Enjoyleisure, invited Members to note the report for 2019/20 as presented and then gave a summary of the position to date during 2020/21 and the ongoing impact of COVID-19. He referred to the closure of all facilities between March and September 2020 and confirmed that the company had taken advantage of the furlough scheme during this period. He outlined some of the difficulties caused by the requirement for social distancing and noted that the ongoing restrictions and lack of emergency funding from Government had resulted in significant financial challenges. So many uncertainties remained in relation to the availability of additional funding, how long restrictions would last and the introduction of a vaccine, that it was difficult to plan for the remainder of the current financial year and beyond. He concluded by thanking Council officers for their continuing support and dialogue during the past nine months.

Suzanne Mills, Financial Controller, reported on the Enjoyleisure accounts for 2019/20, drawing attention to the key income and expenditure figures and confirming that the external auditors had issued an unqualified audit opinion. She added that they had been expected to deliver a balanced budget for 2020/21 but due to COVID-19, the projected year-end financial position was currently uncertain.

Mr Axon responded to questions from Councillor Hoy on the furlough scheme, loss of income scheme support and the current funding gap. He confirmed that Enjoyleisure had made full use of the furlough scheme but he remained unclear whether they would benefit from any additional funds from the Government loss of income schemes. In terms of the impact on the end year financial position, he said he would have to update the Board before he could comment publically.

Eamon John, Service Manager – Sport, Countryside & Leisure, advised that charities were looked at differently by the Government and that discussions were underway with CoSLA on how best to support ALEOs. He added that, because of its level of financial reserves, Enjoyleisure was in a better position than many ALEOs across the country.

Ms Fortune said she had submitted a return to CoSLA and was awaiting confirmation on the level of support that would be made available. However, she did not expect the funding to cover the total loss of income to local authorities and partners.

Mr Axon added that, to date, Enjoyleisure had lost £3.5m in income and this figure may increase. However, the use of furlough and other mitigation measures had reduced potential losses considerably. He said it was likely that Enjoyleisure would meet its financial obligations in the current financial year but there would be a knock-on effect in future years.

Replying to a further question from Councillor Hoy in relation to the redevelopment of the Aubigny Centre in Haddington, Mr Axon confirmed that this work remained a priority for Enjoyleisure but that the timescale had been affected by COVID-19. He was currently in dialogue with partners on a plan of action and he was confident that this work would move forward.

Councillor O'Donnell and Councillor Dugdale asked about Enjoyleisure's contribution to improving people's health and wellbeing and the reporting of outcomes.

Mr Axon confirmed that Enjoyleisure took a strategic approach to its contribution to the wider health agenda and had recently appointed a Business development Officer to look at this area and potential funding streams. He also confirmed that they were looking in more detail at the benefits Enjoyleisure offered to health and wellbeing of individuals and within communities and these social benefits would be reported in more detail in future.

Mr John reassured Members that Enjoyleisure had worked in partnership with the Council consistently throughout the pandemic and he commended its staff for their efforts to bring sport and leisure facilities back online following the easing of lockdown. The financial reserves had allowed them to weather the storm but challenges remained for the sector as a whole.

The Convener thanked Mr Axon and Ms Mills for their report and noted the unique challenges facing the sector.

Decision

The Committee agreed to note the information contained within the report.

Sederunt: Alex McCrorie, Depute Chief Executive, declared an interest as a Director of East Lothian Land Ltd and he withdrew from the meeting during the following item.

7. EAST LOTHIAN LAND LTD

A report was submitted by the Companies Manager informing the Committee of the work undertaken by East Lothian Land Ltd in 2019/20.

Richard Baty, Companies Manager, presented the report outlining the work undertaken during 2019/20 and confirming that the annual accounts for that year had been audited and found to be a 'true and fair view' of the company's financial position. He summarised activity in relation to a number of sites, including unsuccessful bids for properties and recent progress on the development of Tyne Close in Haddington.

In response to questions from the Convener, Mr Baty provided further details of the costs associated with making offers on potential sites. He also reported that, despite the impact of COVID-19, there continued to be a demand for commercial properties and an encouraging number of start-up businesses developing in East Lothian.

The Convener thanked Mr Baty for his report and the work being undertaken by East Lothian Land Ltd.

Decision

The Committee agreed to note the contents of the report.

Sederunt: Mr McCrorie re-joined the meeting. Councillor Mackie withdrew from the meeting for the following Items.

8. MUSSELBURGH RACING ASSOCIATED COMMITTEE

- a. FINANCIAL PERFORMANCE REPORT 2019/20**
- b. FINANCIAL PERFORMANCE REPORT 2020/21**

Reports were presented to the Committee by the Depute Chief Executive (Resources & People Services) reporting on the racecourse financial performance during 2019/20 and the period 1st April to 23rd June 2020. The Musselburgh Racing Associated Committee (MRAC) passed over the operation of the racecourse to Musselburgh Racecourse Company Limited (MRL) on 24th June 2020.

Mr Grilli advised Members that the recommendations contained in both reports were incorrect. The reports were for noting rather than approval. He outlined the content of each report drawing attention to the unqualified audit opinion issued in respect of the 2019/20 financial statements and reminding Members that the management of the racecourse had transferred to Chester Racecourse in June 2020. He also noted the significant impact of COVID-19 during 2020/21 resulting in the cancellation of race meetings and the knock-on effect on financial performance.

In response to a question from the Convener, Bill Farnsworth, General Manager of Musselburgh Racecourse, advised that they had taken advantage of the furlough scheme for the majority of staff but that the fixed costs incurred during the period had effectively wiped out the surplus accumulated in the previous year.

Mr Farnsworth commented that the tender process to identify a new operator of the racecourse had been long and complicated and he was pleased that it had been

concluded despite the ongoing public health situation. He hoped to see a small surplus when the final accounts were closed for this year and therefore no costs incurred for the Council over this period. Things were progressing well with the new operator and, once the pandemic was over, he saw a bright future ahead for the racecourse.

Councillor Williamson asked whether any profit or loss shown in the final accounts for 2020/21 would be inherited by the new operator.

Mr Grilli advised that, in terms of the winding up of the Musselburgh Racing Associated Committee (MRAC), all proceeds would come to the Council in the first instance, as per the Minute of Agreement, but that it would be some time before the final outcome was known.

The Convener asked about the current relationship between the racecourse and the British Horseracing Association (BHA).

Mr Farnsworth said that, at an operational level, the relationship between the two had always been positive. However, the BHA had considered the governance arrangements were inappropriate and this had had a major part to play in putting the operation of the racecourse out to tender. He referred to previous problems within the Committee, some of which had made the local and national press, but he concluded that the tender process had led to the best possible outcome for all of the partners.

The Convener thanked Mr Farnsworth for his comments and positive outlook and congratulated him on the racecourse's financial performance in 2019/20.

Decision

The Committee agreed to note the contents of the financial performance reports for 2019/20 and 2020/21.

Sederunt: Councillor Mackie re-joined the meeting.

9. COMMUNITIES AND PARTNERSHIPS RISK REGISTER

A report was submitted by the Chief Executive presenting to the Committee the Communities & Partnerships Risk Register for discussion, comment, and noting.

Scott Kennedy, Emergency Planning, Risk and Resilience Officer, presented the report outlining the background to the register and the arrangements for assessment and review of ongoing risks. He informed Members that the register included 3 High, 30 Medium and 13 Low risks, and that he had included all risks with a rating of 8 or above.

Sharon Saunders, Head of Communities & Partnerships, advised that the risks associated with IT related specifically to customer service provision. The Contact Centre remained the main point of contact supporting all services across the Council and having appropriate systems in place and operating well was essential. She also reported on the customer service portal currently being developed to increase access to services online. The first area to go live would be Waste Services with an announcement to be made shortly and other services rolled out thereafter.

Councillor Hoy queried the risk related to antisocial behaviour and the actions being taken regarding ongoing delays with court proceedings on evictions and ASBO cases.

Ms Saunders reassured Members that issues related to antisocial behaviour continued to be reviewed and reported through the Police, Fire and Community Safety Scrutiny Committee. She said that the recent increase in antisocial behaviour complaints had related to lockdown and increased home working which had also affected people's tolerance levels. Where such behaviours escalated cases were continuing to be progressed in the usual way. However, she acknowledged that there were backlogs and delays in the court system and officers were working with colleagues in the Legal Team to progress cases as soon as possible.

Mr Grilli advised that there had been a 6 month period during which no ASBO cases could be progressed through the courts as these had not been viewed as essential business. However, court proceedings had re-started two months ago and his team were currently working to progress delayed and new cases as quickly as possible.

Councillor Dugdale asked about additional funding for environmental health. Ms Saunders advised that this related to a proposal for additional national funding from the Scottish Government. While the Council still awaited confirmation of their allocation it was hoped that this money would help to fund 1 or 2 new compliance officer posts to support the existing Environmental Health Officer. The process was underway to define, grade and advertise these posts and it was expected that the funding would be for a defined period.

Decision

The Committee agreed to note the Communities & Partnerships Risk Register and in doing so, noted that:

- i. the relevant risks had been identified and that the significance of each risk was appropriate to the current nature of the risk;
- ii. the total profile of the Communities & Partnerships risk could be borne by the Council at this time in relation to the Council's appetite for risk; and
- iii. although the risks presented were those requiring close monitoring and scrutiny over the next year, many were in fact longer term risks for Communities & Partnerships and were likely to be a feature of the risk register over a number of years.

10. COUNCIL RESOURCES RISK REGISTER

A report was submitted by the Chief Executive presenting to the Committee the Council Resources Risk Register for discussion, comment, and noting.

Mr Kennedy presented the report outlining the background to the register and the arrangements for assessment and review of ongoing risks. He informed Members that the register included 1 Very High, 6 High, 23 Medium and 8 Low risks. In line with the Council's Risk Strategy, only Very High and High risks had been reported to the Committee.

The Convener asked about the risks associated with data breaches while so many staff were working from home and the mitigation measures put in place.

Mr Lamond confirmed that there had been an increase in the prevalence of data breaches, all of which had been investigated in the usual way. He was of the view that there was nothing in these incidents to cause concern; these were operational errors rather than intentional breaches of protocol.

Kirstie MacNeill, Service Manager – People and Governance, advised that there had been a brief increase in incidents as staff adapted to new ways of working but that IT and other services had taken on board the lessons learned. While 2 or 3 breaches had been reported to the Information Commissioner, no further action had been required.

Councillor McLeod asked about the risks associated with accidental IT breaches – such as clicking on an inappropriate or insecure link within an e-mail - and access to external platforms such as Zoom.

Mr Lamond reported that the prevalence of such breaches had not increased despite home working and that the numbers remained low. While the risk of such breaches would always remain, the Council's IT systems and policies were responsive to ongoing issues and the same level of support was available to staff should they have any concerns or queries. On the question of access to external platforms, Mr Lamond advised that this was not always possible due to concerns about security and the confidentiality of data. Not all platforms were of the standard required for Council access.

Decision

The Committee agreed to note the Council Resources Risk Register and in doing so, noted that:

- i. the relevant risks had been identified and that the significance of each risk was appropriate to the current nature of the risk;
- ii. the total profile of the Council Resources risk could be borne by the Council at this time in relation to the Council's appetite for risk; and
- iii. although the risks presented were those requiring close monitoring and scrutiny over the next year, many were in fact longer term risks for Council Resources and were likely to be a feature of the risk register over a number of years.

Signed

Councillor Jane Henderson
Convener of the Audit and Governance Committee

REPORT TO: Audit and Governance Committee
MEETING DATE: 16 February 2021
BY: Executive Director – Council Resources
SUBJECT: Internal Audit Report – February 2021

2

1 PURPOSE

- 1.1 To inform the Audit and Governance Committee of Internal Audit reports issued since the last meeting of the Committee and to provide an update on progress made against the 2020/21 annual audit plan.

2 RECOMMENDATION

- 2.1 That the Audit and Governance Committee note:
- i. the main findings and recommendations from the Internal Audit reports issued during the period from November 2020 to February 2021 as contained in Appendix 1;
 - ii. Internal Audit's progress against the annual audit plan for 2020/21 as set out in Appendix 2.

3 BACKGROUND

- 3.1 Since the last meeting of the Committee final reports have been issued in respect of the following audits: Covid-19 Lessons Learned, Fleet Management and Risk Management.
- 3.2 The main objective of the audits was to ensure that the internal controls in place were operating effectively. A summary of the main findings and recommendations from the audits is contained in Appendix 1.
- 3.3 For the audit reviews undertaken, Internal Audit has provided management with the following levels of assurance:
- Covid-19 Lessons Learned – Reasonable Assurance
 - Fleet Management – Reasonable Assurance
 - Risk Management – Substantial Assurance

Progress Report 2020/21

- 3.4 A progress report attached as Appendix 2 is prepared to assist the Committee in their remit to evaluate Internal Audit's work and measure progress against the annual audit plan for 2020/21.

4 POLICY IMPLICATIONS

- 4.1 None

5 INTEGRATED IMPACT ASSESSMENT

- 5.1 The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy.

6 RESOURCE IMPLICATIONS

- 6.1 Financial – None
6.2 Personnel – None
6.3 Other – None

7 BACKGROUND PAPERS

- 7.1 None

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DATE	5 February 2021

Appendix 1 Executive Summary: Covid-19 Lessons Learned

Conclusion: Reasonable Assurance

The Council has clear processes in place for identifying lessons learned from the response to the Covid-19 pandemic – Covid-19 Council Management Team (CMT) meetings have been held weekly since the start of the pandemic, the Council’s Covid-19 Oversight Group (COG) first met in March 2020 and there has been ongoing lessons learned feedback gathering and review. The summary of lessons learned sought to identify positive and negative (challenging) experiences of responding to the Covid-19 pandemic, key observations, lessons identified and notable practices. There has been wide input to the lessons learned exercise from all areas of the Council’s activities and a Working Differently Group (WDG) was established to review what requires to be put in place to maximise the capacity of the Council to encourage, support and benefit from flexible home working. Appropriate steps are being taken to review and update relevant Council strategies and policies to reflect the impact of Covid-19 and the implications of new ways of working and service delivery, while a range of actions have been taken to support staff learning, resilience and wellbeing. We note that the summary of Covid-19 lessons learned requires to be reviewed and updated to ensure that it fully reflects the current experiences (both positive and challenging) of responding to the Covid-19 pandemic, while it is important that there continues to be clear monitoring of, and reporting on, the progress being made in implementing all the actions identified.

Background

The Covid-19 pandemic has brought unprecedented challenges to the Council as it sought to prioritise services and meet the needs of its communities when faced with unpredictable changes and disruption. The Council, its employees and its partners have had to adapt quickly to new ways of working and service delivery. Both the positive and negative experiences of adapting to the new ways of working have provided an opportunity to identify transferable experiences and key actions which will enable the Council to sustain the learnings from the Covid-19 pandemic as we move forward.

Summary of findings & recommendations

The following key findings and recommendations are highlighted, which have all been **agreed by Management**:

- The summary of Covid-19 lessons learned requires to be reviewed and updated to ensure that it fully reflects the current experiences of responding to the Covid-19 pandemic. *Management have confirmed that a review/update is planned for February 2021, with an interim report to CMT in March 2021.*
- Management should ensure that there is clear monitoring of, and reporting on, the progress being made in implementing all the actions identified through the Covid-19 lessons learned exercise. *Management have agreed that regular reports will be brought to the CMT on an ongoing basis.*
- Appropriate consideration should be given to the capacity to undertake the business analysis and process mapping required to develop and roll out electronic processes. *Management have confirmed that work on the capacity to scope new projects, systems and processes is ongoing.*

Recommendation Summary

Recommendations Grade	High	Medium	Low	Total
Current Report	-	3	-	3
Prior Report	N/A	N/A	N/A	N/A*

Materiality

The Covid-19 pandemic has been ongoing for over 10 months and financial reporting has been regularly reviewed throughout. The Financial Update Report to Council on 27 October 2020 highlighted that on a cumulative basis the Council is facing Covid-19 related pressures in excess of £15.7 million and after taking into account Scottish Government funding received to date, the Council is still facing a projected net overspend in excess of £7 million. Council officers remain focussed on progressing a range of mitigation options in the anticipation that the in-year deficit will be mitigated, however the implications of COVID are likely to have long lasting financial implications for the Council to manage.

* This control review is new and no prior report exists for comparison.

2 Headlines

Objectives	Conclusion	Comment
1. Clear and appropriate processes are in place for identifying both positive and negative experiences of the Covid-19 pandemic.	Reasonable	A detailed Covid-19 lessons learned exercise was undertaken, based on an ongoing process for gathering, reporting and reviewing lessons learned, which identified both positive and negative (challenging) experiences of responding to the pandemic, key observations, lessons identified and notable practices. The latest version of the summary of Covid-19 lessons learned is dated 21 August 2020 and was prepared as the Council was moving out of the initial phase of Covid-19, however lessons learned have continued to be recorded on an iterative basis. An Internal Interim Strategic Structured Debrief session was held in August 2020, which also highlighted learning from work completed in response to Covid-19.
2. There is evidence of widespread consultation and input to the lessons learned exercise and of key aspects including collaboration, management, technology and relationships being fully considered.	Substantial	There has been input to the lessons learned exercise from all areas of the Council's activities, including the Health and Social Care Partnership (HSCP). The lessons learned exercise covered a range of areas including Meetings; Resources; Information Technology; Communications; Information Sharing; Children's and Community Hubs; Shielding; Partnership Working; Connected Communities and Resilient Communities; Business Continuity and Critical Activities; Home Working; and other areas (e.g. Staff Collaboration and Empowerment).
3. Lessons learned have been clearly identified and are articulated into specific and measurable actions.	Reasonable	Actions to address the lessons learned challenges have been identified and addressed in many ways, including by recommendations of the Working Differently Group (WDG), Covid-19 Oversight Group (COG), Council Management Team (CMT), Emergency Planning Team, as part of normal service management and operational activities and in service Business Continuity Plans or risk registers.
4. There is clear monitoring of, and reporting on, the progress being made in implementing the actions identified through the lessons learned exercise.	Reasonable	A detailed action plan has been prepared by the WDG, all recommendations have been accepted by the CMT and agreed actions are being monitored on an ongoing basis. In addition to those actions flowing from the remit of the WDG, other actions required have been identified through the lessons learned exercise, Structured Debrief, Covid-19 Oversight Group (COG) or through ongoing operational management. It is important to ensure clear monitoring of, and reporting on, the progress being made in implementing all the actions identified from the Council's Covid-19 response.
5. The Council has been responsive to business and people planning and lessons learned have been reflected in enhanced workforce strategies to manage future requirements.	Reasonable	Lessons learned have been reflected in the draft Homeworking Policy and will feed into the Council's Workforce Development Plan and Worksmart Policy. For business planning, the benefits to be derived from the development of electronic processes have been recognised, although the WDG noted limited capacity to undertake the business analysis and process mapping required to develop and roll out electronic processes and new working practices across the Council and stated that additional capacity may need to be identified.
6. Appropriate steps have been taken to review and update relevant Council strategies and policies to reflect the impact of Covid-19 and the implications of new ways of working and service delivery.	Reasonable	Work is ongoing to reflect the lessons learned from the Covid-19 response in Council strategies and policies. The impact on office capacities is being assessed as part of the Assets Review Project and lessons learned will feed into the Council's Asset Strategy, Climate Change Strategy and Learning Estates Strategy. In addition a range of actions and initiatives have been taken to support staff learning, resilience and wellbeing.

3 Areas where expected controls are met/good practice

No	Areas of Positive Assurance
1.	<p>The Council has clear processes in place for identifying lessons learned from the response to the Covid-19 pandemic – the Council’s Covid-19 Oversight Group (COG) first met in March 2020 and there has been ongoing lessons learned feedback gathering and review. A lessons learned log was first established in April 2020, which sought to identify positive and negative (challenging) experiences of responding to the Covid-19 pandemic, key observations, lessons identified and notable practices. There has been wide input to the lessons learned exercise from all areas of the Council’s activities, with weekly reminders being issued to service areas for input into the log, and lessons learned are split into 12 topic areas: Meetings, including CMT, CRT and COG; Resources; Information Technology; Communication – Quality and Consistency; Information Sharing; Children’s and Community Hubs; Shielding; Partnership Working; Connected Communities and Resilient Communities; Business Continuity and Critical Activities; Home Working; and Other (e.g. Staff Collaboration and Empowerment). Lessons learned have been ongoing throughout the Council’s Covid-19 response and have informed and been reflected in amendments made to Business Continuity Plans and risk registers within services.</p>
2.	<p>In line with best practice, an Internal Interim Strategic Structured Debrief session was held in August 2020, which was facilitated by the Emergency Planning, Risk and Resilience Manager and was attended by members of the Council Management Team (CMT) and other Council officers. The aims of the Structured Debrief session were to: reflect on personal experience of involvement in East Lothian Council’s response to Covid-19; highlight learning from work completed relating to Covid-19; and share and discuss personal experience and that of staff in order to establish learning and future positive use of this learning. A Structured Debrief Report was prepared which highlighted what participants considered were the positive and the most challenging aspects of the response to Covid-19 from a Council perspective, together with the most significant lessons participants had learned from working in the response to Covid-19 and how these would be used positively in the future. The report highlighted key outcomes (positive and challenges) and incorporated feedback on lessons learned from the Council’s operational Covid-19 Oversight Group (COG).</p>
3.	<p>The Council Management Team (CMT) has held weekly Covid-19 meetings and established the Working Differently Group (WDG) with the remit to review what needs to be put in place to maximise the capacity of the Council to encourage, support and benefit from flexible home working, all set within the context of service delivery and transformation to support wider strategic policy direction. The WDG produced a detailed report in November 2020 and made recommendations with regards to: the benefits and dis-benefits resulting from the move to more remote/home working; the IT requirements to support the move to more remote/home working; the development of electronic processes that are supporting the move towards more remote/home working; and the learning and wellbeing needs of staff who are working differently. All the recommendations of the WDG have been accepted by the CMT and a detailed action plan has been prepared outlining how the recommendations are being implemented. The WDG will continue to meet to monitor the development of the policies and processes highlighted in the action plan.</p>
4.	<p>Appropriate steps have been taken to review and update relevant Council strategies and policies to reflect the impact of Covid-19 and the implications of new ways of working and service delivery. This includes consultation on a draft Homeworking Policy and review of other HR policies to reflect lessons learned about workforce capacity to deliver services differently. The ongoing Assets Review Project will feed into the updating of the Council’s Asset Strategy, while lessons learned will also feed into the Council’s Climate Change Strategy, Learning Estates Strategy, Workforce Development Plan and Worksmart Policy. In addition, a wide range of actions have been taken to support staff learning, resilience and wellbeing in response to the move to wholesale remote/home working, including delivering sessions on personal resilience, Wellbeing Wednesday and Managers Monday email alerts, the development of e-learning (e.g. for managing teams remotely and staying healthy at home), staff briefings, resources and links in the Learning and Development section of the intranet, accurate and timely web content for staff and customers to access, the development of an ELC Mental Health and Wellbeing Plan and the setting up of a Wellbeing Group to co-ordinate activities and plans.</p>

A Recommendation Grading/Overall opinion definitions

Recommendation	Definition
High	Recommendations relating to factors fundamental to the success of the control objectives of the system. The weaknesses may give rise to significant financial loss/misstatement or failure of business processes.
Medium	Recommendations which will improve the efficiency and effectiveness of the existing controls.
Low	Recommendations concerning minor issues that are not critical, but which may prevent attainment of best practice and/or operational efficiency.

Levels of Assurance	Definition
Substantial Assurance	There is a sound system of internal control designed and operating in a way that gives a reasonable likelihood that the objectives will be met.
Reasonable Assurance	Whilst there is a sound system of internal control, there are minor weaknesses, which may put some of the objectives at risk or there is evidence of non-compliance with some of the controls, which may put some of the objectives at risk.
Moderate Assurance	The system of internal control is broadly reliable, however there are a number of weaknesses, which put some of the objectives at risk or there is evidence that the level of non-compliance with controls put some of the objectives at risk.
Limited Assurance	Weaknesses in the system of internal control are such as to put the objectives at risk or the level of non-compliance puts the objectives at risk.
No Assurance	Control is generally weak leaving the system open to error or abuse, or there is significant non-compliance with basic controls, which leaves the system open to error or abuse.

1 Executive Summary: Fleet Management

Conclusion: Reasonable Assurance

The Council has appropriate processes and procedures in place to ensure that it's fleet is maintained and roadworthy, including those that are covered by, and have to comply with, the requirements of the operators licence. Improvements in the development of a fleet management strategy, procedures for drivers permits and daily walkaround checks for non-operators licence vehicles would enhance controls.

Background

Under the Goods Vehicles (Licensing of Operators) Act 1995 the Council has 54 vehicles that require to be covered by an Operator Licence and these have to be maintained in accordance with the legislation. A programmed maintenance schedule is in place to ensure that all vehicles receive regular checks. In addition to maintaining it's fleet the Council has to comply with the Lifting Operations and Lifting Equipment Regulations 1998, annual inspections are required of all such equipment which is completed externally. The Council's garage is currently in the process of being registered as an MOT Testing Station which would allow additional income to be generated. The Transport team also maintain records of all Council drivers and the vehicles they are authorised to drive.

Summary of findings & recommendations

The following key findings and recommendations are highlighted, which have all been **agreed by the Service Manager Transport & Waste:**

- A fleet management strategy has not been put in place. *Management have agreed to develop a strategy and procedures by December 2021.*
- The Drivers Permit was suspended in 2017, but a replacement has yet to be developed. *Management have agreed to put a revised scheme in place by July 2021.*
- Driver training has been difficult to maintain during the current pandemic. *Management have agreed to investigate online learning by March 2021.*
- Procedures are not in place to ensure that minibus driver permits are renewed by the due date. *Management have agreed to put monitoring procedures in place by March 2021.*
- Other than operator licence vehicles, daily walkaround checks are not being documented. *Management have agreed to institute documented daily checks by February 2022.*
- Service managers are failing to notify Transport of staff who have had endorsements put on their driving licences, however controls are in place to ensure that notifications are received from the DVLA. *Management have agreed to remind all Service Managers to advise Transport of staff with endorsements as soon as possible, by March 2021.*

Recommendation Summary

Recommendations Grade	High	Medium	Low	Total
Current Report	-	6	2	8
Prior Report (January 2015)	-	7	-	7

Materiality

East Lothian Council has a fleet of 430 vehicles and trailers with a value of approximately £5.2 million.

2 Headlines

Objectives	Conclusion	Comment
1. Clear, accessible, relevant, and appropriate Council fleet management policies and procedures are in place.	Moderate	The Council does not have a high level Fleet Management strategy but does have policies and procedures relating to driving which are readily available to all staff.
2. A complete and accurate asset register is in place containing all relevant details of vehicles and plant owned by the Council.	Substantial	The Council has adequate processes in place to ensure that all vehicles are re-taxed by the appropriate date. Membership of the DVLA fleet scheme ensures that notification of renewals is received automatically.
3. Adequate, relevant training is provided to staff across the Council.	Moderate	Procedures are in place to ensure staff receive adequate training, however regular training has not been possible during the pandemic. Procedures are not in place to monitor the Midas minibus permits.
4. Procedures are in place to ensure compliance with statutory obligations for the Operator License.	Substantial	The Council has adequate procedures in place to ensure that all vehicles covered by the Operator Licence are roadworthy.
5. Procedures are in place to ensure that all vehicles are maintained in conjunction with statutory, contractual and best value requirements.	Substantial	The Council has adequate arrangements in place to ensure that all vehicle are fit and serviceable and that records are kept for the required period.
6. Adequate procedures are in place to ensure that drivers of transport vehicles comply with regulations.	Reasonable	A process has been put in place to monitor insurance and driving licences.
7. Adequate procedures are in place to ensure compliance with Health & Safety regulations.	Reasonable	Processes are in place to ensure compliance with the regulations, however a procurement exercise to replace the current contract for carrying out the LOLER inspections is underway.
8. Use of vehicles are regularly and appropriately monitored to ensure that best value is achieved from the Council.	Moderate	Whilst use of Council vehicles is monitored it is noted that in the absence of a fleet management strategy there are vehicles that could potentially be utilised for more than one seasonal task but are currently used for only one. Review of the fleet is required prior to purchase decisions.
9. When appropriate vehicles are disposed of through appropriate mechanisms to provide best value and the disposals are appropriately recorded across Council systems.	Substantial	Procedures are in place to ensure that all vehicles and trailers are sold via auction houses.

3 Areas where expected controls are met/good practice

No.	Areas of Positive Assurance
1.	A process is in place to ensure that vehicles are re-taxed by the appropriate date.
2.	Driving at work policies and procedures are available on the Council's intranet.
3.	All vehicle disposals are carried out via an auction house to ensure that a fair sale price is achieved in an open and transparent manner.
4.	Procedures are in place to ensure that drivers have business insurance in place and that their licences are monitored on a regular basis.
5.	A regular maintenance programme has been put in place for all vehicles and records are maintained for the full life of the asset.
6.	Procedures are in place for recording and reporting defects identified by the drivers of all vehicles.
7.	An accurate record is maintained of all fleet vehicles and trailers.

A Recommendation Grading/Overall opinion definitions

Recommendation	Definition
High	Recommendations relating to factors fundamental to the success of the control objectives of the system. The weaknesses may give rise to significant financial loss/misstatement or failure of business processes.
Medium	Recommendations which will improve the efficiency and effectiveness of the existing controls.
Low	Recommendations concerning minor issues that are not critical, but which may prevent attainment of best practice and/or operational efficiency.

Levels of Assurance	Definition
Substantial Assurance	There is a sound system of internal control designed and operating in a way that gives a reasonable likelihood that the objectives will be met.
Reasonable Assurance	Whilst there is a sound system of internal control, there are minor weaknesses, which may put some of the objectives at risk or there is evidence of non-compliance with some of the controls, which may put some of the objectives at risk.
Moderate Assurance	The system of internal control is broadly reliable, however there are a number of weaknesses, which put some of the objectives at risk or there is evidence that the level of non-compliance with controls put some of the objectives at risk.
Limited Assurance	Weaknesses in the system of internal control are such as to put the objectives at risk or the level of non-compliance puts the objectives at risk.
No Assurance	Control is generally weak leaving the system open to error or abuse, or there is significant non-compliance with basic controls, which leaves the system open to error or abuse.



East Lothian Council Assurance Review

From:	Duncan Stainbank, Service Manager – Internal Audit
To:	Head of Communities – Sharon Saunders Service Manager Protective Services – Lynn Crothers Emergency Planning, Risk and Resilience Manager – Sandy Baptie Emergency Planning, Risk and Resilience Officer – Scott Kennedy
Date:	8 th February 2021

Risk Management

1. Background

Internal Audit is required to report to the Audit & Governance Committee on an annual basis on the overall adequacy and efficiency of the Council’s framework of governance, risk management and control. In order to meet this requirement an annual review of Risk Management is included as part of the Internal Audit Plan. The review of Risk Management reported to the Audit & Governance Committee in November 2019 provided reasonable assurance. This review provides a follow up to the November 2019 review and provides a review of the changes in risk management processes made during 2020.

2. Findings

We found that all four of the outstanding recommendations made as part of the November 2019 Risk Management review have been implemented in line with the following table:

Recommendation	Management Response	Internal Audit Review
Management should consider splitting planned risk control measures into shorter term time scales, when graded levels of mitigation can be provided from phases of a solution.	While some planned measures require a longer term time scale, for example flooding projects, risk owners have been asked to break these down further into segments of how they will be implemented.	Review of risk registers has identified that flood risk projects have registered dates against project milestones with project stages reported through risk registers.
Management should ensure that all risk registers are submitted for approval on an annual basis.	Since the audit all risk registers have been kept live and each presented to both the CMT and the Audit & Governance Committee on an annual basis, including during our COVID 19 response.	All risk registers have been presented to the CMT and to the Audit & Governance Committee during the year since this report. In addition the COVID risk register was also submitted to the Audit & Governance Committee in June 2020.

Management should ensure that all risks are subjected to a review where necessary and update in line with the Corporate Risk Strategy.	Since the audit all risk registers have been kept live and all risks within them have been reviewed and updated with dates for all planned measures in the future.	Examination of risk registers established that they have all been updated within the last year and in accordance with the Corporate Risk Strategy.
Management should ensure that as part of the review consideration should be given to validity of planned control measures.	Since the audit all risk registers have been kept live and all risks within them have been reviewed and updated, including a review of the validity of planned control measures, this is a process that involves continuous review of capacity and capability.	In review of all risk registers no planned control measures have been identified that do not appear to be valid.

In addition to reviewing the recommendations made in the prior Internal Audit Risk Management review, we note the following:

- The Council has a Corporate Risk Management Strategy which is reviewed every three years and was last reviewed in December 2019.
- The Corporate Risk Management Strategy clearly identifies a risk governance structure and responsibilities.
- Clear evidence of use of the governance structures, processes and risk matrix contained within the Risk Management Strategy have been established.
- The Risk Management team have altered processes appropriately to create a COVID risk register and then subsequently incorporate the COVID risks within the service risk registers throughout 2020.

3. Conclusions

Based on our review and limited testing of risks identified there is substantial assurance that the processes in the Risk Management Strategy are being followed appropriately on a corporate basis.

AUDIT REPORTS	SCOPE OF THE AUDIT	TARGET COMPLETION DATE	STATUS
Housing Rents	We will examine the processes and controls in place for the billing and reconciliation of housing rents.	November 2020	Completed
Payroll Systems	We will review the procedures in place for ensuring the accuracy and completeness of payroll information and overall payments being made to staff following the implementation of the new payroll system in 2019/20. This review will be subject to discussion with Audit Scotland to prevent duplication of assurance resources.	June 2021	In progress
Council Tax	We will now focus Council Tax audit work on granting of reliefs and recovery processes.	June 2021	
Non-Domestic Rates	We will now focus our audit work on granting of new Non-Domestic Rates reliefs and recovery processes.	June 2021	
EU Exit	We will review the actions identified to mitigate the risks of EU exit and examine the reported progress on implementation of these actions.	November 2020	Completed
Section 75 (Developer Contributions)	Section 75 payments (developer contributions) bring significant funds to the Council for infrastructure projects. We will examine all control aspects of the Section 75 process.	November 2020	Completed

AUDIT REPORTS	SCOPE OF THE AUDIT	TARGET COMPLETION DATE	STATUS
Homelessness Assessment & Housing Allocation	We will review the processes in place for the assessment of homelessness, provision of preventative advice and allocation of temporary accommodation and housing rents following recent changes.	June 2021	
Cyber Security	We will examine the evidence of compliance with appropriate cyber security standards including ISO27001, International Standard for Information Security and the Scottish Government Cyber Resilience Strategy for Scotland, Public Sector Action Plan.	June 2021	
School Excursions	Review of the control processes in place to ensure security of funding and reduction of risk for the arrangements for School Excursions.	June 2021	
COVID Lessons Learned	Internal Audit will review progress on implementation of mitigation actions as part of a lessons learned exercise for the COVID-19 pandemic.	February 2021	Completed
Residential & Non Residential Care Charges	We will review the controls in place for charging for residential & non-residential care to ensure that all charges are being made and collected in accordance with policy.	November 2020	Completed
Fleet Management	We will review the arrangements in place for the replacement, purchase, disposal and maintenance scheduling of vehicles through the new fleet management system.	February 2021	Completed

AUDIT REPORTS	SCOPE OF THE AUDIT	TARGET COMPLETION DATE	STATUS
Following the Public Pound	This audit rolled over from the 2019/20 audit plan and will review controls around a selection of organisations receiving Community Partnership Funding.	June 2021	
Risk Management	We will select a sample of High risks from both the Council's Corporate Risk Register and service area Risk Registers and will review the adequacy and effectiveness of the risk control measures in place.	February 2021	Completed
Scottish Housing Regulator (SHR) Annual Assurance Statement	Work required to provide assurance on the regulatory requirements set out in the Scottish Housing Regulators Chapter 3 of the Regulatory Framework.	November 2020	Completed
Review of Performance Indicators	Internal Audit will continue to review the systems in place for the preparation and reporting of Performance Indicators.	June 2021	

REPORT TO: Audit and Governance Committee
MEETING DATE: 16 February 2021
BY: Executive Director - Council Resources
SUBJECT: Internal Audit Plan 2021/22

3

1 PURPOSE

- 1.1 To inform the Audit and Governance Committee of Internal Audit's operational plan for 2021/22.

2 RECOMMENDATION

- 2.1 The Audit and Governance Committee is asked to approve the Audit Plan for 2021/22.

3 BACKGROUND

- 3.1 The annual audit plan has been prepared in accordance with Public Sector Internal Audit Standards (PSIAS).

- 3.2 In preparing the annual audit plan a range of factors have been taken into account, including:

- the Council Plan 2017-22 and the key actions that the Council will pursue in order to meet its objectives;
- areas highlighted by Senior Officers;
- corporate and service area risk registers;
- the Council's performance and financial statements;
- changes in service delivery;
- the findings from previous years' audit work; and
- the need to incorporate flexibility for reactive/investigatory work.

- 3.3 Internal Audit's primary role is to independently review internal control systems within the Council. Internal Audit will evaluate the adequacy and effectiveness of controls in responding to risks within the Council's governance, operations and information systems, regarding the:
- Achievement of the Council's strategic objectives.
 - Reliability and integrity of financial and operational information.
 - Effectiveness and efficiency of operations and programmes.
 - Safeguarding of assets.
 - Compliance with laws, regulations, policies, procedures and contracts.
- 3.4 Internal Audit are required to give an opinion on the Council's control environment in the annual Controls Assurance Statement and the audit work carried out will contribute to this opinion.
- 3.5 The provision of the Internal Audit service is on an in-house basis by the Council's Internal Audit Unit. The resources available have been applied to individual audits and a detailed operational plan has been produced for 2021/22 (see Appendix A).
- 3.6 Three Internal Audit Reviews suspended from the 2019/20 Internal Audit Plan are included in the 2021/22 operational plan.
- 3.7 Internal Audit will adopt a risk based approach to audit assignments as the principal means of providing assurance on the adequacy, reliability and effectiveness of internal controls. Testing of controls will be carried out on a sample basis. Samples are selected according to an agreed sampling methodology.
- 3.8 For each individual audit, a detailed audit report is prepared for the relevant member(s) of the Council Management Team (CMT). Copies of the audit report are provided to the Chief Executive, External Audit and to members of the Audit and Governance Committee.
- 3.9 Follow-up audits will be carried out to review the implementation of the recommendations made.

AUDIT COVERAGE

- 3.10 Core Financial Systems, Risk Assessed Service and Corporate Audits – Internal Audit will review the Council's systems to provide assurance on the adequacy and effectiveness of internal controls. The audit plan includes a range of risk assessed core financial systems and non-financial audits.

- 3.11 Statutory Audits – Internal Audit undertake audit work in respect of specific grant awards made to the Council by the Scottish Government, to ensure compliance with grant conditions. In addition work to provide assurances required by the Scottish Housing Regulator will also be completed.
- 3.12 Best Value Audit – Internal Audit will review the systems in place for the preparation and reporting of Performance Indicators.
- 3.13 Investigations – Time has been allocated to carry out work on the National Fraud Initiative 2020/21, and provide a reactive service to investigate fraud and irregularity when appropriate.
- 3.14 Integration Joint Board (IJB) – The Committee is asked to note that in 2021/22 internal audit services to the East Lothian IJB will be provided by East Lothian Council's Internal Audit Unit and time has been allocated to carry out audit work for the IJB.

INTERNAL AUDIT PERFORMANCE INDICATORS

- 3.15 Internal Audit will report on the completion of the annual audit plan, the percentage of audit recommendations accepted by Management and the percentage of audit staff with CCAB accounting qualifications.

OTHER FACTORS

- 3.16 The Committee should note that reactive work may impact heavily on the Internal Audit Unit's ability to complete the audit plan. Contingency days are built in for 2021/22 in the investigations section, but by its nature reactive work is difficult to predict.
- 3.17 The plan and its completion have added importance, given its contribution to the annual Controls Assurance Statement to be prepared at the end of 2021/22.

4 POLICY IMPLICATIONS

- 4.1 None

5 INTEGRATED IMPACT ASSESSMENT

- 5.1 The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy.

6 RESOURCE IMPLICATIONS

6.1 Financial – None

6.2 Personnel – None

6.3 Other – None

7 BACKGROUND PAPERS

7.1 None

AUTHOR'S NAME	Duncan Stainbank
DESIGNATION	Service Manager – Internal Audit
CONTACT INFO	dstainbank@eastlothian.gov.uk
DATE	8 February 2021

INTERNAL AUDIT PLAN 2021/22

AUDITABLE AREAS	SCOPE OF THE AUDIT	INTERNAL AUDIT ASSESSED RISK	WEEKS
CORE FINANCIAL SYSTEMS AUDITS			
Sundry Debtors	We will examine the processes and controls in place for raising, collection, monitoring and resolution of sundry debts.	Medium	5
Finance Business Partners and Budget Monitoring	We will review the processes and procedures in place to assist services in financial management through the provision of finance business partners and monitoring of budgets against best practice.	Medium	5
Lower Value Purchasing	Focusing on purchasing and procurement below £50k, examining that appropriate authorisation and procurement routes are in place prior to making purchases. Reviewing that aggregated expenditure levels are monitored and appropriate action taken on a regular basis.	Medium	5
Payroll Overtime Payments	We will review the processes for making overtime payments from authorisation to payment.	Medium	5
RISK ASSESSED SERVICE AND CORPORATE AUDITS			
Property Maintenance Stores	This audit was rolled forward from the 2019/20 Internal Audit Plan and will focus on the controls in place for managing and maintaining the stores assets and purchasing of stores materials to support property maintenance requirements.	High	5
IT School Procurement	We will examine the strategy and compliance with processes around ICT purchases for schools.	High	5

AUDITABLE AREAS	SCOPE OF THE AUDIT	INTERNAL AUDIT ASSESSED RISK	WEEKS
Corporate Appointeeship	We will examine the implementation of a corporate appointeeship scheme for social work clients being taken into East Lothian Council responsibility during 2021.	High	5
COVID Support and Grants	We will review the processes in place for provision of COVID Support Grants and other support offered across the Council including reconciliation and recovery of support when required.	High	5
Waste Management	We will review the policies, procedures and processes in place for provision of waste management services.	Medium	5
Online Payments	This audit was rolled forward from the 2019/20 Internal Audit Plan and will focus on the internal controls surrounding the online payments system (SchoolPay), which was recently introduced in East Lothian schools.	Medium	5
General Data Protection Regulations (GDPR)	This audit was rolled forward from the 2019/20 Internal Audit Plan and will focus on the arrangements in place within the Council for ensuring compliance with the provisions of GDPR.	Medium	5
Education Workforce Planning	We will review the policy, processes and procedures in place to develop a workforce plan for Education.	Medium	5
Attendance Management	We will review the processes in place to ensure consistent and appropriate compliance with the Council Attendance Management Policy.	Medium	5

AUDITABLE AREAS	SCOPE OF THE AUDIT	INTERNAL AUDIT ASSESSED RISK	WEEKS
ALEO East Lothian Mid-Market Homes LLP	We will review the governance and operational control processes in place within the Council in relation to the East Lothian Mid-Market Homes LLP.	Medium	5
Special Projects	Internal Audit will review specific areas that are identified by Senior Officers.	–	5
Risk Management	We will select a sample of High risks from both the Council's Corporate Risk Register and service area Risk Registers and will review the adequacy and effectiveness of the risk control measures in place.	Medium	4
STATUTORY AUDITS			
Miscellaneous Grants	For grants awarded to the Council by the Scottish Government, Internal Audit is required to provide a statement of compliance with grant conditions on an annual basis.	Medium	2
Scottish Housing Regulator (SHR) Annual Assurance Statement	Work required to provide assurance of the regulatory requirements set out in the Scottish Housing Regulators Chapter 3 of the Regulatory Framework.	Medium	4
BEST VALUE AUDIT			
Review of Performance Indicators	Internal Audit will continue to review the systems in place for the preparation and reporting of Performance Indicators.	Medium	4

AUDITABLE AREAS	SCOPE OF THE AUDIT	INTERNAL AUDIT ASSESSED RISK	WEEKS
INVESTIGATIONS			
Fraud & Irregularity	Internal Audit will investigate all instances of suspected fraud or irregularity.	High	10
Whistleblowing	We will investigate concerns raised under the Council's Whistleblowing Policy.	High	5
National Fraud Initiative (NFI)	Time has been allocated for reviewing the results of the 2020/21 NFI data matching exercises and resolving the queries and investigating potential fraud cases that arise.	Medium	20
OTHER AUDIT WORK			
Integration Joint Board	Time has been allocated for work that will be undertaken by Internal Audit for the East Lothian Integration Joint Board (IJB). A separate audit plan will be prepared which will be presented to the IJB Audit and Risk Committee for approval.	Medium	20
Review of Previous Year's Work	Internal Audit will review the outcome of our previous year's work to ensure recommendations have been actioned as agreed and that risks accepted by Management have been properly managed.	Medium	8
Attendance at Stocktakes	Internal Audit will attend the year-end stocktakes at Property Maintenance, Road Services and Waste Services. We will review the final stock sheets. Additional attendance at interim stocktakes is also planned for 2021/22.	Medium	2

AUDITABLE AREAS	SCOPE OF THE AUDIT	INTERNAL AUDIT ASSESSED RISK	WEEKS
Community Councils and Management Committees	Community Councils – Internal Audit provide advice and support to Community Councils. Management Committees – Internal Audit will independently examine the annual accounts of Management Committees where applicable.	Medium	2
Advice and Consultancy	Consultation on New Systems – for new systems implemented, Internal Audit will provide advice on internal control matters. Returned Cheques – investigating and recording the reasons for returned cheques. Financial Reports – providing service areas with financial information about companies and offering advice where applicable. Consultancy – providing advice and consultancy on internal control issues.	Medium	4
TRAINING			
Training	An adequate allocation of budget resources and time will be given to maintaining and improving the knowledge base and quality of the staff resource. This includes time to attend the Scottish Local Authority Chief Internal Auditor Group (SLACIAG) and Computer Audit Sub Group, also for staff to undertake continuous professional development (CPD).	–	5
Annual Self-Assessment	Time has been allocated for internal assessment of the internal audit function against the Public Sector Internal Audit Standards (PSIAS).	–	2

REPORT TO: Audit and Governance Committee

MEETING DATE: 16 February 2021

BY: Companies Manager – East Lothian Investments Ltd

SUBJECT: East Lothian Investments Ltd 2019/20

5

1 PURPOSE

- 1.1 To inform the Audit and Governance Committee of the work undertaken by East Lothian Investments Ltd in 2019/20.

2 RECOMMENDATIONS

- 2.1 That the Audit and Governance Committee note the contents of the report.

3 BACKGROUND

- 3.1 East Lothian Investments Ltd (ELI), formerly East Lothian Economic Development Company (SC187674) - was formed in April 2001 by East Lothian Council (ELC) following the disaggregation of the Lothian Enterprise Board (LEB).

- 3.2 The aforementioned disaggregation resulted in the transfer of equity stakes in 5 East Lothian companies which, under local authority governance rules, ELC could not accept hence the requirement to form a company to take ownership of the shareholding.

ELI Ltd developed and implemented exit strategies for the investments and used the funds generated as an instrument for the development of the business base and therefore economy of East Lothian.

- 3.3 This instrument took the form of interest free loans to start-ups / businesses based within the county of East Lothian. The current ceiling for loans is £15,000 although this is discretionary and a higher level can be awarded depending on economic benefits / job creation and are repayable over 36 to 60 months with an arrangement fee of 5% of loan award to cover company overheads.
- 3.4 The company has a board of 5 directors comprising of the Leader of the Council, Economic Development spokesperson, and three private

industry sector representatives. The board act on a “Pro Bono” basis and do not receive payment.

Governance

- 3.5 Following the credit crisis of 2008 all lenders of credit were required to apply to the Financial Conduct Authority (FCA) for approval to lend. This replaced the previous credit license arrangement.
- 3.6 A Compliance Monitoring Document (CMD), regulatory business plan and a suite of policies including a new application process were developed for ELI. The FCA approved the application in June 2016 and the company is now fully authorised and regulated by the FCA.
- 3.7 The Economic Development & Strategic Investments (EDSI) Business Development team manager, is the FCA approved person and Senior Manager under the FCA Certification Regime as well as the Company Secretary. The manager is supported by the EDSI Business Development assistant.
- 3.8 The Business Development manager and assistant undertake the work under their current ELC job remits. *(Post committee paper period note – The Business Development Manager from 1st May 2020 stood down from his role in Economic Development and now acts solely as Companies manager for ELI and East Lothian Land Ltd on a part time basis)*
- 3.9 Board meetings are held on a regular basis linked to the level of loan applications. The CMD and relevant policies are reviewed and updated at each board meeting as per FCA requirements. Decisions made to award loans, the level of award and repayment period are taken by a majority with the Chair having the casting vote on any tied decision.
- 3.10 Minutes of board meetings are taken and approved at subsequent board meeting by the chair. *(Post committee paper period note – COVID restrictions are in place for board meetings and decision making on loan awards and all FCA required policies amended accordingly)*
- 3.11 East Lothian Investments Ltd is audited annually by Azets (Formally Campbell Dallas Accountancy, Dalkeith). End of Year accounts are approved by the board and signed off accordingly and provided to ELC for group accounting purposes. The company use Xero accounting cloud software.
- 3.12 As per FCA requirements ELI is required to report annually on the following:- Complaints return, Financial Data, Lenders, Volumes and Company organisation. *(Post committee paper period note – Due to COVID from July 2020 the FCA have been requiring quarterly reports on loan book, level of turnover, company liquidity and provision of bad debts.)*
- 3.13 The company has an interest bearing and two chequing accounts with the Royal Bank of Scotland. Legal advice is provided by Addleshaw Goddard, Edinburgh.

Overall Lending

- 3.14 Since formation ELI has awarded and paid 359 loans to the value of £3,125,300 which has levered in private investment of £17,270,082. The lending created 855 new jobs and protected 1,833. Loans are unsecured but for limited companies personal guarantees may be taken if the board requests. The level of bad debts written off stands currently at 3.12%.

2019/20 Lending Activity

- 3.15 23 applications for funding were received prior to March 2020 and the COVID lockdown - 17 were approved to the value of £141,000 which levered in private funds of £738,445. It is projected that 23.5 new jobs will be created and 203 jobs protected.

Sectors awarded:-

Retail – 2
Food and drink – 5
Hospitality – 2
Business Services – 6
Construction – 1
Social Enterprise - 1

COVID Impact

- 3.16 Due to the COVID lockdown invoked on the 16th March 2020 ELI identified a clear need for immediate financial assistance and introduced on the 18th March a Business Interruption Loan (BIL) to assist businesses that had severe cash flow issues following closure and prior to the availability of funds from national governments.
- 3.17 The loan offering was to a ceiling of £5,000 interest free with a 6 month repayment holiday and repaid over 24 months. A simplified application process was introduced but conformed to FCA rules and regulations as well as ELI's due diligence and governance as per the main loan offering.
- 3.18 The BIL offering ran from the 18th March to 24th April 2020 and 18 applications were received during this period with 15 loans awarded to the value of £70,200.

Sectors awarded:-

Retail – 2
Food and drink – 2
Hospitality & Tourism – 7
Business Services – 3
Social Enterprise - 1

(Post-report period note – As at January 2021 there are no loan defaults, 3 loan holidays are in place and 1 business entered into a Debt Arrangement Scheme (Not COVID related).

The loan enquiries and level of applications have been impacted by government funded programmes such as the Business Bounce Back loan (BBL).

9 loans (Excluding BIL) have been awarded with 1 to an existing business and the remaining 8 to start up businesses with the last 3 awarded loans assisting the opening of High Street retail outlets. (Start ups are not eligible for BBL as the business has to be established prior to 1st March 2020)).

- 3.19 The loan book has currently 58 active loans with a balance of £395,560 (as at January 2021).

East Lothian Gift Card

Background

- 3.20 The ELI board agreed in July 2018 to launch and deliver the East Lothian Gift Card on behalf of ELC. (Appendix 1) This was based on the successful Christmas Shop local programme ran by ELC Economic Development for 10 years with the aim to keep spend local.
- 3.21 The gift card is based on a money card which is presented to participating businesses that swipe through their credit / debit card terminal and are paid instantly. There is no cost to the business for participation in the initiative.
- 3.22 A supplier of gift cards was identified and website created <https://eastlothiangiftcard.co.uk/>.
- 3.23 The initiative, which is year round was launched in October 2018 and is delivered by the Companies Manager, the business development assistant of Economic Development and the support services administrator.

Outputs

- 3.24 The following indicates quarterly card purchases since launch :-

GIFT CARD purchases	Period	Amount	no's	average
Q1 2018	Oct - Dec 2018	£12,824	235	£54.57
Q2 2019	Jan-March 2019	£2,605	71	£36.69
Q3 2019	April - June 2019	£1,930	49	£39.39
Q4 2019	July - Sept 2019	£1,671	32	£52.22
Q5 2019	Oct - Dec 2019	£21,485	346	£62.10
Q6 2020	Jan to March 2020	£1,535	35	£43.86
		£42,050	768	£54.75

131 businesses accept the gift card in the following towns:-

Town	no's
Dunbar	26
Dir/NB	24
Gullane	12
Haddington	32
Musselburgh	15
Pans/Long	9
Tranent	13
Total	131

East Lothian is currently the only county in Scotland to have a county wide Gift Card programme.

4 POLICY IMPLICATIONS

4.1 None.

5 INTEGRATED IMPACT ASSESSMENT

5.1 The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy.

6 RESOURCE IMPLICATIONS

6.1 Financial – none.

6.2 Personnel - Companies Manager, EDSI's Business Development assistant and support services administrator.

6.3 Other – none.

7 BACKGROUND PAPERS

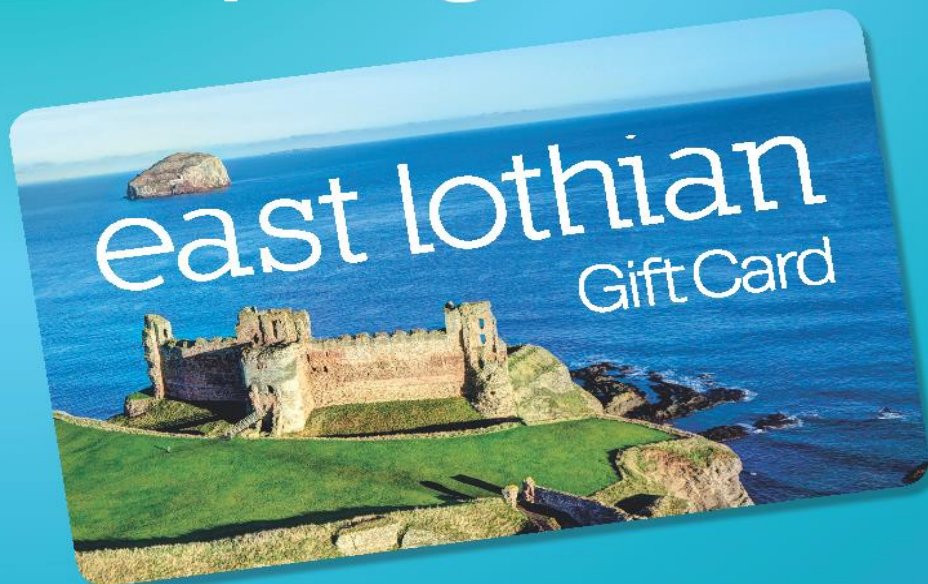
7.1 2018/19 report to the Audit and Governance Committee in February 2020.

AUTHOR'S NAME	Richard Baty
DESIGNATION	Companies Manager
CONTACT INFO	rbaty@eastlothian.gov.uk
DATE	9 th January 2021

**GIFT LOCAL, SHOP LOCAL, SUPPORT
LOCAL BUSINESS IN EAST LoTHIAN***



Looking for a unique gift idea?



The East Lothian Gift Card is the perfect
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*Redeemable in independent businesses in East Lothian – full list at website

REPORT TO: Audit and Governance Committee
MEETING DATE: 16 February 2021
BY: Chief Executive
SUBJECT: Education and Children's Services Risk Register

7

1 PURPOSE

- 1.1 To present to the Audit and Governance Committee the Education and Children's Services Risk Register (Appendix 1) for discussion, comment and noting.
- 1.2 The Education and Children's Services Risk Register is developed in keeping with the Council's Risk Management Strategy and is a live document, which is reviewed and refreshed on a regular basis, led by the Education and Children's Services Local Risk Working Group (LRWG).

2 RECOMMENDATIONS

- 2.1 It is recommended that the Audit and Governance Committee notes the Education and Children's Services Risk Register and in doing so, the Committee is asked to note that:
 - the relevant risks have been identified and that the significance of each risk is appropriate to the current nature of the risk.
 - the total profile of the Education and Children's Services risk can be borne by the Council at this time in relation to the Council's appetite for risk.
 - although the risks presented are those requiring close monitoring and scrutiny over the next year, many are in fact longer term risks for Education and Children's Services and are likely to be a feature of the risk register over a number of years.

3 BACKGROUND

- 3.1 The Risk Register has been compiled by the Education and Children's Services LRWG. All risks have been evaluated using the standard (5x5) risk matrix (Appendix 2) producing an evaluation of risk as either 'low (1-4)', 'medium' (5-9), 'high' (10-19) or 'very high' (20-25).
- 3.2 The Council's response in relation to adverse risk or its risk appetite is such that:

- Very High risk is unacceptable and measures should be taken to reduce, transfer or treat the risk to a more tolerable position;
- High risk may be tolerable providing the Council is assured that adequate and effective control measures are in place;
- Medium risk is tolerable with control measures that are cost effective;
- Low risk is broadly acceptable without any further action to prevent or mitigate risk.

3.3 The current Education and Children’s Services Risk Register includes 1 Very High, 14 High risks, 10 Medium risks and 3 Low Risk. As per the Council’s Risk Strategy only the Very High and High risks are being reported to the Committee.

4 POLICY IMPLICATIONS

4.1 In noting this report the Council will be ensuring that risk management principles, as detailed in the Corporate Risk Management Strategy are embedded across the Council.

5 INTEGRATED IMPACT ASSESSMENT

5.1 The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy

6 RESOURCE IMPLICATIONS

6.1 Financial - It is the consideration of the Education and Children’s Services LRWG that the recurring costs associated with the measures in place for each risk are proportionate to the level of risk. The financial requirements to support the Register should be met within the proposed budget allocations. Any unplanned and unbudgeted costs that arise in relation to any of the risks identified will be subject to review by the Corporate Management Team.

6.2 Personnel - There are no immediate implications.

6.3 Other - Effective implementation of this register will require the support and commitment of the Risk Owners identified within the register.

7 BACKGROUND PAPERS

7.1 Appendix 1 – Education and Children’s Services Risk Register 2021

7.2 Appendix 2 – Risk Matrix 2020

AUTHOR’S NAME	Scott Kennedy	
DESIGNATION	Emergency Planning, Risk and Resilience Officer	
CONTACT INFO	skennedy@eastlothian.gov.uk	01620 827900
DATE	04 February 2021	

Education and Children's Services Risk Register 2021 Date reviewed: 04 February 2021

Risk ID	Risk Description (Threat/Opportunity to achievement of business objective)	Risk Control Measures (currently in place)	Assessment of Current Risk			Planned Risk Control Measures	Assessment of Residual Risk [With proposed control measures]			Risk Owner	Timescale for Completion/ Review Frequency	Evidence held of Regular Review
			Likelihood	Impact	Risk Rating		Likelihood	Impact	Residual Risk Rating			
			L	I	L x I		L	I	L x I			
E&CS 1	<p>Education and Children's Services Activity Pressures</p> <p>Service Activity pressures see demand for services outstrip available budgetary and staffing resources leading to unmet client need and risk to client safety and independence, potentially generating reputational risk for the Council as well as failing to meet statutory responsibilities.</p> <p>There is a current issue in relation to the lack of capacity to meet the needs of those with Additional Support Needs. This is contributing to the need to place children out with East Lothian for care and education resulting in significant financial pressures in the External Residential Care and Education budget.</p> <p>Internal fostering resources are unable to meet the current demand. External foster placements are considerably more expensive. The addition of new foster carers to the fostering pool is being compromised by the attrition rate in existing carers.</p>	<p>Work continues to accurately forecast trajectory of need and our capacity to meet legislative requirements and inform service development and financial planning.</p> <p>Strengthened scrutiny of decision making and access to resources for individual children and young people.</p> <p>Education Service Improvement Plan in place.</p> <p>A new Education management team structure is in place.</p> <p>Education and Children's services are working more collaboratively to support Early Intervention and prevention for our most vulnerable children and young people to mitigate against children and young people requiring to be placed externally at a later date.</p> <p>Introduced comprehensive budget monitoring arrangements.</p> <p>Investment in preventive services aimed at reducing demand.</p> <p>Implementing a performance management and quality assurance framework.</p> <p>Phase One of the review of services to vulnerable children has been completed and actions have been progressed.</p>	5	4	20	<p>Wider collaboration between Council and Partner Services and operational teams to develop new systems and processes and deliver core services within budget.</p> <p>Implementation of the findings from the Council's Additional Support Needs review activity.</p> <p>Children's Services is undergoing a service redesign.</p> <p>Phase Two of the review of services to vulnerable children has now become a Transformation Programme looking at services to all children in East Lothian and aimed at prevention and early intervention.</p> <p>The foster care team is working very closely with the communications team in developing new and innovative ways in encouraging potential foster carers to come forward.</p> <p>Children's services is developing our Kinship care service in partnership with Children 1st in an attempt to find alternatives to children coming in to foster care from within their own families.</p> <p>We will continue evaluate the above two approaches during 2021.</p>	4	3	12	<p>Executive Director for Education and Children's Services</p> <p>Head of Children's Services</p>	<p>December 2022</p> <p>August 2021</p> <p>March 2021</p> <p>March 2022</p> <p>December 2021</p> <p>December 2021</p>	<p>Risk reviewed and refreshed by E&CS Managers December 2020 with no change to assessment of risk scores.</p> <p>Risk updated by Head of Service and Chief Operating Officer and title changed to Education and Children's Services Activity Pressures December 2019.</p>
E&CS 2	<p>Management of Capital Assets</p> <p>Failure to maintain up-to-date information on the Condition of our Capital Assets may result in having insufficient data to inform planned maintenance budgets and essential building works as well as potentially leading to increased insurance claims.</p> <p>Failure to provide adequate financial and staffing resources to maintain the capital assets to the required standard could result in them falling into an unsatisfactory condition and being unsuitable for current use leading to potential closure and re-provision of care/teaching in alternative locations at increased cost to the Council.</p>	<p>There is a rolling programme of condition and suitability surveys, using new government guidance, to identify deterioration in building quality and for Primary schools the findings are reported on annually to Scottish Government through SPI data return.</p> <p>Reports to the Corporate Asset Group will highlight risks which cannot be managed and may impact on the operation or safety of the assets.</p> <p>A Building Surveyor has been commissioned to update Condition Facts although this work has been delayed by COVID19.</p> <p>Ongoing maintenance of the assets.</p>	4	4	16	<p>Review on provision of the residential estate including contingency planning for re-provision of Lothian Villa (Meadowmill).</p> <p>The Infrastructure department of the Council has begun to seek alternative accommodation to Randall House for children's services.</p> <p>A cross-service Learning Estate review team is in place and carrying out a pre-consultation during 2021.</p>	3	4	12	<p>Executive Director for Education and Children's Services</p> <p>Executive Director for Place</p>	<p>March 2021</p> <p>April 2021</p> <p>May 2021</p>	<p>Risk refreshed January 2020 by Service Manager – Strategic Asset & Capital Plan Management, increasing current score to 16 and residual risk to 12 and changing risk responsibility.</p> <p>Risk amalgamated with Standard of our buildings risk to create new risk December 2019.</p>

Risk ID	Risk Description (Threat/Opportunity to achievement of business objective)	Risk Control Measures (currently in place)	Assessment of Current Risk			Planned Risk Control Measures	Assessment of Residual Risk [With proposed control measures]			Risk Owner	Timescale for Completion/ Review Frequency	Evidence held of Regular Review
			Likelihood	Impact	Risk Rating		Likelihood	Impact	Residual Risk Rating			
			L	I	L x I		L	I	L x I			
	<p>In addition, failure to provide adequate revenue resources will also harm our ability to deliver an appropriate curriculum.</p> <p>There is currently a risk in relation to the lifecycle, maintenance and repair of Council assets.</p> <p>We have a number of 'C' condition schools and there remains a risk that without sufficient funding we will be unable to improve the condition. Inability to resource the design and procurement of lifecycle works presents a risk to the asset condition.</p> <p>Failure to make timeous responses to planning applications and identifying the impact of proposed developments could result in delays to determining applications and potential claims from applicants.</p>	<p>Regular engagement with Care Inspectorate re-quality of care environment.</p> <p>Property Inspectors and the Asset Team identify priorities on a 3 year rolling programme and implement within available budgets. Work is prioritised on a risk management basis, addressing statutory compliance matters first (fire safety, electrical, safety DDA etc.).</p> <p>Significant work has been undertaken through the LDP process to establish the likely impact of proposed development on the Education estate resulting in more robust information for responding to planning applications.</p> <p>Education and Strategic Asset Management teams work closely to analyse the data provided by Education and identify requirements arising as a direct result of proposed development.</p> <p>An enhanced and robust school roll projection and class organisation system is in place in Education which determines the future capacity needs of schools.</p> <p>Regular review meetings are held between Education, Planning, Finance and Strategic Asset and Capital Plan Management to review school development programmes and projects.</p>										
E&CS 3	<p>Impact of Changing Demographic on School Estate</p> <p>There continues to be proposed LDP housing development, population growth and subsequent need to expand the schools' estate.</p> <p>Failure to respond to the changing demographics of the East Lothian population may lead to not having suitable school provision or sufficient capacity available in the short term.</p> <p>Risk to uncertainty with forward planning for new establishments where house development completion rates are slower than expected delaying the start date for new school buildings.</p> <p>An expanded demographic of children and young people will impact on increased service demand and have resource implications for Education and Children's Services.</p>	<p>Strategic Asset and Capital Plan Management (SACPM) is responsible for the managing and planning for the School Estate Management. Education feed into this activity by preparing pupil roll projections and class organisation profiles.</p> <p>As the post of School Estate Planning Officer is seconded to Education from 2020-2022, the planning work for the school estate during this time will be managed by Education, in consultation with SA&CPM.</p> <p>Regular monitoring in place in SACPM to review programme for school requirements. Changes which may impact on capital investment escalated to Education & Finance to consider.</p> <p>Strong communication links with parent councils and wider parent forums. Regular Education Asset Management meetings are held to manage the</p>	3	4	12	<p>The Council is making provision for significant capital expenditure to provide sufficient capacity for the expansion of the schools estate. A capital programme of circa.£150 Million is identified for the period to 2024, substantially funded by S75 contributions from new housing development.</p> <p>Contingency plans being developed to mitigate against risk, including a Service Review of the SA&CPM team.</p> <p>A Learning Estate Investment Management plan will be created to reflect the programme being taken forward identified as a result of the LDP and set out a plan for the future sustainability and management of the whole School Estate.</p> <p>Additional specialist provision capacity is a key part of the learning</p>	3	3	9	<p>Executive Director for Education and Children's Services</p> <p>Executive Director for Place</p> <p>Service Manager - Strategic Asset & Capital Plan Management</p>	<p>April 2024</p> <p>March 2021</p> <p>July 2021</p> <p>March 2022</p>	<p>Risk refreshed by Service Manager – Strategic Asset & Capital Plan Management Jan'20 with current risk reduced from 16 to 12.</p> <p>Risk further reviewed and updated January 2019 with Residual Risk Score reduced from 12 to 9.</p> <p>Risk refreshed by Head of Education and Children's Services January 2018 with Current score increased from 12 to 16 and residual score from 8 to 12.</p>

Risk ID	Risk Description (Threat/Opportunity to achievement of business objective)	Risk Control Measures (currently in place)	Assessment of Current Risk			Planned Risk Control Measures	Assessment of Residual Risk [With proposed control measures]			Risk Owner	Timescale for Completion/ Review Frequency	Evidence held of Regular Review
			Likelihood	Impact	Risk Rating		Likelihood	Impact	Residual Risk Rating			
			L	I	L x I		L	I	L x I			
	There is an increased risk to the delivery of capital projects due to current market costs, Covid and Brexit costs, which are likely to have financial and programme implications.	<p>impact of potential housing development on the schools' estate.</p> <p>Schools' Estate Planning Officer post filled and now seconded to become the Learning Estate Manager in Education to deal with the Learning Estate Review.</p>				<p>estate review. Significant increase in capacity for severe and complex needs has been included in the new Wallyford Secondary school provision.</p> <p>The Transforming Services for Children Programme will take account of future population growth and service demand within East Lothian's Growth Agenda.</p>					March 2023	
E&CS 4	<p>Statutory Requirements - Education</p> <p>Failure to deliver the duties of Education and Children's Social Work Legislation may put a child at significant risk or result in children and young people not receiving their entitlement to education.</p> <p>This failure could be due to a lack of resources (financial, services or staffing), poor practice, lack of training, a failure to prioritise, non-compliance with procedures/guidance or failing to intervene early enough. This could result in reputational damage and an impact on budgets and staff morale.</p> <p>There are increasing requirements from the Government e.g.</p> <ul style="list-style-type: none"> • Pupil/Teacher ratio, • 600/1140 hours of childcare and • ASL Act <p>If appropriate solutions are not implemented, this could result in children and young people not receiving their entitlement to education and lead to a reduction in opportunities for young people with the consequence of parental dissatisfaction and damage the reputation of the Council. The opportunity is to create new propositions and service offerings.</p>	<p>Annual budget allocation is prioritised and monitored, while the Scheme of Devolved School Management determines allocation at School level.</p> <p>Detailed budget planning measures are in place together with monthly monitoring and validation in collaboration with finance colleagues and Head Teachers.</p> <p>Staffing is continually monitored to ensure the required Pupil to Teacher ratio at September Census point is met.</p> <p>Continue to ensure Head Teachers are mindful of the Pupil/Teacher ratios and monitor staffing levels more rigorously to mitigate against not meeting the required ratio.</p> <p>Continual updating of SEEMIS records to ensure accurate and up to date information is held.</p> <p>Early Years Strategy includes the required capital and revenue investment to deliver the Scottish Government's 1140hrs programme.</p> <p>A new Education management team structure is in place.</p> <p>Additional Support Needs, Inclusion Policy, External Placement and GIRFEC processes are all in place and regularly monitored and reviewed by Education and Children's Services.</p>	3	4	12	<p>.Implementation of phase 2 of the vulnerable children's project is required to meet the longer-term recommendations that will support the service to deliver statutory requirements within budget.</p> <p>A capital investment bid for IT has been submitted for the replacement of Mosaic and IIE.</p> <p>A steering group has been established to take forward the tender specification</p> <p>A project risk register has been developed for the next three years for the transition to a new system</p>	3	3	9	<p>Executive Director for Education and Children's Services</p> <p>Executive Director for Council Resources</p> <p>Head of Finance</p> <p>Head of Children's services</p>	<p>March 2021</p> <p>March 2021</p> <p>March 2021</p> <p>March 2024</p>	<p>Risk reviewed and refreshed at a Risk Session with managers 20 January 2020 with no change to assessment of risk scores.</p> <p>Risk further reviewed and updated November 2018 with current risk score reduced from 16 to 12.</p>
E&CS 5	<p>Statutory Requirements – Children's Services</p> <p>Failure to deliver the duties of Children's Social Work Legislation may put a child at significant risk of harm or result in children and young people not receiving their entitlement to supports and services from the council.</p>	<p>Annual budget allocation is prioritised and monitored.</p> <p>Redesign of children's services is underway with the primary aim of improving how the service delivers better outcomes for children and young people and meets its statutory requirements.</p>	3	4	12	<p>Implementation of phase 2 of the vulnerable children's project is being carried into the Transforming Services to Children programme in order to address the broader strategic recommendations that will support the service to deliver statutory requirements within budget.</p> <p>A capital investment bid for IT has been submitted for the replacement of</p>	3	3	9	<p>Executive Director of Education and Children's Services</p> <p>Executive Director of Council Resources</p> <p>Head of Finance</p>	<p>March 2021</p> <p>March 2024</p>	<p>New Children's Service specific Risk created by CS Managers December 2020.</p>

Risk ID	Risk Description (Threat/Opportunity to achievement of business objective)	Risk Control Measures (currently in place)	Assessment of Current Risk			Planned Risk Control Measures	Assessment of Residual Risk [With proposed control measures]			Risk Owner	Timescale for Completion/ Review Frequency	Evidence held of Regular Review
			Likelihood	Impact	Risk Rating		Likelihood	Impact	Residual Risk Rating			
			L	I	L x I		L	I	L x I			
	<p>This failure could be due to a lack of resources (financial, services or staffing), poor practice, lack of training, a failure to prioritise, non-compliance with procedures/guidance or failing to intervene early enough. This could result in poor outcomes, for example being unable to provide services that would enable a child to remain within their family) reputational damage and an impact on budgets and staff morale.</p> <p>There are increasing requirements from the Government e.g.</p> <ul style="list-style-type: none"> Continuing Care Implementing the Promise the Scottish Child Abuse Inquiry Carer's Act SDS <p>There is currently a National and Local increase in the spontaneous arrival of unaccompanied asylum seeking children and young people with legislative responsibility to provide care and support.</p> <p>Lack of suitable accommodation for care experienced young people requires the use of B&B. If young people are having to stay in B&B over extended periods, this could be seen as a breach of our statutory duties.</p>	<p>Detailed budget planning measures are in place together with monthly monitoring and validation.</p> <p>Strategy to increase local Fostering capacity is being implemented and Kinship Care policy and approach is being reviewed and strength. Regulated care services are inspected regularly resulting in improvement plans.</p> <p>Phase 1 of the vulnerable children's project has confirmed the full range of statutory obligations for children's social work services to allow managers to benchmark our service offer.</p> <p>Additional Support Needs, Inclusion Policy, External Placement and GIRFEC processes are being reviewed by Education and Children's Services.</p>				Mosaic and IIE. A steering group has been established to take forward the tender specification. A project risk register has been developed for the next three years for the transition to a new system				Head of Children's Services		
E&CS 6	<p>Educational Attainment</p> <p>Failure to raise the standards of educational attainment for all will lead to a reduction in opportunities for young people such as entrance to Further and Higher Education or employment, with a consequence of parental dissatisfaction and damage to reputation of individual schools and the Education service.</p> <p>A failure to report positive findings in relation to the four national priorities set out within the national improvement framework and in the use of Pupil Equity Funding to close the attainment gap will lead to further scrutiny by external organisations such as Audit Scotland, Education Scotland and Scottish Government.</p> <p>The impact of lockdown due to COVID19 and schools being closed for the period March to June 2020 will have resulted in a detrimental impact on learning for a cohort of pupils.</p>	<p>Each school has a School Improvement Plan, guided by the revised annual Education Service Plan (developed and delivered by Education Steering group in consultation with key stakeholders) with target setting for attainment.</p> <p>More rigorous and robust approaches for quality assuring school performance have been implemented and take into account new national guidance e.g. Pupil Equity Fund and National Improvement Framework.</p> <p>Curriculum frameworks have been developed across all areas to improve continuity and progression in learning with the broad general education.</p> <p>Scottish Government funding allocated for additional teaching and support staff to help address the impact of COVID19 on pupil learning.</p> <p>School strategies in place for increasing expectations of pupils and families (including tackling the barriers to improving achievement and ensure</p>	3	4	12	<p>Raising Attainment Strategy being developed along with Education Scotland Attainment Advisor.</p> <p>New improvement targets to be set for schools to increase attainment and improve performance.</p> <p>Continue to develop an authority wide model for the Senior Phase that incorporates all elements of the curriculum.</p> <p>Continue to develop partnership arrangements with QMU and Edinburgh College to broaden the curriculum as part of the DYW recommendations by August 2021.</p> <p>East Lothian Works to work with Early Learning and Childcare Team to develop a career path for potential future Early Years Practitioners.</p> <p>Collaboration through South East Improvement Collaborative.</p>	3	3	9	Executive Director of Education and Children's Services	<p>August 2021</p> <p>August 2021</p> <p>August 2021</p> <p>August 2021</p> <p>August 2021</p>	<p>Risk reviewed and refreshed at a Risk Session with managers December 2020 with no change to assessment of risk scores.</p> <p>Risk further reviewed and updated November 2018 with current risk score reduced from 16 to 12.</p>

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	Announcement by SG that there will be no SQA examinations in 2021. Attainment will be based on ongoing assessment and teacher professional judgements.	<p>pupil attendance i.e. reducing the attainment gap).</p> <p>A suite of data continues to be developed and refined to highlight KPIs, share with schools and agree performance improvement. Activities to improve attainment are reported at Education Committee as appropriate. Targets have been set for schools and the authority.</p> <p>Continue to improve the transition of young people from mainstream education to work, training, further and higher education through working with secondary schools and East Lothian Works who are now part of the Education service.</p>										
E&CS 7	<p>Safe Professional Social Work Practice</p> <p>Failure to fulfil our duty of care could result in the death, serious harm or detriment to a person. This could in turn result in prosecution, having to pay compensation and a negative impact on the reputation of the Council.</p> <p>This failure could be due to a lack of resources (financial, services or staffing), poor practice, a failure to prioritise or non-compliance with procedures/guidance and a failure to resource learning and development function within Children's Services and Public Protection Committee.</p> <p>Children's lives and safety put at risk due to a failure by staff to record or access salient information which may be due to a lack of understanding of the functions of Mosaic and E-IRD or the failure to share appropriate chronologies and risk information with partner agencies.</p> <p>Risk to case transfers from other LAs failing to provide the appropriate information on the child/family.</p>	<p>Prioritise maintenance of adequate staffing levels for Child Protection and other work with vulnerable children</p> <p>Briefing sessions, specialist training and support are in place.</p> <p>Regular formal supervision in place for all staff including completion of PRD's focusing on specific and agreed development needs.</p> <p>Services comply with required professional registration standards for all staff e.g. SSSC.</p> <p>"Safer Recruitment" practices and PVG Checks embedded.</p> <p>Monthly monitoring of staffing levels.</p> <p>Public Protection Office and Committee oversee core elements of Child Protection performance, improvement, policy and procedure.</p> <p>Regular monitoring and learning from incidents including through initial and significant case reviews.</p> <p>All Regulated Services inspected, improvement plans produced with regular quality assurance review meetings.</p> <p>A quality assurance framework has been developed and implemented.</p> <p>A three year rolling programme of file audits has been implemented.</p>	3	4	12	<p>Provision of a joint workforce development plan with Education.</p> <p>Children's Services practice guideline standards are being refreshed and rolled out.</p> <p>The Signs of Safety Practice model is being reviewed and implemented further across the service.</p> <p>The Safe and Together domestic violence support model continues to be embedded.</p>	3	3	9	Chief Social Work Officer	<p>March 2021</p> <p>March 2021</p> <p>June 2021</p> <p>July 2021</p>	Risk reviewed and refreshed by managers December 2020 with no change to assessment of risk scores.

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		Leadership training has been rolled out to team leaders and senior practitioners. This includes the promotion of resilience.										
E&CS 8	<p>Impact of Increased Levels of Poverty on Children's Services</p> <p>There is an anticipation that following the lifting of COVID restrictions and the removal of the UC uplift, the ending of the furlough scheme and the projected higher levels of unemployment that more families will require social work support.</p> <p>Our existing at risk families will require remedial action from Children's Services at the Recovery stage due to more families being in poverty, from children not attending school and increased demand from these groups as the situation progresses.</p> <p>The increase in referrals for domestic abuse will see more children suffering trauma and further impacted due to poverty if moving from the family home.</p>	<p>The Council has a Recovery and Renewal Group in place with a range of supporting activities including Poverty Strategy.</p> <p>Head of Children's Services attends the Recovery and Renewal Group and will progress any Children's Services specific issues.</p>	4	3	12	<p>The Transforming Services for Children Programme will be a whole systems (Council Wide) approach and the redesign of Children's Social Work Service is aimed at ensuring all services are preventive and support early intervention to reduce need.</p> <p>Children's Services has received some ring-fenced COVID funds and is bidding for Scottish Government Winter COVID funds where relevant and appropriate.</p>	3	3	9	Head of Children's Services	<p>March 2023</p> <p>March 2021</p>	New risk created December 2020 by Children's Services Management Group
E&CS 9	<p>Workforce Recruitment and Retention</p> <p>Lack of a skilled, sufficiently qualified and experienced staff resource or the unexpected loss of a key employee or employees could result in</p> <ul style="list-style-type: none"> an inability to provide high quality assessment and support and increased pressure on existing staff a reduction in the quality and scope of the service resulting in lives and safety being put at risk. a lack of teaching staff could impact on our statutory duty to provide a quality of education for all learners. statutory duties not being met. <p>There is a nationwide shortage of teachers, including supply teachers.</p> <p>East Lothian is currently expanding the School Estate which will require a significant increase in teacher numbers.</p> <p>East Lothian is competing with the private and independent sector and adjacent Partnerships to recruit staff.</p> <p>There is a national framework requirement for Head Teachers to possess the standards for headship</p>	<p>Competitive salaries and working conditions in place in some areas.</p> <p>Recruitment and selection procedures adhered to and enhanced to attract more external applicants, with regular professional salary benchmarking.</p> <p>New approach to filling current vacancies, including maternity leave, and advertising/recruiting to supply list on an ongoing basis together with the appointment of permanent Primary supply teachers.</p> <p>The Council received Scottish Government Funding for additional teachers and support staff to address the impact of lockdown on pupil learning and progress.</p> <p>Education is currently offering alternative routes into teaching to grow our workforce as well as continuing to engage with the relevant bodies SG, COSLA, Universities etc. to continue to explore possible solutions.</p> <p>Teacher Workforce Group established to review and develop further arrangements for recruiting new staff.</p>	3	4	12	<p>The Service is exploring the use of digital learning and teaching for the Secondary Sector in engagement through partnership with other Local Authorities and the IRES City Deal.</p> <p>Exploring further engagement with Higher Education institutes to promote teaching opportunities within East Lothian Council and to raise the profile of the LA.</p>	2	4	8	<p>Executive Director for Education and Children's Services</p> <p>Head of Children's Services</p>	<p>August 2021</p> <p>August 2021</p>	<p>Risk reviewed and refreshed at a Risk Session with managers 11 December 2020 with Current Score reduced from 16 to 12 and residual score from 12 to 8.</p> <p>Risk reviewed and refreshed at a Risk Session with managers 20 January 2020 with no change to assessment of risk scores.</p> <p>Risks on Recruitment of Head Teachers and Teachers across Primary and Secondary Schools, Lack of Skilled Staff and Workforce Recruitment combined into one risk December 2019.</p>

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	<p>qualification which may impact on recruitment to these posts in the future.</p> <p>East Lothian Council is not currently attracting experienced and high calibre social work candidates to advertised posts in East Lothian. The result is that children's services is carrying a level of vacancies that could impact on the safer and efficient functioning of the service and a high proportion of newly qualified staff who require enhanced supervision, management and oversight which impacts on line management capacity.</p>	<p>Continue to explore leadership opportunities across the service for all memberships of staff, linked to PRD's, focussing on leadership within schools.</p> <p>Continue to develop delivery of the Secondary curriculum through other partnership arrangements.</p> <p>Civil servants (Via COSLA & Scottish Government) continue to inform the national debate around permanent and supply teacher numbers.</p> <p>Continue collaborative working with Higher Education Institutes, neighbouring authorities, Teacher Education Partnerships, GTCS and Scottish College for Educational Leadership to develop and implement masters level learning programmes and build capacity within the authority through leadership programmes.</p> <p>Continue work with Edinburgh University to provide an appropriate course for returners to the profession which is currently being delivered and enhanced through local promotion.</p> <p>Professional Development Programme and commitment to a practice of "Growing our Own" (promoting staff from within) and a Learning Culture while all policy and guidance documents are checked and refreshed regularly.</p> <p>An Education Support Officer (Digital Learning) has been recruited temporarily for the South East Improvement Collaborative to support taking forward new approaches to deliver the curriculum using digital technology.</p> <p>Successfully recruited to the Into Headship Programme.</p>										
E&CS 10	<p>Expansion of Early Learning and Childcare (ELCC) to 1140 hours.</p> <p>Scottish Government is implementing plans to expand ELCC to 1140 hours. Whilst Scottish government have delayed the statutory implementation date of 1140hrs this is now likely to be re-instated as August 2021. Scottish Government have given flexibility in the use of the 1140hrs funding for Education COVID19 expenses and our current rollout of the</p>	<p>The Council continues to develop detailed plans and work with Scottish Government (SG) to take forward the expansion. Project board and associated working groups are in place.</p> <p>Continue to engage with the Scottish Government Early Years team to ensure that risks are flagged and that the service is aware of expectations and demands and to review the planning and preparation for full implementation.</p>	3	4	12	<p>Development of a dual qualification in Care in partnership with Edinburgh College.</p> <p>Working with UNISON to achieve agreement on the revised Early Years Practitioner (Nursery nurse) remit.</p>	2	4	8	<p>Executive Director for Education and Children's Services</p> <p>Executive Director for Council Resources</p> <p>Head of Finance</p>	<p>August 2021</p> <p>April 2021</p>	<p>Risk reviewed and refreshed at a Risk Session with managers 11 December 2020 with Current Score reduced from 16 to 12 and residual score from 12 to 8.</p> <p>Risk reviewed and refreshed at a Risk Session with</p>

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	<p>programme is being managed within the budget available.</p> <p>Potential risk that this cannot be delivered within the timescale due to challenges of expanding within existing resource, available funds and staffing.</p> <p>Risk that there is an impact on the quality in existing early years provision because the focus is on the expansion. The timescale for delivering expansion has been delayed due to COVID19 and may be further delayed by Brexit.</p> <p>Reputational risk to the Council from Scottish Government reporting on progress in relation to the delivery of 1140hrs ELCC. Parents not able to access 1140hrs of ELCC.</p> <p>Risk that Partner Providers are not able to deliver the 1140 hours as they are no longer financially viable or meet the quality standard.</p> <p>Given the very high numbers of staff required there is a risk of not being able to recruit sufficient staff to deliver on this commitment.</p> <p>The impact of this risk would be that the families do not receive their entitlement to Early Learning and Childcare.</p> <p>There is a risk that Capital costs exceed budget availability. The ongoing impact of COVID could risk the completion date of the programme.</p>	<p>Ongoing work with council departments to ensure key priorities are met.</p> <p>A county wide recruitment campaign took place in early 2020 along with a recruitment fair to attract new and returning staff to the profession.</p> <p>Work continues to review current staff contracts and to recruit staff. Continued work on new pathways in to the profession to be developed including our Foundation Apprenticeship and work in Tots and Teens in 5 of our 6 secondary schools.</p> <p>Ongoing work to monitor and enhance quality of Early Learning and Childcare delivery.</p> <p>There is clear governance of the project through the 1140 hours project board to ensure careful planning, communication and monitoring of progress.</p> <p>Baseline established and updated on quality across all provisions and ELCC across all settings will be supported and monitored by the early years' team.</p> <p>Scottish Government National Standard and associated guidance in place and ongoing discussion/collaboration with partners.</p> <p>Progress with the infrastructure programme is regularly reported to the Scottish Government and Scottish Future Trust. Regular meetings are held with officials to provide detail on the cost implications and timelines for capital projects.</p> <p>1140 is now a standing agenda item for CMT at their fortnightly meetings. These meetings are focussed on the targeted areas of work to deliver 1140 by August 2021 and report on key priorities taking place.</p> <p>Relationships are well established with neighbouring authorities as is learning from other approaches and ensuring that progress is on track.</p> <p>Positive engagement with partner nursery providers of early learning and childcare to ensure planning meets the SG brief regarding parental choice, flexibility, quality and accessibility.</p>									managers 20 January 2020 with no change to assessment of risk scores.	

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		<p>Work stream groups established, including cross sector representation and network meetings to feed in to the project board to ensure collective detailed planning across service areas & consider risks associated with delay.</p> <p>Nurseries - Scenario planning work is underway to determine how many places can be offered across EL.</p> <p>Ongoing work to determine the full costs of the current model for Early Learning and Childcare.</p>										
E&CS 11	<p>Additional Support Needs</p> <p>There continues to be an increase in the number of children with Additional Support Needs across the County due to population growth and increased awareness and assessment of Children and Young people's Additional Support Needs resulting in increased demand on the ASN Service Area and specialist provision.</p> <p>Currently there is insufficient specialist provision within the authority to meet the needs of Children with Additional Support Needs which is resulting in financial pressures through the use of external provision and impacts on the learning and progression of young people with ASN.</p> <p>Applications for Exceptional Needs has increased significantly over the past five years in line with national trends whilst the budget available to the service has not increased at the same rate. This has an impact on the learning and progression of young people with ASN.</p>	<p>The Council continues to monitor and track the nature and level of need across all establishments in order to target resources effectively.</p> <p>Regular budget monitoring meetings with Education and Finance managers as well as school reviews to monitor and review compliance with policies and guidance.</p> <p>Key policies in place to reflect national guidance & statutory duties in line with ASL Act 2009 and Equality Act 2010 and training in place to support the implementation of all new policies and guidance.</p> <p>The Educational Psychology Service resource allocation model operates across all educational establishments and is targeted at the children and young people with the greatest need.</p> <p>Increasing capacity within specialist provisions.</p> <p>Additional staffing resource in place to monitor and track ASN transport and review procedures to secure best value.</p> <p>Monthly monitoring of attendance, exclusion and physical restraint data at school level.</p> <p>Senior officer resource group (SORG) has been established.</p>	3	4	12	<p>Joint work between Education and Children's Services to develop new approaches through earlier intervention strategies reducing the number of out-with residential placements.</p> <p>Implement revised multi-agency GIRFEC Pathway to ensure children's needs are identified at an early stage and intervention is effective in reducing risk and need.</p> <p>Additional specialist provision capacity is a key part of the learning estate review. Significant increase in capacity for severe and complex needs has been included in the new Wallyford Secondary school provision.</p>	2	4	8	<p>Executive Director for Education and Children's Services</p> <p>Head of Children's Services</p> <p>Service Manager, Inclusion and Wellbeing</p>	<p>March 2021</p> <p>June 2021</p> <p>August 2024</p>	<p>Risk reviewed December 2020 with current score reduced from 16 to 12 and residual score from 12 to 8.</p> <p>New risk identified by Acting Service Manager - Education (ASN & EPS) and updated by Head of Education and Children's Services January 2019.</p>
E&CS 12	<p>East Lothian Works (ELW) – Impact of Brexit on Grant Funding (European Social Fund - ESF)</p> <p>ELW relies heavily on ESF funding to support delivery of employability programmes for adults. The draft Withdrawal Agreement between UK and EU (March '18) states the UK would</p>	<p>UK government has indicated that it is committed to ensuring there is no gap in funding in the event of a no deal. In July 2018, the UK government extended a guarantee to cover all projects, including European Social Fund Projects funded by EU under the 2014-2020 programme period. The extension means that Scottish</p>	3	4	12	<p>Undertaking an East Lothian Works Service Review to identify staffing levels required to maximise use of ESF funding including consideration given to temporary posts to support the core team.</p>	2	4	8	<p>Executive Director of Education and Children's Services</p>	<p>March 2021</p> <p>March 2021</p>	<p>Risk reviewed and refreshed at a Risk Session with managers 20 January 2020 with no change to assessment of risk scores.</p>

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	continue to participate in the ESF programme until 2023, meaning we would continue to receive the same level of funding as if the UK was a member of the EU until the end of the 2014-2020 programme period. In the event of a no deal scenario, the UK's departure from the EU would mean we would be unable to access EU funding for European Social Fund projects after exit day.	government will continue to sign and fund new projects after EU Exit until programme closure providing additional certainty, guaranteeing investment in skills and employment to the end of the current European Social Fund programme period.				Continue to monitor Brexit scenario and review implications on levels of funding if required.						Risk reviewed and refreshed at a Risk Session with managers 20 January 2020 with no change to assessment of risk scores.
E&CS 13	School Premises Security If our School Premises are not properly safeguarded then unauthorised persons could gain entry and cause damage (fire, vandalism etc.) to property or to persons which could lead to our assets being unavailable for use, facing potential closure and re-provision of care/teaching in alternative locations at increased cost to the Council and/or in need of repair in turn leading to adverse publicity.	Security and safety risk assessments are carried out regularly at all Education premises while each school has its own individual security arrangements such as fencing, building access, CCTV etc. Business Continuity Plans in place. Insurance Renewal Programme. Head Teachers briefed on importance of their role as Head of Establishment to ensure security of buildings and that business continuity plans are up-to-date.	3	4	12	A cross-service project team has been established to progress the Learning Estate Review with school security to be included as part of this review.	2	4	8	Executive Director for Education and Children's Services Executive Director for Place Service Manager - Strategic Asset & Capital Plan Management	August 2021	Risk reviewed by Service Manager – Strategic Asset & Capital Plan Management Jan'21 with not change to risk scores.
E&CS 14	Management of Education Resource Failure to manage a delegated budget in a fair, equitable and transparent way and risk that school's budget is not deployed in accordance with best value principles. As a result financial expenditure is not well planned and resources are not used effectively to meet the needs of learners. Failure to adhere to Local Authority procurement arrangements. Potential risk of short-term funding i.e. Pupil Equity Fund (PEF) brings about additional budgetary pressures in relation to the retention of staff who could be surplus to requirements. This could result in reputational damage to the Council should schools fail to deliver a positive outcome for those children and young people the funding has been awarded to, as well as, no improvement in attainment, no closing of the attainment gap ultimately failing to meet the requirements of the Attainment Challenge Risk of not receiving positive inspections as there is insufficient evidence of impact on closing the attainment gap evaluated under QI 3.1 – Ensuring wellbeing, equality and inclusion. This could lead to increased scrutiny be external scrutiny bodies such as Education Scotland.	DSM guidance in place and support provided to Head Teachers (HTs) and Business Managers through Education and Finance colleagues. Budget spend is monitored by the Education Service and any issues are discussed with HTs with support from the QIT as required. Budget validations carried out by Principal Officer. Guidance and support provided from Council Procurement team and clear guidance is available for HTs. HTs submitted proposals on how they intend to use the funding, indicating expected impacts/outcomes it will have in relation to closing the attainment gap. Central department officers work collaboratively with HTs to support and challenge, to ensure the proposals are robust. Impact will be monitored throughout the school session. Database of staff appointments held and monitored to identify those funded through PEF as well as additional resources being incurred and the impact they are having in relation to the supports/interventions put in place. Close working with HR and Finance colleagues to manage the impact this additional workforce has long term.	3	4	12	Management of resources professional development opportunities being developed for middle leaders to build their capacity for future leadership responsibilities. Undertake a review of the Scheme of Devolved School Management taking account of national guidance.	2	4	8	Executive Director of Education and Children's Services Head Teachers	August 2021 April 2022	Risk reviewed and refreshed at a Risk Session with managers December 2020 with no change to assessment of risk scores. Risk reviewed November 2018 with current risk score reduced from 16 to 12 and residual score reduced from 12 to 8 due to more established working practices being in place.

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		<p>Central management information team undertaking data gathering, recording, analysis to inform and measure progress in raising attainment.</p> <p>Additional resources allocated to central Education, HR, Finance and Procurement services to support and implement the effective use of PEF.</p> <p>Close liaison with HTs and colleagues in Finance, HR and Procurement to support, monitor and record additional staffing and resources put in place.</p> <p>Quality Improvement Team monitor the impact at school level through discussions with HTs and looking at attainment data results.</p> <p>Regular meetings with Education Scotland Attainment Advisor to discuss and monitor progress.</p>										
E&CS 15	<p>IT Infrastructure</p> <p>The IT infrastructure may not be sufficient to support the use of digital technologies moving forward.</p> <p>A failure to address this could result in a lack of infrastructure to address the use of digital technology and impact on the ability to enhance learners' digital literacy skills.</p> <p>There is also a risk that a lack of investment in digital technologies may impact on our ability to attract staff to teach in our schools and also inequity in provision in relation to access to technology for our pupils.</p>	<p>Collaborative working between IT ICT and Education continues in respect of addressing the needs of schools and the wider services.</p> <p>A Temporary Education Support Officer (Digital Learning) was recruited by the South East Improvement Collaborative with part of this role being to support the implementation of digital learning across the school learning estate.</p> <p>Review undertaken and paper produced on Digital Learning and Teaching Strategy.</p> <p>Continue to work with schools to encourage them to promote the effective use of current and future ICT resources.</p> <p>The Council received a Scottish Government funded grant to support the purchase of digital devices and connectivity solutions to support digital inclusion amongst disadvantaged children and young people.</p> <p>An on-line learning environment for all students to reflect the way young people can now learn is in place and proving successful.</p> <p>The Council has a partnership agreement with Education Scotland Technology Team to assist with the</p>	3	4	12	<p>Finalise and implement the Digital Learning and Teaching Strategy which is dependent upon appropriate finance.</p> <p>A programme of staff development being put in place to upskill the workforce in schools to support the delivery of digital learning.</p> <p>Collaboration through City Deal to support workforce development and delivery of digital data.</p> <p>Further explore collaboration with Education Scotland and SEIC to support the delivery of digital learning across our schools.</p> <p>The rollout of Microsoft Teams during 2021 will overcome the barriers to virtual multi-agency working.</p>	2	4	8	<p>Executive Director of Education and Children's Services</p> <p>Service Manager - IT Infrastructure</p> <p>Service Manager (E Clater)</p>	<p>April 2021</p> <p>April 2021</p> <p>August 2021</p> <p>August 2021</p> <p>April 2021</p>	<p>Risk reviewed and refreshed at a Risk Session with managers December 2020 with no change to assessment of risk scores.</p> <p>Risk further reviewed and updated November 2018 with no change to assessment.</p>

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	The lack of appropriate technology may inhibit social workers communicating effectively with clients and therefore poses a risk. The inability of social workers to communicate effectively with partner agencies would also pose a risk to our children and families.	<p>delivery of enhancing staff and pupils' digital skills.</p> <p>The IT hardware has been expanded and upgraded meaning every worker has a laptop. Workers have also been equipped with Smart phones and have been given Skype licences to allow them to meet remotely.</p>										

East Lothian Council Risk Matrix

Likelihood Description

Likelihood of Occurrence	Score	Description
Almost Certain	5	Will undoubtedly happen, possibly frequently >90% chance
Likely	4	Will probably happen, but not a persistent issue >70%
Possible	3	May happen occasionally 30-70%
Unlikely	2	Not expected to happen but is possible <30%
Remote	1	Very unlikely this will ever happen <10%

Impact Description

Impact of Occurrence	Score	Description							
		Impact on Service Objectives	Financial Impact	Impact on People	Impact on Time	Impact on Reputation	Impact on Property	Business Continuity	Legal
Catastrophic	5	Unable to function, inability to fulfill obligations.	Severe impacts on budgets (emergency Corporate measures to be taken to stabilise Council Finances)	Single or Multiple fatality within council control, fatal accident enquiry.	Serious - in excess of 2 years to recover pre-event position.	Highly damaging, severe loss of public confidence, Scottish Government or Audit Scotland involved.	Significant disruption to building, facilities or equipment (Loss of building, rebuilding required, temporary accommodation required).	Complete inability to provide service/system, prolonged downtime with no back-up in place.	Catastrophic legal, regulatory, or contractual breach likely to result in substantial fines or other sanctions.
Major	4	Significant impact on service provision.	Major impact on budgets (need for Corporate solution to be identified to resolve funding difficulty)	Number of extensive injuries (major permanent harm) to employees, service users or public.	Major - between 1 & 2 years to recover pre-event position.	Major adverse publicity (regional/national), major loss of confidence.	Major disruption to building, facilities or equipment (Significant part of building unusable for prolonged period of time, alternative accommodation required).	Significant impact on service provision or loss of service.	Legal, regulatory, or contractual breach, severe impact to Council.
Moderate	3	Service objectives partially achievable.	Significant impact on budgets (can be contained within overall directorate budget)	Serious injury requiring medical treatment to employee, service user or public (semi-permanent harm up to 1yr), council liable.	Considerable - between 6 months and 1 year to recover pre-event position.	Some adverse local publicity, limited damage with legal implications, elected members become involved.	Moderate disruption to building, facilities or equipment (loss of use of building for medium period).	Security support and performance of service/system borderline.	Legal, regulatory, or contractual breach, moderate impact to Council.
Minor	2	Minor impact on service objectives.	Moderate impact on budgets (can be contained within service head's budget)	Lost time due to employee injury or small compensation claim from service user or public (First aid treatment required).	Some - between 2 and 6 months to recover.	Some public embarrassment, no damage to reputation or service users.	Minor disruption to building, facilities or equipment (alternative arrangements in place and covered by insurance).	Reasonable back-up arrangements, minor downtime of service/system.	Legal, regulatory, or contractual breach, minor impact to Council.
Minimal	1	Minimal impact, no service disruption.	Minimal impact on budgets (can be contained within unit's budget)	Minor injury to employee, service user or public.	Minimal - Up to 2 months to recover.	Minor impact to council reputation of no interest to the media (Internal).	Minimal disruption to building, facilities or equipment (alternative arrangements in place).	No operational difficulties, back-up support in place and security level acceptable.	Legal, regulatory, or contractual breach, negligible impact to Council.

Risk	Impact				
	Minimal (1)	Minor (2)	Moderate (3)	Major (4)	Catastrophic (5)
Almost Certain (5)	5	10	15	20	25
Likely (4)	4	8	12	16	20
Possible (3)	3	6	9	12	15
Unlikely (2)	2	4	6	8	10
Remote (1)	1	2	3	4	5

Key

Risk	Low	Medium	High	Very High
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REPORT TO: Audit and Governance Committee
MEETING DATE: 16 February 2021
BY: Chief Executive
SUBJECT: Health & Social Care Partnership Risk Register

8

1 PURPOSE

- 1.1 To present to the Audit and Governance Committee the Health & Social Care Partnership Risk Register (Appendix 1) for discussion, comment and noting.
- 1.2 The Health & Social Care Partnership Risk Register is developed in keeping with the Council's Risk Management Strategy and is a live document, which is reviewed and refreshed on a regular basis, led by the Health & Social Care Partnership Local Risk Working Group (LRWG).

2 RECOMMENDATIONS

- 2.1 It is recommended that the Audit and Governance Committee notes the Health & Social Care Partnership Risk Register and in doing so, the Committee is asked to note that:
 - the relevant risks have been identified and that the significance of each risk is appropriate to the current nature of the risk.
 - the total profile of the Health & Social Care Partnership risk can be borne by the Council at this time in relation to the Council's appetite for risk.
 - although the risks presented are those requiring close monitoring and scrutiny over the next year, many are in fact longer term risks for Health & Social Care Partnership and are likely to be a feature of the risk register over a number of years.

3 BACKGROUND

- 3.1 The Risk Register has been compiled by the Health & Social Care Partnership LRWG. All risks have been evaluated using the standard (5x5) risk matrix (Appendix 2) producing an evaluation of risk as either 'low (1-4)', 'medium' (5-9), 'high' (10-19) or 'very high' (20-25).
- 3.2 The Council's response in relation to adverse risk or its risk appetite is such that:

- Very High risk is unacceptable and measures should be taken to reduce, transfer or treat the risk to a more tolerable position;
- High risk may be tolerable providing the Council is assured that adequate and effective control measures are in place;
- Medium risk is tolerable with control measures that are cost effective;
- Low risk is broadly acceptable without any further action to prevent or mitigate risk.

3.3 The current Health & Social Care Partnership Risk Register includes 3 High risks, 9 Medium risks and 4 Low Risk. As the Register only has 3 High Risks I am also reporting all risks scoring eight to the Committee in addition to the High Risks.

4 POLICY IMPLICATIONS

4.1 In noting this report the Council will be ensuring that risk management principles, as detailed in the Corporate Risk Management Strategy are embedded across the Council.

5 INTEGRATED IMPACT ASSESSMENT

5.1 The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy

6 RESOURCE IMPLICATIONS

6.1 Financial - It is the consideration of the Health & Social Care Partnership LRWG that the recurring costs associated with the measures in place for each risk are proportionate to the level of risk. The financial requirements to support the Register should be met within the proposed budget allocations. Any unplanned and unbudgeted costs that arise in relation to any of the risks identified will be subject to review by the Corporate Management Team.

6.2 Personnel - There are no immediate implications.

6.3 Other - Effective implementation of this register will require the support and commitment of the Risk Owners identified within the register.

7 BACKGROUND PAPERS

7.1 Appendix 1 – Health & Social Care Partnership Risk Register 2021

7.2 Appendix 2 – Risk Matrix 2020

AUTHOR'S NAME	Scott Kennedy	
DESIGNATION	Emergency Planning, Risk and Resilience Officer	
CONTACT INFO	skennedy@eastlothian.gov.uk	01620 827900
DATE	04 February 2021	

ID	Title	Description	Controls in place	Risk level (current)	Risk level (Target)	Risk Owner	Handler	Date Opened	Date Risk Reviewed	Action No	Assigned To	Description	Progress	Start date	Due date	Done date
3913	Lone Working	There is a risk that failure of the Partnership to provide employees with effective Lone Working arrangements and the appropriate training could result in injury or death to those employees resulting in HSE investigation/prosecution, civil insurance liability, reputational risk, increased sickness absence and pressures on service delivery.	1. Lone working procedures and safe working practices are in place within NHSL. Social Work procedures are in hand. 2. Operating arrangements are reviewed regularly in team meetings and as a whole partnership. 3. Information on Lone Working Policy is part of the Service Level Induction process. All staff and new recruits undertake training, as required. 4. Respite Carers/Share the Carers have a robust support network and intensive support from their Supervising Social Worker. 5. Alarms installed in work premises used by staff to interview/meet with clients. 6. Significant Adverse Event Procedure is in place to identify cause, effect and learning. 7. A Potentially Violent Clients Register has been set up which enables the sharing of information relating to potentially violent clients across customer facing teams allowing managers to identify and implement control measures to protect employees from potential harm. 8. Mosaic client database reviewed to refresh (red flat clients). 9. East Lothian Council and NHS lone working systems are being implemented and are applying with relevant staff groups consistently.	Medium 8	Low 3	Macdonald, Alison X	Berry, Lesley	02/02/2016	29/12/2020	7238	Lesley Berry / Carol Jenner	Develop a consistent approach to lone working procedures across the Partnership	30/7/19: Algorithms shared between Health & Social Care. Joint Health & Safety meeting held monthly, issue of lone working discussed regularly. 19/12/19: Trish Carlyle is leading on this for social care. Carol Jenner confirmed that they are working to having the same approach as health. Joint Commissioning Group have given approval to go ahead with draft policy procedure and planned sign-off will be in Quarter 1 2020. Lesley Berry/Lorraine Cowan discussing health policy and are in discussion re agreeing one process for ELCH. 10/2/20: ELC plan to roll out training of Reliance devices in February 2020 and will ask company for delivery of devices soon. Staff training needs are being collated and will be rolled out either via e-learning or paper based on-site training. Additional training will be given in Personal Safety and Conflict Management Training. Managers and Team Leaders will need to be trained in using the Sphera Cloud system for risk assessment, recording and reporting incidents. Currently have use of a device from Housing which is allowing us to test communication and escalation procedures. Anticipate teams will have a "Champion" who will assist in the early phase of training and with the roll-out of policy and procedures and devices. 05/08/20: SLWG initiated to progress this for ELIRS. Plan to create a single operational policy for all AHP rehab staff taking into account variation in type of work, environment and risk. Rebecca McConnell co-ordinating SLWG to involve senior clinicians. Cat Cockburn to be invited. Carol Jenner taking forward the role out of Reliance. 30/7/19: Algorithms shared between Health & Social Care. Joint Health & Safety meeting held monthly, issue of lone working discussed regularly. The original plans for sign off of the LW policy and procedures, and the roll out, were significantly delayed due to Covid-19. LB: if we use Reliance, we could use across H&SCP. Discussions ongoing. 12/11/20: The roll out of Reliance LW devices to ELC Homecare team, using paper-based training (i.e. not e-learning) commenced February 2020, with training completed in March. However, individual use of lone working devices was significantly delayed until July 2020, due to impact of Covid and lack of iPhones for ELC Homecare workers. As of November 2020 most, though not all, ELC Homecare staff have picked up their iPhones from IT department. Since August 2020 the roll-out is progressing, to include ECS, MHO Team, Duty SW Team and, latterly, the Community Justice Unpaid Work Team. With the exception of ELC Homecare, all teams/workers have access to a computer/log-on and training will be delivered via Reliance e-learning module. The impact of Covid has meant that many more workers will be assessed as requiring a lone working device for their 'dedicated' use, as opposed to access to a Pool of devices. (Use of a dedicated or pool device is determined by the team leader/manager, following risk assessment.) More lone working devices will be procured from Reliance. We had originally planned that additional training (Personal Safety and Conflict Management Training) would be given to all staff. This	13/12/2016	31/03/2021	
										8681	Rona Laskowski	Update Adult Services Policy and Guidance documents	Draft policy for Social Work and Social Care tabled at JCG/PF - comments sought and costs for Lone Working alarms have been sourced. Update requested from Carol Jenner. 12/07/19: Carol Jenner provided update that draft policy & procedure has been shared with managers and consultation process is now closed. Her next actions are to 1. Make changes to Policy & Procedures in line with comments received (by 19th July) 2. Communicate roll-out of Policy & Procedures and training (by mid-August - tbc). 19/11/19: Devices procured and training is being rolled out. 23/11/20: Lone working policy rewritten and requires sign-off (check if CMT) - devices all purchased and currently rolling out to Duty and MHO teams. Phase 2 will be generic adult social work teams. Daily 10.30 workforce check-in with supervisors in place for monitoring of direct teams. Next stage is staff on-line training before xmas.	03/12/2018	31/03/2021	
										8682	Alison Macdonald / Carol Jenner	Develop Implementation Plan for Team specific arrangements	12/07/19: Carol Jenner provided update that draft policy & procedure has been shared with managers and consultation process is now closed. Her next actions are to 1. Make changes to Policy & Procedures in line with comments received (by 19th July) 2. Communicate roll-out of Policy & Procedures and training (by mid-August - tbc). 3. Confirm number of Reliance devices required and place order via ELC procurement procedures (by 19th July) 4. Contact Reliance and discuss / schedule the arrangements for them train our staff on use of devices (by 19th July). 23/12/19: Training to be rolled out February 2020. 12/11/20: 12/11/20: CJ has not developed an Implementation Plan for Team-specific arrangements. The approach is that individuals and teams are prioritised for roll out, on the basis of risk, as advised by operational managers. Each team in Adult Wellbeing will be considered for roll out of lone working devices (i.e. use of a dedicated device or access to a pool device, on the basis of risk). I hope that roll out will be complete by end Q2 2021, but this is dependent on resources (people/time).	03/12/2018	30/06/2021	
3912	Public Protection	There is a risk that a service user suffers death, harm or detriment and becomes subject to Public Protection (Child Protection or Adult Support and Protection) measures because of a lack of appropriate operational processes and resources leading to potential human tragedy and reputational damage to and increased scrutiny of the Health & Social Care Partnership. This may be due to processes not being followed, risk-taking	1. Maintained East and Mid shared public protections committee to support learning, consistency and best practice. 2. Regular interface with operational teams and PPU 3. HSCP clinical care Governance committee established to monitor services and ensure best practice. 4. Policy documents updated to include COVID 19 policies.	Medium 8	Medium 6	Macdonald, Alison X	Macdonald, Alison X	02/02/2016	29/12/2020	7540	Iain Gorman - Change to Trish Carlyle	Raise Public awareness	16/07/19: The Public Protection Communications sub-group sits under the Public Protection Committee and meets on a quarterly basis. A communications strategy and timeline has been drafted. A targeted approach is being taken to prioritise emerging threats and local areas of priority, such as financial harm, self-neglect and hoarding. 23/11/20: This approach has been significantly adjusted due to COVID-19.	06/06/2016	31/03/2021	
3918	Regulatory Inspections	There is a risk that external regulatory inspections identify significant weaknesses in our services leading to reputational damage and sustainability of the Partnership e.g. external audit, Joint Strategic Inspections, Best Value Review.	1. Systematic approach to preparation for inspections 2. Ensuring a proactive approach to regulatory requirements 3. Joint Improvement Planning in response to inspection findings 4. Regular Self Evaluation and improvement Planning e.g. PSIF and HGIOC 5. Preparation for inspection used as a learning tool 6. Review and adoption of any post inspection improvement plan requirements and any external national audit report requirements. 7. H&SCP Clinical & Care Governance Committee has been established to monitor effective implementation of all improvement plans ensuring practice improvement is embedded. 8. Quality and Service Improvement Manager now in post and progressing evidence based record on continuous improvement.	Medium 8	Medium 8	Macdonald, Alison X	Macdonald, Alison X	02/02/2016	29/12/2020	8673	Lorraine Cowan					
3914	Service Activity Pressures	There is a risk that demographic pressures see demand for services outstrip available budgetary and staffing resources leading to unmet client need and risk to client safety and independence, potentially generating reputational risk for East Lothian Council.	1. New planning structure established which will support an overall programme of change and include a number of change boards to which all projects will report. Changes boards reflect agreed priorities of the UB and include Primary Care, Shifting the Balance of Care, Adults with Complex Needs, Mental Health, Carers and Reprovisioning. 2. New planning structure includes Reference Groups as well as Change Boards. Reference groups are multi-stakeholder and include service users, carers, voluntary sector organisations, practitioners, community planning partners, housing colleagues and other groups.	High 12	Medium 9					8656	Claire Flanagan	Deliver Efficiencies and Income Recovery	7/1/20: To be reviewed in March 2020 in alignment with budget announcement. 05/08/20: still objective to do financial overview, still need to reconcile impact of COVID.23/11/20: Ongoing through financial overview.	01/08/2016	31/03/2021	

ID	Title	Description	Controls in place	Risk level (current)	Risk level (Target)	Risk Owner	Handler	Date Opened	Date Risk Reviewed	Action No	Assigned To	Description	Progress	Start date	Due date	Done date
		Service Activity pressures see demand for services outstrip available budgetary and staffing resources leading to unmet client need and risk to clients safety and independence, potentially generating reputational risk for the Council as well as failing to meet statutory responsibilities. COVID impacting servc capacity. This risk is managed by the IJB	3. Resource Allocation System (RAS) established with additional short term practitioner capacity to accelerate pace of reviews to ensure resources are allocated according to need within financial constraints. 4. Application of the Eligibility criteria has been reviewed and delegated authority implemented. Scrutiny of budget authorisations and analysis of trends through delegated authority. 5. Self Directed Support (SDS) implemented and audited with action plan in place. 6. Currently commission a range of services which fulfil an early intervention and prevention role. As part of continual planning and service redesign. Mandatory "Golden Threads" have been established which all change programmes and projects must evidence as having achieved as part of the proposed change. These include early intervention and prevention. 7. Good progress being made in partnership working with third sector including Day Centres Association. 8. A three year increased investment plan was agreed at the IJB in early 2017. April 2019 will see the third year of this agreement start where day centres will be operating to a new Service Level Agreement. 9. All funding of commissioned provision has undergone a Strategic Fit and Best Value review. This includes integrated Care Fund funding and services. 10. Three year budget efficiency plans developed for implementation from 2019 - 2022. 11. Work is underway to accurately forecast trajectory of need across all Care Groups to inform service development and financial planning. 12. Recovery Plan is in place. 13. Financial process has been reviewed. 14. Resource allocation system - delegated authority is in place.			Macdonald, Alison X	Macdonald, Alison X	02/02/2016	29/12/2020		8658	Gillian Neil	Community Transformation Programme Options Appraisal to be taken to IJB on 26th September 2019. 9/1/20: Options Appraisal is now going to SPG on 19/2/20 and then IJB on 27/2/20. 28/05 - Option appraisal did not get presented to SPG/IJB in Feb and due to COVID-19 there is now a financial risk as we are not going to be able to implement this model. Social distancing rules imposed now means we need to reconsider the model. 05/08/20: meetings to be reinstated as a lot based on SG and doing things differently. 23/11/20: Ongoing planning. Model signed off by SPG - the scope has been expanded to include over 65. Reference group about to be re-established and presentation going to IJB in December to provide an update. Being directly informed by COVID remobilisation government guidelines.	03/01/2019	31/03/2021	
											10224	Claire Flanagan	Continue to refine medium term financial plan 14/11/19: This action supercedes action 8657 which has now been closed. 7/1/20: Ongoing development of longer term financial plan. Ongoing collaboration with Partners around budget allocations. 23/11/0: financial plan covering 20/21 to 24/25 has been developed and shared with IJB in October 2020. This will be refined once clarity on service provision post-COVID.	14/11/2019	31/03/2021	
4695	Substance Misuse	There is a risk to the delivery of national standards and potential impact on drug related deaths in East Lothian following a national 23% reduction on funding for drugs and alcohol. This introduces vulnerability into delivery of treatment support and recovery pathways and to delivery of performance against the HEAT A11 Standard [90% of people seen within 3 week referral to treatment] and the "Take Home Naloxone" THN programme requirements. Staffing pressures within SMS could impact service delivery and compliance with standards and the implementation of an effective Recovery Orientated System of Care for all substance misusers in EL. These risks could lead to an increase in the number of substance misusers with higher levels of risks and increased death rate related to substance misuse, and an increase in related physical and mental health issues. This could also affect the reputation of EL area as a safe place to live and impact on drug related crime as demand for, supply or and usage of drugs permeate community wellbeing across the county.	1. MELDAP is accountable to and reports to ELHSCP and EL Partnership through the Resilient People Partnership. Key MELDAP outcomes from the MELDAP 2020 – 2023 Delivery Plan, due to be published by early April 2020, will be included in the EL Local Outcome Improvement Plan ; progress against performance measures are reported on a quarterly or annual basis. 2. MELDAP commissioning and performance group and MELDAP strategic group monitor performance against standards and identify actions to minimise risks as they are identified. 3. Regular meetings between MELDAP, SMS Manager and Head of Service to improve performance against HEAT A11 and delivery of THN programme requirements. 4. Provide time limited MELDAP resource to support the delivery of HEAT A11 in the SMS. 5. The MELDAP delivery plan identifies priorities for the partnership with progress reported to Scottish Government in an annual report. The MELDAP strategic group also reports on national standards, ministerial priorities and ADP outcomes as required. 6. Programme of quality improvement visits to all commissioned services to monitor performance and compliance with national standards and delivery of service improvement plans following the ADP care inspection 2016 process. 7. Annual programme of service presentations to the MELDAP commissioning and performance group, highlighting service impact. 8. MELDAP now has stable funding through Scottish Government for the provision of drug and alcohol services. 9. Partnership collaboration particularly with Police Scotland to disrupt and prosecute the suppliers and providers of drugs within EL. 10. Increase focus on substance misuse within the Education's Health and Wellbeing PSE curriculum. 11. The MELDP local Drug Related Death [DRD] review group considers DRD's currently on a monthly basis, identifying learning to be implemented by practice teams and MELDAP. 12. Pathway in place between IHTT and SMS. Respective team managers will review regularly and fine tune, as required.	High 12	Medium 6	Macdonald, Alison X	Neil, Gillian	01/03/2018	29/12/2020		8649	Nicola Cochrane	Improve the reach of Take Home Naloxone to higher risk groups 26/06/19: Most vulnerable people accessing drop-in clinic at HUB. Naloxone accessible at Primary Care. Looking to introduce within IHTT and also current proposal for EL to spread the offer of accessibility of Naloxone to all pharmacies within EL - in discussion. 24/10/19: The offer of Naloxone continues within the drop in clinic and within the core service offer. Following a recent presentation to the IJB MELDAP and Nicola Cochrane are arranging a meeting with Fiona O'Donnell, Jon Turvill and others to agree on further spread of Naloxone distribution. 26/02/20: discussion are ongoing regarding the use of community pharmacies and plans are underway for the issue of THN via IHTT (contact Jamie Morris). It is also available at Gateway clinics when people make first contact with SMS and partnership services and through the assertive outreach service follow up post Non-Fatal Overdoes (NFO). 27/05/20: THN continues to be encouraged and provided as part of one to one work with people in East Lothian. Following temporary Lord Advocate guidance [during the COVID 19 crisis], MELDAP have encouraged non treatment/support services to consider registering with the NHS THN Lead to engage in training to deliver THN as a response to the impacts of COVID 19. THN is supplied in Safe Storage boxes. Each box is designed to hold an individual's methadone (bottle), other prescribed drugs and also contains a THN kit, measuring cups, methadone leaflet and key messages around methadone consumption. MELDAP is also further increasing levels of expenditure as planned to maximise training and provision of THN Kits. 23/11/20: The outreach model is now within prestonpans and Harbours practice is due to have access to this service within the next weeks. All patients within these practices will have access to harm reduction, peer support, opiate replacement therapy, Naloxone, recovery focus interventions including SMART. 01/01/21: East Lothian Treatment and Support Services are currently performing in excess of 90% against the Access to service standard – 90% of people to be seen within 3 weeks – referral to treatment. The outreach model is now within 5 Primary care practices. All patients within these practices will have access to harm reduction, peer support, opiate replacement therapy, Naloxone, recovery focus interventions including SMART. MELDAP have funded five peer support workers to support those who use alcohol and drugs into treatment and recovery. This includes Peer Workers working within Primary Care settings alongside funded specialist Substance Misuse Nurses. ELSMS provide rapid access to OST and for some high risk clients this is on the same or next day access and commenced the trialling of Buprenorphine prolonged-release injection]. ELSMS/MELD have developed a rapid response pathway for people involved in a Non-Fatal Overdose. For the period January 5th -December 2020 there were 80 recorded NFO involving in East Lothian residents. As part of the response to Covid 19 pandemic, services [within Scottish Government restrictions and when it was safe to do so] provide face to face engagement/support. When this is not possible, all patients/clients are provided with support using video conferencing platforms and telephone calls/ texting. In response to Drug Deaths Task Force recommendations East Lothian was awarded additional funding which will be used to appoint additional staff, peer worker and part-time nurse based at the Esk Centre. As part of the MELDAP Benzodiazepine Action Plan, ELSMS is to become involved in a national pilot in relation to the development of treatment options for those using "street benzodiazepines" Specifically through the pandemic, MELD provide outreach support to clients which includes the home delivery of OST and IEP. Across the MELDAP area, we provided digital support to help people get or stay connected through the purchase of more than 160 basic smart phones/tablets and 260 digital 'top ups'. The MELDAP Recovery College secured funding and has provided equipment in the form of	01/03/2018	31/03/2021	
											8650	Gillian Neil	Develop a Young People's SMS support service in EL 24/10/19: A preferred provider (MYPAS) has been identified and the service delivery is being planned for implementation in mid-December. 10/1/20: The induction and orientation process has begun for the two post holders in MYPAS with service delivery beginning shortly. 03/08/2020 - This service is providing support to young people within Covid 19 restrictions. 05/08/20: MELDAP have ML young people's advisory service in place since January 2020.	01/03/2018	31/03/2021	
											8651	Gillian Neil	To discuss disruption activities to the sale of drugs from the internet with Police Scotland and its intelligence branches. 24/10/19: This has been discussed with Police colleagues. Services are alerted to current drug trends and ensure that information is shared with staff and service users appropriately. There is training planned with MELDAP partners in relation to the Police Scotland "County Lines" Initiative. This is continuous but there is training on 05/12/19. 03/08/2020 - Services and Police are alerted to current drug trends by MELDAP. Work is underway to review practice and treatment in light of the increase in availability of "street benzo's" such as etizolam. 01/01/21: In October 2020, ELHSCP/MELDAP were involved in supporting a Police Scotland operation to disrupt drug availability within communities in East Lothian. This included an agreed pathway between Police and NHS services, and the production of printed information about available EL services that was distributed to those impacted by the Police operation. Services and Police are alerted to current drug trends by MELDAP. Work is underway to review practice and treatment in light of the increase in availability of "street benzo's" such as etizolam. Debrief from operation to tke place in January 21 and new local strategies to be developed	01/03/2018	31/03/2021	

ID	Title	Description	Controls in place	Risk level (current)	Risk level (Target)	Risk Owner	Handler	Date Opened	Date Risk Reviewed	Action No	Assigned To	Description	Progress	Start date	Due date	Done date
										8652	Gillian Neil	Continue to seek opportunities to work with Education and ELC.	24/10/19: There are a number of initiatives underway including developing a policy on Managing Substance Use Incidents Involving Children and Young People and Core Risk taking Message for young people.	01/03/2018	31/03/2021	
										8653	Nicola Cochrane	DRD group members to review current process of analysis of case reviews	26/06/19: MELDAP and NHS have looked at current process and are in discussion with Naomi Honhold (Drug Related Death Co-ordinator) to look at a more efficient and seamless process of reviewing DRD. 24/10/19: DRD are now being reviewed locally. The first date for 2018 reviews is 22nd November where all DRDs in 2018 will be reviewed that day. A follow-up session will be agreed and MELDAP are leading on the development of a DRD group with EL and ML. 27/05/20 MELDAP and NHS have looked at current process and are in still in discussions with Naomi Honhold (Drug Related Death Co-ordinator) to look at a more efficient and seamless process of reviewing DRD. DRD's are now being reviewed and allocated locally by our SAE group which meets on a fortnightly basis and is chaired by Lorraine Cowan. Please note this group is continuing to meet during the current time as we are committed as a partnership to ensure all SAE's including DRD's are reviewed by the appropriate professionals, in a timeous way. Currently post mortem's and toxicology can be taking up to 10/12 weeks to be reported upon. 23/11/20: ELHSCP have now implemented an SAE group this group meets fortnightly and is chaired by Lorraine Cowan and Jon Turvill. All SAE's / unexpected deaths are presented to this meeting and decisions are agreed at this group on what level of review is required to be commissioned. The ELHSCP are due to map out the DRD process with REAS in January 2021 to ensure this process is followed for all ELHSCP cases, ELHSCP have regular communications with REAS DRD coordinator and all cases are discussed fortnightly to ensure timescales are adhered to however where this is not the case rationale for this is documented within DATIX. It is important to note that post mortems are taking up to 9 months from date of death to be reported upon.	01/03/2018	31/03/2021	

East Lothian Council Risk Matrix

Likelihood Description

Likelihood of Occurrence	Score	Description
Almost Certain	5	Will undoubtedly happen, possibly frequently >90% chance
Likely	4	Will probably happen, but not a persistent issue >70%
Possible	3	May happen occasionally 30-70%
Unlikely	2	Not expected to happen but is possible <30%
Remote	1	Very unlikely this will ever happen <10%

Impact Description

Impact of Occurrence	Score	Description							
		Impact on Service Objectives	Financial Impact	Impact on People	Impact on Time	Impact on Reputation	Impact on Property	Business Continuity	Legal
Catastrophic	5	Unable to function, inability to fulfill obligations.	Severe impacts on budgets (emergency Corporate measures to be taken to stabilise Council Finances)	Single or Multiple fatality within council control, fatal accident enquiry.	Serious - in excess of 2 years to recover pre-event position.	Highly damaging, severe loss of public confidence, Scottish Government or Audit Scotland involved.	Significant disruption to building, facilities or equipment (Loss of building, rebuilding required, temporary accommodation required).	Complete inability to provide service/system, prolonged downtime with no back-up in place.	Catastrophic legal, regulatory, or contractual breach likely to result in substantial fines or other sanctions.
Major	4	Significant impact on service provision.	Major impact on budgets (need for Corporate solution to be identified to resolve funding difficulty)	Number of extensive injuries (major permanent harm) to employees, service users or public.	Major - between 1 & 2 years to recover pre-event position.	Major adverse publicity (regional/national), major loss of confidence.	Major disruption to building, facilities or equipment (Significant part of building unusable for prolonged period of time, alternative accommodation required).	Significant impact on service provision or loss of service.	Legal, regulatory, or contractual breach, severe impact to Council.
Moderate	3	Service objectives partially achievable.	Significant impact on budgets (can be contained within overall directorate budget)	Serious injury requiring medical treatment to employee, service user or public (semi-permanent harm up to 1yr), council liable.	Considerable - between 6 months and 1 year to recover pre-event position.	Some adverse local publicity, limited damage with legal implications, elected members become involved.	Moderate disruption to building, facilities or equipment (loss of use of building for medium period).	Security support and performance of service/system borderline.	Legal, regulatory, or contractual breach, moderate impact to Council.
Minor	2	Minor impact on service objectives.	Moderate impact on budgets (can be contained within service head's budget)	Lost time due to employee injury or small compensation claim from service user or public (First aid treatment required).	Some - between 2 and 6 months to recover.	Some public embarrassment, no damage to reputation or service users.	Minor disruption to building, facilities or equipment (alternative arrangements in place and covered by insurance).	Reasonable back-up arrangements, minor downtime of service/system.	Legal, regulatory, or contractual breach, minor impact to Council.
Minimal	1	Minimal impact, no service disruption.	Minimal impact on budgets (can be contained within unit's budget)	Minor injury to employee, service user or public.	Minimal - Up to 2 months to recover.	Minor impact to council reputation of no interest to the media (Internal).	Minimal disruption to building, facilities or equipment (alternative arrangements in place).	No operational difficulties, back-up support in place and security level acceptable.	Legal, regulatory, or contractual breach, negligible impact to Council

Risk	Impact				
	Minimal (1)	Minor (2)	Moderate (3)	Major (4)	Catastrophic (5)
Almost Certain (5)	5	10	15	20	25
Likely (4)	4	8	12	16	20
Possible (3)	3	6	9	12	15
Unlikely (2)	2	4	6	8	10
Remote (1)	1	2	3	4	5

Key

Risk	Low	Medium	High	Very High
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