

Covid-19

Guide for audit and risk committees

Prepared for public bodies and auditors

August 2020

Introduction

1. Covid-19 has already had a significant impact on every aspect of society in Scotland. It has affected individuals and communities, public services and the economy.

2. The response of public-sector bodies has been strong, and the pandemic has highlighted some of their key strengths, such as agility and partnership working. But Covid-19 has also exacerbated many pre-existing risks and challenges facing public bodies in areas such as financial sustainability and service demand pressures. A difficult road lies ahead as public bodies move from response to recovery and renewal.

3. Audit and risk committees have a crucial role to play in providing effective scrutiny and challenge. They help public bodies focus on important aspects of the business and maintain effective oversight of spending, performance and governance arrangements. As public bodies manage their business during this global pandemic, the role of audit and risk committees becomes even more important.

4. This guide for audit and risk committees draws on our recent experience of auditing public bodies during the pandemic. It also refers to key sources of guidance such as the Scottish Government's Scottish Public Finance Manual and On Board: a guide for members of statutory boards and the Chartered Institute of Public Finance and Accountancy's *Audit Committees: Practical Guidance for Local Authorities and Police*.

Key issues for consideration by audit and risk committees during the Covid-19 pandemic

5. There are a wide range of short, medium and long-term risks and issues emerging from Covid-19 for public bodies to consider. This guide focuses on the short-term challenges facing public bodies in the response phase of the pandemic. During this phase, key areas that audit and risk committees will need to focus on include:

- internal controls and assurance
- financial management and reporting
- governance
- risk management.

6. This guide provides audit and risk committee members with suggested questions to help them effectively scrutinise and challenge in these key areas. Answering the questions in this guide will help audit and risk committees better understand how their organisation is responding to the pandemic and managing both the immediate and longer-term challenges that it creates.

7. Audit and risk committees must assure themselves that they are engaged and well-informed about the changes that are occurring and affecting their organisation due to Covid-19. For example, they should be informed of changes to internal reporting arrangements, and policy and legislative changes and the impact they are likely to have on the organisation. They should also be apprised of any fraud and error risks arising from the response to Covid-19.¹

¹ [Covid-19: Emerging fraud risks](#), Audit Scotland, July 2020.

Internal controls and assurance

8. Public-sector staff are working under extreme pressure as a consequence of the scale and pace of change created by the pandemic and the need to respond rapidly to unfolding events. This may mean that some internal controls are suspended or relaxed. For example, the segregation of duties between colleagues for completing tasks and subsequent checks may not be possible due to unforeseen capacity issues or the lack of availability of more senior or experienced staff. Staff transfer between departments, for example, to new areas such as those responsible for distributing funding to support people and businesses most affected by Covid-19, may also leave some areas under-staffed. Furthermore, inexperienced staff may be working remotely without a full understanding of the required procedures and controls.

9. Internal audit provides independent assurance on governance arrangements, risk management and internal control processes. As the landscape changes, internal audit will have to consider its approach to audit planning and how it continues to deliver its assurance activities while balancing the workload created by new risks emerging from Covid-19.

10. As staff work remotely, there may also be potential security risks such as an increase in cyber-crime. For example, fraudsters may try to access public-sector systems by claiming to be legitimate technical support services or through phishing emails and scams.

11. Exhibit 1 proposes potential questions for audit and risk committee members to consider.

Exhibit 1

Internal controls and assurance – questions to consider

For each question, an assessment of the current status is included within the comment boxes		
1	Effectively complete or on-going practice	BLUE
2	Lower risk (some additional work suggested)	GREEN
3	Medium risk (additional work required)	AMBER
4	Higher risk (urgent work required)	RED

1.1 What changes to internal controls have been required due to Covid-19?

- Has internal audit assessed the design, implementation and operational effectiveness of revised internal controls?

Comments:		
<p>Each Chief Officer completed a SITREP which set out any new procedures or changes to existing procedures. Relevant changes would then be communicated as required through social media channels, the employee intranet, via direct workforce briefs and by line managers. Internal Audit and Finance were consulted on proposed changes in relation to financial governance and Internal Audit provided advice to Services as and when required.</p> <p>There were regular reports to Council on the Covid-19 response which included details of revised governance arrangements. In addition, a strategic pandemic risk and associated operational risks were developed and reported through both Audit and Corporate Services Committees. All COVID-19 related additional costs required to be approved by Strategic Leads/Directors as appropriate at the time.</p>		
<table border="1"> <tr> <td>Status</td> <td>BLUE</td> </tr> </table>	Status	BLUE
Status	BLUE	

1.2 What new controls have been established to account for the distribution of any additional funds received?

- Have officers identified any weaknesses in new controls and if so, how are these being addressed?

Comments:	
Additional general Scottish Government funding to support Council services have been aligned to the net financial impact of Covid-19 on the Council. Additional Scottish Government grant funding specifically linked to areas for specific support e.g. local businesses, local residents, specific service delivery have been used for the purposes defined by the Scottish Government and all reporting requirements to Scottish Government have been complied with.	
Covid-19 Update Reports have been provided to Council meetings which provide a full update on the financial position including additional Scottish Government funding.	
The Council is participating in the National Fraud Initiative exercise for 20/21 which will include Covid-19 Business Grants as a new dataset. Any matches identified will be built into the workplan for the corporate fraud team for 21/22 with relevant links to Human Resources for any employee action.	
Status	BLUE

1.3 To what extent has your organisation assessed the impact of working remotely on the control environment and working practices?

Comments:	
Each Chief Officer completed a SITREP on a regular basis and submitted in advance of each Strategic Resilience Group meeting which set out any new procedures or changes to existing procedures as a result of homeworking. Additionally impact was assessed through a workstyle survey returning positive feedback on the overall experience. Assessments about technology demands were made with managers and devices enabled to support almost 2000 home workers at peak. Internal Audit and Finance were consulted on proposed changes in relation to financial governance. SITREPs were provided to and reviewed by ORG and SRG on an ongoing basis.	
Supporting Document:	
COVID-19 updates to Council meetings – 26 August 2020 (item 9), 9 September 2020 (item 9), 24 September 2020 (item 6), 25 November 2020 (item 9), 16 December 2020 (item 9), 24 February 2021 (item 8)	
Status	BLUE

1.4 Has internal audit reviewed their audit plan and assessed which projects might need to be cancelled, postponed or accelerated as your organisation navigates its way through the pandemic?

Comments:	
The Shared Service Manager – Audit & Fraud regularly reviews the Internal Audit Plan and the most recent review was completed as part of the March 2021 Audit Committee papers.	
Status	BLUE

1.5 How is management supporting internal audit to balance its 'routine' programme of work and that required to respond to Covid-19-related audit work?

Comments:	
This is achieved via ongoing communications between the Shared Service Manager – Audit & Fraud and officers from the Senior Leadership Team.	
Status	BLUE

1.6 What impact has Covid-19 had on the annual reporting and accounting process?

- Has your organisation's timetable for the annual reporting process been considered for 2019/20 and 2020/21? If so, have the timetables been revised and updated accordingly?
- Has the external auditor's annual audit plan been updated to assess and address new risks?

Comments:	
The Council's annual accounts were submitted by the original 30 th June deadline and Finance has a well-established process in place to review and update its annual reporting timetable. The external auditor's timetable was extended by the Scottish Government to the end of November 2020 and the external auditor's annual report and audited accounts were reported to Council on 25 November 2020. The external auditor's annual report included a new additional risk identified in relation to the additional uncertainty of Covid-19 and the effects of lockdown presented specific risks to the group accounts. The auditor concluded that the required assurances were received.	
Supporting Document:	
Council Report – 25/11/2020 – Annual Report to Members on the 2019-20 Audit – Item 2	
Status	BLUE

1.7 To what extent has your organisation considered work undertaken by other organisations (via professional networks and bodies), or where appropriate, engaged with external experts to inform decision-making around significant areas of change in response to the pandemic?

Comments:	
The Council is a member of the Joint Civil Contingency Service with other neighbouring authorities. This ensures sharing of best practice, provides a wider support team in the event of any incidents and expertise in the resilience field. The Council has also developed and maintained a range of response and recovery plans in consultation with delivery partners and groups. The HSCP has developed and maintained a local mobilisation plan. There is ongoing daily contact between Chief Executives and Health Board Chief Officers.	
Various members of the Senior Leadership Group have key roles at national level e.g. SOLACE, SPDS, SOLAR, CIPFA Directors of Finance, and these provide vital channels through which to understand the evolving landscape and share practice.	
Supporting Document:	
Strategic risk update report to Audit Committee in September 2020, November 2020 and March 2021.	
Status	BLUE

1.8 How have IT services performed during the pandemic?

- To what extent have cyber security controls been considered?

Comments:	
ICT Services supported extensive remote working across the Council, our partners and associated organisations before Covid-19 emerged but clearly the extent, scale and complexity of remote working has rapidly increased and changed. Clear guidance has been issued on home working both from a technology and workforce perspective. The requirement for online collaboration tools, the speed and extent of the various technological solutions put significant additional pressure on the ICT team and, as with any large scale project, issues, risks and changes are addressed in a prioritised manner. The work undertaken has already provided greater flexibility in working arrangements.	
Cyber security is an identified strategic risk with a myriad of mitigations in place. In addition, the Council undertook a 'phishing campaign' during the initial lockdown period to raise awareness of the risks posed to individuals in their work role and in their personal transactions. This exercise, delivered with the support of the Joint Trades Union, deliberately used topics that criminals would use to demonstrate how difficult it can be to spot a phishing email. Any individual clicking on the suspect links would be taken to a learning module to raise awareness and prevent recurrence or falling victim to real scams.	
Details of the cyber security controls can be found in the Audit Committee reports on Strategic Risk (September 2020, November 2020)	
Supporting Document:	

Strategic Risk Report to Corporate Services and Audit Committee meetings in September 2020, November 2020, March 2021

Status **BLUE**

1.9 To what extent has management assessed the impact of Covid-19 on overall staff capacity?

- What areas have been identified as being under resourced and how is this being addressed?

Comments:

Services completed scenario plans on the reduced availability of employees as a result of the pandemic. The scenario plans included services which would stop or be reduced in the event of resource issues whilst maintaining essential services. A volunteer database is maintained on an ongoing basis through HR21 of those who can be redeployed to carry out essential tasks. The Council's SRG developed a Key Worker/Essential Services list, used initially for qualification for Key Worker Hubs and latterly to ensure that partner organisations understood which of our workers would be out in the communities during lockdown or other restrictions on movement.

The Council monitors absence as a result of Covid-19 – including caring responsibilities, isolation and illness. This allows us to flex or shrink resource to fit demand and gaps. This is a key aspect of workforce planning and included in our workforce console.

Supporting Document:

COVID-19 Update Report to Council Meetings – 24 June 2020, 26 August 2020, 24 September 2020, 25 November 2020, 16 December 2020, 24 February 2021.

Status **BLUE**

1.10 What is your organisation doing to support its staff during the pandemic?

- To what extent have workload and working practices been adjusted to allow for the challenges that people may face when working remotely?
- What guidance, advice or signposting has your organisation put in place to support staff wellbeing?

Comments:

We reviewed and raised awareness of our Agile working practices, introducing a rapid deployment of online collaboration tools such as Zoom and MS Teams and increased use of communications and engagement channel, Trickle that can be accessed on desktop and any smart mobile device making it more accessible, especially to those working front line. Advice, hints and tips have also been shared with managers and employees through a range of learning opportunities (webinars/guides/external resources/courses) on how to manage and support teams/colleagues remotely as well as increase employees level of digital skills. In relation to adjusting workloads, a number of measures were put in place including; temporary changes in working hours, a process to allow individual employees to request an early return to an office environment if their personal circumstances made working from home a challenge, advice and guidance in the form of webinars and written guides on how to ensure a work/life balance when working from home as well as more informal supports such as Virtual Cuppa and a reading group to help with the isolation that people can feel when working remotely. All of this activity was informed by our Home Working Survey completed by employees who are working remotely.

A range of supports are continuously promoted throughout the Council; this includes but isn't limited to external resources to support mental health such as free mindfulness courses, free courses from local colleges, wellbeing action plans, NHS Musculoskeletal (MSK) App, webinars run by the Scottish Government and websites dedicated to supporting the Scottish workforce through the pandemic. In addition, a number of external specialists have been brought in to deliver webinars to employees on topics from financial wellbeing, dealing with grief, work/life balance, managing emotions, having supportive conversations and mental health awareness. Policies such as Enhanced Annual leave, Cycle to Work, Flexible Working and Parental Leave were all amended to provide additional supportive provisions to employees during the pandemic; these changes were supported by HR training sessions

available to managers. The provision for employee counselling was also increased and access to our complimentary mental health support service (Access to Work) was quickly moved online as was our Workplace Chaplaincy service.

Our Winter Wellbeing package provided one place where employees could find our range of supports and this has led to us introducing monthly Wellbeing Round Ups allowing us to spotlight the best resources and supports available.

In light of the extensive work undertaken to support employees, the Council was shortlisted and recognised as finalists for the HR excellence awards 2020, in the category of 'Best Health & Wellbeing Strategy' alongside organisations such as DWP and Natwest.

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1.11 What opportunities and risks have arisen as staff are deployed across departments?

Comments:

The redeployment of employees into areas outwith their substantive roles formed a key part of the workforce scenario planning to ensure that essential services were being delivered. Employees from within services were redeployed into other roles as appropriate and a volunteer database was created and maintained through the Council's workforce management system to identify other employees who would be willing to be redeployed to assist deliver essential services. Risk assessments have been undertaken as appropriate and provision of and training on PPE provided where required.

Status	BLUE
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1.12 How is your organisation capturing the learning and opportunities that arise from new ways of working?

Comments:

Reflective learning logs have been developed and refreshed periodically. In addition, key learning has been captured at local level, via TU colleagues and through the resilience groups. This has been acted on accordingly. Amendments to guidance, policies and practice being made as required and communicated through the usual channels for example new/safer ways of working for employees at risk and embracing opportunities presented through new ways of working eg virtual meetings.

Status	BLUE
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Financial management and reporting

12.Public bodies face considerable uncertainty during the pandemic and as they plan for the future. Having robust financial management and transparent reporting arrangements in place is critical to ensuring that an organisation can manage its finances and deliver services effectively, identify issues and challenges early and act on them promptly.

13.Financial impacts of the pandemic could include a reduction in income generated from business rates and council tax non-payments as well as a reduction in fees and charges from, for example, leisure, public transport and parking. Organisations may also face increased costs such as higher staff costs to cover the delivery of services. The economic uncertainty and market volatility caused by the pandemic also make it difficult for public bodies to value, for example, property portfolios, inventories and pension schemes.

14.A number of factors will affect how well an organisation can report on and manage its financial position at a time where it is facing significant pressure and challenge. For example, there is likely to be competing pressures on finance staff, significant changes in financial processes and procedures and the introduction of financial systems in new areas, such as those for Covid-19-related government relief, assistance and stimulus packages. Exhibit 2 proposes potential questions for audit and risk committee members to consider.

Exhibit 2

Financial management and reporting – questions to consider

2.1 Is financial (and performance) information received in a timely manner, with sufficient detail, to inform the fast-paced changes that are required due to Covid-19?

Comments:	
Financial and performance information overlap and can be evidenced via on-going reporting to Council and relevant Council Committees. With the reintroduction of scheduled committees from August 2020 the normal schedule of financial reporting was recommenced, though due to the timing of the first lockdown there were no scheduled financial reports missed. In addition Covid-19 Update reports also provided Council with specific information on the covid financial impact and Scottish Government funding.	
Supporting Documents:	
Budgetary Control reports to Committees and Council August 2020, September 2020, October 2020, November 2020, December 2020, January 2021, February 2021. Covid-19 Update reports – June 2020, August 2020, September 2020, November 2020, December 2020, January 2021, February 2021 and May 2021	
Status	BLUE

2.2 How is management assessing the financial impact of Covid-19 on income and expenditure?

- What processes or procedures have been put in place to assess, for example, new demands, new expenditure streams, savings from activity foregone and lost income?

Comments:	
Each senior officer is responsible for accounting for, and submitting approval documentation for any additional spend linked to Covid-19. This is collated and reported appropriately. Covid-19 Update reports to Council and Budgetary Control reports have provided Elected Members with up to date projections of the financial impact of Covid-19. The Chief Finance Officer lead a review of all budget lines to identify Covid-19 cost pressures, lost income and reduced costs due to changes to activity levels.	
Supporting Documents:	
Budgetary Control reports to Committees and Council August 2020, September 2020, October 2020, November 2020, December 2020, January 2021, February 2021. Covid-19 Update reports to Council in June 2020, August 2020, September 2020, November 2020, December 2020, January 2021, February 2021 and May 2021	
Status	BLUE

2.3 What information has been used in determining the value of assets and liabilities?

- To what extent have estimated valuations been impacted by Covid-19, for example, disruption to the revaluation of properties or market volatility impacting on investments?
- What is the likely impact of Covid-19 on pension deficits and what does this mean for your organisation?

Comments:	
These issues are covered through the Council’s annual accounts reporting arrangements, which includes the work undertaken by External Audit. The Chief Financial Officer continues to advise elected members about material issues involving the valuation of assets and liabilities. The Council’s annual accounts disclose the risk attached to property valuations as a result of Covid-19 and the External Audit have referred to property valuations within their 2019/20 annual report to elected members.	
In relation to the pension fund it is too early to estimate any impact of Covid-19 – the annual review of the pension fund by the independent actuaries will consider this and the pension fund will manage this	

as necessary.	
Supporting Document:	
Council Report – 25/11/2020 – Annual Report to Members on the 2019-20 Audit – Item 2 Appendix 1	
Status	BLUE

2.4 What commitments and guarantees have been made to third parties, and how are these being monitored?

- Where relevant, how is your organisation ensuring that the impacts of the pandemic on its arm's-length external organisations (ALEOs) are being appropriately monitored?

Comments:	
The arrangements in place to assess the financial impact of Covid-19 also include commitments to external organisations such as school transport contractors, care home providers and the construction providers where appropriate via sustainability payments under the Scottish Government procurement guidance issued in relation to the financial impact on supplier sustainability linked to Covid-19. Council agreed to the provision of a letter of comfort to the West Dunbartonshire Leisure Trust (WDLT). In addition at its meeting in January 2021 the Council agreed that a proportion of the Loss of Income Scheme funding should be passed to the WDLT.	
Supporting Documents:	
Covid-19 Update to Council 24/06/2020 – Item 10	
Covid-19 Update to Council 7/1/2021 – Item 5	
Status	BLUE

2.5 What impact has Covid-19 had on savings plans?

- Is your organisation on track to deliver these savings and if not, what plans are your organisation putting in place to help with this?

Comments:	
Established mechanisms are in place to manage savings plans via budget monitoring and reporting arrangements. Therefore, the impact of Covid-19 on savings plans is being assessed on an ongoing basis. Planned savings are reported as part of Budgetary Control Reports to Council and Committees and the majority of planned savings are expected to be achieved. As noted above the Chief Finance Officer undertook a review of all budget lines and agreed with the senior team a number of adjustments made to budgets as part of the approach to minimise the financial impact on the Council.	
Status	BLUE

2.6 What impact has Covid-19 had on transformational activity?

- If there has been or will be significant delays to activity or a failure to meet savings targets, what are the financial implications and how is management preparing for this?

Comments:	
Transformation plans and activity will continue to be reported via the Renew and Recovery Board which includes all senior leadership. Those arrangements allow for a range of factors, including non-controllable external events such as Covid-19, which can delay change projects, to be considered. Delays are flagged up as part of the regular reporting from relevant project boards.	
Status	BLUE

2.7 Is there sufficient capacity within the finance team to deal with competing pressures, such as preparing annual accounts, at a time when working practices are having to be adapted due to Covid-19?

Comments:	
Yes - the Chief Financial Officer continues to closely monitor capacity within the Finance Service. It	

can be noted that the Council's annual accounts for 2019/20 were submitted by the normal 30th June deadline.

Status **BLUE**

Governance

15.The pace and scale of change is unprecedented, and changes in governance arrangements are likely to have taken place. This may mean that there has been less opportunity for scrutiny and due diligence as public bodies respond rapidly to the challenges arising from Covid-19. For example, urgent procurement decisions and changes to delegated authority arrangements may have impacted on the level of scrutiny.

16.Governance and accountability arrangements around collaborative working may be increasingly complex but when done effectively, allows for better planning, design and coordination of services. Many aspects of public bodies' responses to the pandemic can only be done in partnership with others.

17.Recent changes to governance arrangements due to Covid-19 may include basic alterations such as documenting authorisation processes through to oversight of the overall running of the business. Exhibit 3 proposes potential questions for audit and risk committee members to consider.

Exhibit 3

Governance – questions to consider

3.1 What impact has Covid-19 had on governance arrangements?

- How is your organisation ensuring that effective oversight and scrutiny of key decisions is maintained as it responds rapidly to the challenges it faces during the pandemic?
- Have any significant changes been made to governance arrangements due to the pandemic, for example, suspension of committees or increased use of delegated decision-making powers?
- Where decisions are being made using delegated or emergency powers, how are these being recorded, made public and subjected to scrutiny by the relevant committee(s)?
- Have changes to processes and procedures made in response to Covid-19 been reviewed and documented appropriately to comply with overall governance arrangements?

Comments:

Meetings of the Audit Committee and Council have been held remotely since June 2020 to allow Members to undertake their scrutiny role. There were regular Elected Member briefings and cross party meetings in order to further share updates on the developments as a result of the COVID-19 pandemic. It was agreed at the Cross Party Group that committee business during the initial lockdown period would be kept to a minimum with only necessary and urgent papers being considered by committee. A small number of temporary delegations were agreed to enable services within Regulatory to continue, assist with the preparation of the annual accounts and deal with taxation matters. The Council's existing Scheme of Governance was also used to enable urgent decision making and some decisions to be taken which would normally be taken by committee. A report was presented to Council in June 2020 which provided an update in relation to actions and decisions taken under the revised governance arrangements put in place following the Government lockdown on 24 March 2020.

The issue of Covid-19 Elected Members briefings was highlighted as an area of good practice by External Audit in their Annual Report to Members 2019-20. The External Auditors concluded that the council had effective governance arrangements in place during 2019/20. The Covid-19 pandemic has impacted on these arrangements, but the revised arrangements are appropriate and continue to support good governance and accountability.

Supporting Documents:

Covid-19 Update to Council 24/06/2020 – Item 10

Council Report – 25/11/2020 – Annual Report to Members on the 2019-20 Audit – Item 2 Appendix 1

Status	BLUE
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3.2 Are governance arrangements being reviewed regularly to ensure they remain fit for purpose?

Comments:	
As outlined at 3.1 above the reports submitted to elected members show that governance arrangements were regularly reviewed by the Strategic Leadership Team. Governance arrangements are back to normal processes though run as remote meetings.	
Status	BLUE

3.3 Are non-executive directors providing appropriate levels of support, scrutiny and challenge to your organisation as it responds to the current environment and new risks?

Comments:	
The Strategic Leadership Team and elected members continue to undertake their respective roles when dealing with the impact of Covid-19 on the Council's strategic goals and the ongoing delivery of services.	
The decision to establish a dedicated email address for all elected member/MP/MSP enquiries was taken by the Chief Executive and Chief Officer for People & Technology having due regard for the need to inform and update members while avoiding any delays with emails going directly to those most involved in the response actions.	
The issue of Covid-19 Elected Members briefings was highlighted as an area of good practice by External Audit in their Annual Report to Members 2019-20. Specifically that the Council has produced regular and comprehensive member briefings to keep them abreast of developments in relation to Covid-19 and how this is impacting on the delivery of services across West Dunbartonshire. These include responses to members questions to ensure that all members have the most up-to-date information for any queries raised. With the benefit of hindsight, this process may have been improved with the inclusion of Audit Committee lay members to ensure that they were appraised of the extensive activity. Lay Members on the Education Committee were already receiving copies of Education related Elected Members briefing.	
Status	GREEN

3.4 What barriers, if any, have affected your organisation's ability to continue to provide services for individuals and communities during the pandemic?

- How have these barriers been overcome?
- What was the impact on service users?

Comments:	
The impact of Covid-19 on the delivery of services was being gauged and actively managed by each Strategic Lead on an on-going basis, this continues.	
The Council had to react to quickly changing SG guidance; ongoing review of level of resource required to respond. The Council also required to implement the various additional and restricted SG Covid-19 related schemes (such as Business Support Grants, changes to Non-Domestic Rates, additional Free School Meals, Winter and Spring hardship payments, death in service for social care workers and £500 bonus payments to certain staff and to staff in social care partner providers).	
Supporting Documents:	
COVID-19 updates to Council meetings – 26 August 2020 (item 9), 9 September 2020 (item 9), 24 September 2020 (item 6), 25 November 2020 (item 9), 16 December 2020 (item 9), 24 February 2021 (item 8).	
Status	BLUE

3.5 What impact has Covid-19 had on your organisation achieving its stated objectives?

- Does performance reporting highlight any changes on your organisation's ability to meet its objectives as a consequence of Covid-19?
- Has the pandemic caused new risks to achieving your organisation's objectives? If so, how are these being addressed?

Comments:	
<p>The impact of Covid-19 on achieving the Council's priorities within the Strategic Plan will vary and existing performance reporting arrangements will continue to identify those impacts. Detailed planning is delivered through each Service Area's Delivery Plan and reported to service committees bi-annually. Delivery Plans for 2020/21 were delayed as a result of Covid-19 and planned outcomes and performance targets reconsidered to take into account any Covid-19 impact.</p> <p>A new Strategic Risk register was developed and reported to Committee specifically for Covid-19 risks.</p>	
Supporting Documents:	
<p>Delivery Plan updates to Corporate Services Committee – 11 November 2020 (items 7, 8, 9 and 10)</p> <p>Delivery Plan update to Education Services Committee – 2 December 2020 (item 9)</p> <p>Delivery Plan update to Housing and Communities Committee – 4 November 2020 (item 14)</p> <p>Annual and Quarterly Performance Reports to HSCP Board Audit and Performance Committee – 23 September 2020 (items 9 and 10), 26 November 2020 (item 5), 25 February 2021 (item 9)</p> <p>Report on Strategic Risks to Corporate Services Committee – 9 September 2020 (item 9) and 17 February 2021 (item 10)</p> <p>Strategic Risk Register Report to HSCP Board Audit and Performance Committee – 25 February 2021 (item 10)</p>	
Status	BLUE

3.6 What impact has Covid-19 had on collaborative working?

Comments:	
<p>The decision was taken early on to expedite elements of the Office 365 project including online collaboration tools to facilitate meetings and discussions that would otherwise have taken place face to face. This, over a period of months, included the committee and council meetings. The teams within People & Technology and Regulatory worked tirelessly to deliver this successfully while also juggling their own contribution to the COVID response.</p> <p>The Council's Resilience Lead is the key adviser to the Chief Executive and SRG. Therefore the chair of the Operational Resilience Group was delegated to a competent key member of the 'peace time' Resilience Group. This facilitated the regular meeting of both strategic and tactical groups, ensuring that all relevant officers were focused on the level of activity appropriate to their remit. In terms of TU engagement, colleagues from all signatory unions were invited to attend the COVID ORG to ensure clear lines of communication and participation in decision making throughout. In addition to this and established consultation and information forums, a weekly (then latterly fortnightly and monthly) session with the Chief Executive and Resilience Lead took place.</p> <p>There is also a Chief Officers Public Protection Group which carried out a strategic risk assessment of all of the risks and developed a risk register of the additional risks. In addition, the Community Planning Partnership formed a CPEG (Community Planning Executive Group) to look at the work being done in the community to help us recover from the pandemic. The Local Resilience Partnership was stepped up and the format of the group was reviewed to align with the Health focus on the pandemic. The frequency of meetings for all forums was increased in general as a result of the pandemic.</p>	
Status	BLUE

Risk management

18.While public bodies will have risk management processes in place, the likelihood and impact of existing risks and the emergence of new risks will need to be monitored carefully. There may also be a change in the risk appetite during the pandemic to allow for services to operate effectively and respond to issues in a timely manner. Some changes may be significant therefore officers and audit and risk committee members need to consider how sustainable these changes will be in the longer term.

19.Public bodies were already facing risks and challenges around, for example, financial sustainability, outcomes and inequalities. These risks and challenges have become greater due to Covid-19. They are also heightened further because of the uncertainty around the UK’s exit from the European Union and increasing budget pressures.

20.Exhibit 4 proposes potential questions for audit and risk committee members to consider.

Exhibit 4
Risk management – questions to consider

4.1 Are there new expenditure or procurement streams, or delivery methods arising from Covid-19 that introduce new risk?

- What indicators does management have to support informed decisions on risk and is this data available in real time?
- Is your organisation’s risk management strategy up-to-date to include risks associated with Covid-19?
- What risks have emerged that need to be addressed and what protocols are in place to report and analyse emerging risks as the situation evolves?
- Are risks being reported to the relevant committee?

Comments:	
A specific operational risk register was developed to document key risks arising from the Covid-19 pandemic. This was initially reviewed on a weekly basis by the Operational Resilience Group. There is regular reporting on the Strategic Risk Register to Corporate Services Committee and Audit Committee which includes pandemic risk. Delivery plans have recently been reviewed to ensure due cognisance has been taken of the impact and severity of the Covid-19 pandemic on current service delivery.	
Status	BLUE

4.2 Has your organisation’s risk register been updated to reflect new risks arising from Covid-19? Is there a need for management’s risk appetite framework to be reviewed to ensure it is appropriate in this rapidly evolving environment?

- If so, when will the committee be informed of the outcome and any next steps?

Comments:	
A specific operational risk register was developed to document key risks arising from the Covid-19 pandemic. This is reviewed on a weekly basis by the Operational Resilience Group and ratified by the Strategic Resilience Group. There is regular reporting on the Strategic Risk Register to Corporate Services Committee and Audit Committee which includes pandemic risk. Delivery plans have recently been reviewed to ensure due cognisance has been taken of the impact and severity of the Covid-19 pandemic on current service delivery.	
Targets will be considered as part of the next round of Delivery Planning and the bi-annual reporting to committees.	
Supporting Document:	
Report on Strategic Risks to Corporate Services Committee – 9 September 2020 (item 9) and 17 February 2021 (item 10)	
Strategic Risk Register Report to HSCP Board Audit and Performance Committee – 25 February 2021	

(item 10)

Status **BLUE**

4.3 How does Covid-19 impact on any financial risks already facing your organisation and how does this affect short, medium and long-term financial plans?

Comments:

There are regular updates to Committee on the Council's financial strategy and existing budget monitoring arrangements adequately address this issue. There is potential financial risk to the Council, however this is expected to be covered through tight financial controls, additional Scottish Government funding and agreed financial flexibilities to be provided by the Scottish Government for 2020/21. A similar assumption is in place for 2021/22.

Supporting Document:

General Services Budgetary Control Report to Corporate Services Committee – 26 August 2020, (item 11), 30 September 2020 (item 12), 25 November 2020 (item 13), 24 February 2021 (items 9 and 10), 22 March (item 5)

Status **BLUE**

4.4 What impact does Covid-19 have on any scenario planning that your organisation has in place for events such as EU withdrawal and increasing budget uncertainty?

Comments:

The Council's financial strategy allows for different scenarios which could arise. In addition, senior officers continue to manage the risks arising from the UK's withdrawal from the EU. The Council's Business Continuity Group has a role to play in ensuring concurrent risk are being managed. There is a separate risk register maintained for EU Exit Planning which has recently been updated for UK and Scottish Planning Assumptions.

Status **BLUE**

Conclusions:

It is clear that the issues raised by Audit Scotland are being actively and directly addressed by the Strategic Leadership Team in partnership with elected members. This is evident from the various reports which have been submitted to elected members since March 2020. Improvement actions have been identified and are set out in the action plan below.

Action Plan:

Section	Agreed Action	Responsibility	Date
3.3	Inclusion of lay members in relevant elected member briefings.	Chief Executive	Complete

