

News release

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For immediate use

SEPA continues to count cost of cyber-attack

The full financial impact of a cyber-attack on Scotland's environmental agency is still not clear, and the incident remains a warning to other public sector bodies.

The Scottish Environment Protection Agency (SEPA) suffered a sophisticated ransomware attack on 24 December 2020. The majority of its data was encrypted, stolen or deleted overnight - despite subsequent reviews finding that SEPA's cyber defences were good. Investigations have yet to determine the original source of the attack but a phishing email, and human error, is suspected.

The ransom was not paid and SEPA was able to keep delivering its key services, such as flood warnings, within 24hrs of the attack. But more than twelve months on, it is still rebuilding its digital infrastructure.

Accounting records had to be recreated from bank statements and HMRC records, leaving auditors unable to fully examine SEPA's finances, including £42 million of contract income. SEPA's management is also still trying to understand the full financial impact of the cyber-attack, which has speeded up the building, or buying, of new systems and infrastructure. The senior team is also addressing recommendations for further improvement made in independent reviews of the incident.

Stephen Boyle, Auditor General for Scotland, said: "This incident highlights how no organisation can fully defend itself against the threat of today's sophisticated cyber-attacks. But it's crucial that organisations are as well-prepared as possible.

"SEPA was in a solid starting position but it will continue to feel the consequences of this attack for a while to come. Everyone in the public sector can, and should, learn from their experience."

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Notes to editors

1. This release is about a Section 22 report, where the Auditor General can directly raise his concerns with Parliament and the public arising from annual audit work under Section 22 of the Public Finance and Accountability (Scotland) Act.
2. It is believed the attackers infiltrated SEPA's systems prior to the 24 December 2020 and left complex and sophisticated devices to encrypt and destroy data.
3. SEPA continues to monitor its performance against 20 revised targets. It will be challenging for it to meet all of these in the coming year as it recovers and rebuilds.
4. The auditor issued a disclaimer of opinion on SEPA's financial statements as they were unable to obtain sufficient audit evidence to substantiate £42 million of income from contracts.
5. Audit Scotland has prepared this report for the Auditor General for Scotland. All Audit Scotland reports published since 2000 are available at www.audit-scotland.gov.uk

- The Auditor General appoints auditors to Scotland's central government and NHS bodies; examines how public bodies spend public money; helps them to manage their finances to the highest standards; and checks whether they achieve value for money. The Auditor General is independent and is not subject to the control of the Scottish Government or the Scottish Parliament
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