

Aberdeen Heat and Power - Appendix C

	Assurance Request	ALEO Response	Risk Rating
Governance	<p>Governance Documentation - Please provide copies of Constitution, Standing Orders and Procurement Regs, Delegated Powers and evidence that these have been reviewed as part of your Board structures (eg through minutes)</p> <p>Specifically, do delegated powers make provision for emergency structures and decision making to be initiated if your Board is unable to meet (eg pandemic-related)? If not, do you plan to make such provision?</p> <p>Do you have anything to report by exception in relation to codes of conduct for Board members?</p>	<p>The Hub noted that copies of the various governance documents had been provided, with most of them having been reviewed recently or due for review, and was assured accordingly.</p> <p>Regarding delegated powers, the Hub noted that the Delegated Authority document (AHP-PR-FR21) was a relatively new document, having been introduced in June 2019. This is due to be reviewed internally in June 2021. This will form part of the on Governance External Audit, which has been planned for 2021 that shall be carried out by Wylie and Bisset.</p> <p>The Hub was advised that due to the voluntary nature of the AHP board, delegated powers were given to the CEO who had full authority to act and make decisions on behalf of the board. The Hub sought assurance with regard to frequency of such decisions being made and how these were communicated to the board, and whether these needed to be homologated at future board meetings. AH&P confirmed that the requirement for the Delegation of decisions to the CEO happens infrequently and are mainly of an emergency operational status. In practice, any decisions required are unable to wait until for a Sub group or Board meetings are discussed with the Chairman or the Sub Group Chairman and a decision made. Information about this is distributed to all board or sub group members, via email or phone call. All decisions made are included on the agenda of the next planned board or relevant sub group meeting and discussed in detail guided by a paper produced on the decisions made. This provided the required assurance for the risk rating.</p>	Very Low
	<p>Staff Welfare and Performance Appraisal during COVID-19 - Please provide assurance around staff welfare arrangements during COVID - eg working from home procedures and guidance, including health, safety and wellbeing, updates to procedures to reflect flexible working arrangements, communications to staff on wellbeing matters. Please also provide confirmation that your performance appraisal system has continued to operate during the pandemic and how this has been applied to furloughed staff.</p>	<p>The Hub noted good evidence regarding staff welfare immediately prior to and during the pandemic, with examples including:-</p> <ul style="list-style-type: none"> Identifying at risk and vulnerable personnel and the production of company specific guidance to complement government advice and guidance COVID measures being put in place at the company premises, with restricted access to the office and a cleaning regime in place etc. Staff rotation where staff were required to be in the office for operational purposes to maintain physical distancing, with staff identified as vulnerable continuing to work from home in line with government guidance Staff working from home in regular contact with the main office and connected to Microsoft Teams throughout their working day <p>The Hub was assured that staff wellbeing was a priority for the organisation and was advised that the CEO had an “open door” policy regardless of whether staff were in the office or working from home.</p> <p>The Hub was advised that throughout the pandemic, continuous appraisal and performance review had been carried out, with staff appraisals having been completed in March 2021, and additional conversations had taken place about the issues and welfare around COVID, which was reviewed and reported to a recent Board meeting.</p>	Very Low
	<p>Data Protection - Please provide written assurance that the following are in place (there is no need to send documentation, just confirmation that these are in place:</p> <ul style="list-style-type: none"> Policy and procedures which cover Data Protection (including breach handling and data protection rights requests) – in place (y/n) and date when last reviewed Appropriate Privacy Notices – in place (y/n) and date when last reviewed Appropriate Training for staff which covers DP – y/n and date(s) when last delivered 	<p>The Hub noted strong evidence with regard to data protection with assurance provided that the relevant policies, procedures and notices were in place and regularly updated. The Hub noted that the GDPR statement was last reviewed in June 2020 and was due to be reviewed in July 2021. The Hub was advised that to support AHP’s data policies, they were in the process of obtaining Cyber essentials accreditation which was to be commended.</p> <p>In terms of staff training, the Hub was advised that all staff had undertaken online cyber security training within the past 6 months. Specifically, in relation to data protection training, the Hub noted that all staff had an awareness of data protection, although formal training had not taken place in the current year due to COVID-19, however the importance of data protection was clearly understood, and suitable refresher training would be identified once staff returned to the office. The Hub agreed that should the pandemic result in staff not being able to return to the office by the end of 2021 then alternative arrangements should be made (e.g. online training) and an update provided to a future Hub meeting.</p>	Very Low
	<p>Please provide a copy of your risk register and evidence that it has been reviewed and updated? If EU Exit risks have been closed off, please provide evidence of this. Please also include reference to recruitment of EU nationals (process) and any risks remaining.</p>	<p>The Hub reviewed the risk register and accompanying risk policy, which were comprehensive in their method of, and description of, risk assessment. Risks are categorised in accordance with the policy, and managed by the Board and two of its sub-groups, which provides a strong framework. There is consistency in the way risks are assessed and controlled.</p> <p>EU Exit risks are separately recorded in a Brexit risk register. AH&P advise that the risks for them pertain to materials upon which a number of their projects are dependent, rather than employment issues. AH&P advise that they are actively managing the risk around network pipes. EU Exit risks were reviewed internally in January 2021 and shall be presented to the Policy and Operations Sub group for discussion, approval and recommendation to AHP Board on 22nd June 2021, and shall be forwarded to the Hub following final wording. Risks were reviewed at the Board meeting on 10th August, 2020. Some risks that have been identified as part of this process are impacts on cost and impacts on delivery processes of main pipework supplies. Mitigation strategies proposed to lessening the impact are being tested at present.</p>	Very Low

Risk	<p>Please provide copies of internal and external audit plans and evidence of your organisation's process for monitoring and completing internal and external audit recommendations.</p>	<p>The Hub reviewed AH&P's internal audit plan for 2021/22 which was agreed by the Board in May 2020. This was developed by Wyllie & Bisset who are the appointed internal auditors until 31st March 2022. There are a total of 45 audit days allocated over the three year period 2019-2022, with 19 audit days scheduled for 2021/22. The IAP covers Strategic Planning, Maintenance Management, Succession Planning and IT Systems. AH&P provided a copy of the internal audit completed in July 2020 on Business Continuity and Disaster Recovery. This tested the adequacy of systems, focusing specifically on the arrangements in place with regards to Covid-19, so as to analyse the impact this had on the organisation's operations. The audit report concluded that there was a substantial level of assurance over the business continuity and disaster recovery arrangements in place at AH&P, and substantial assurance that there is sufficient contingency planning in place to address the possibility of an unforeseen event. A total of 7 recommendations were made, to further improve the business continuity and disaster recovery arrangements. Four of these were graded "medium" and three were graded "low".</p> <p>The Hub sought clarification as to whether the audits scheduled for completion in 2020 were impacted by COVID-19 and, if so, of the plans to ensure these are completed and noted the following response which provided the required assurance: Audits during COVID-19 were undertaken remotely, with all required information being provided to the Auditors via a secure email transmission. The 2020 audits were able to commence effectively this way. Discussion with staff members was through MS Teams, and one member of staff was made available throughout the scheduled audit period to answer queries, locate further supporting documents and to discuss the process with the Auditors. The external auditors on commencement of the audit discussed with the CEO and support staff prior to audit the required documentation, and this was collated prior to the audit process. An audit close out was given by the auditor summarising their findings over MS Teams, and a date was given by the Auditor for issue of a formal report. All audit reports present findings, shortcomings and improvement recommendations, and required a response to formally close out with the auditor. The Audit reports were presented to the P&O group as part of the next scheduled meeting along with suggested responses prepared by AHP Staff. The response were finalised by the P&O group and returned to the Auditor who was able to close out, or require further evidence prior to close out.</p>	Very Low
	<p>Please confirm that your organisation makes provision for the testing of business continuity plans and confirm the process for doing this. Please confirm any lessons learned from the activation of business continuity plans over the last 12 months. Please provide evidence that business continuity plans have been updated in the last 12 months i.e. to reflect lessons learned, changes in working/operational processes.</p>	<p>The Hub reviewed the BCP which showed evidence of learning from the pandemic and from the internal audit of Business Continuity and Disaster Recovery. The plan had also been updated to reflect lessons learned during two energy centre failures in the past year. Further revisions are scheduled. This demonstrates that the BCP is very much a "live" document and provides substantial assurance.</p> <p>AHP was successful in achieving Cyber Essential accreditation since the last reporting period and provided the Hub with a copy of the certification and accreditation criteria. This provides additional assurance that AHP's I.T. policies and procedures are compliant and meet the standards required for the accreditation.</p>	Very Low
	<p>Please advise of any arrangements in place to support the Council with meeting its obligations as a Category 1 responder under the Civil Contingencies Act and in pursuit of the PREVENT strategy (preventing people becoming terrorists or supporting terrorism). This would include risk assessments to put in place contingency plans for emergencies, business continuity planning, emergency plans etc. Please advise if your organisation has received any training in this area, and if not, whether you would welcome a collaborative session with Council officers and all ALEOs.</p>	<p>The Hub noted that AHP currently do not participate as part of the PREVENT strategy. AHP would however welcome training in this area, particularly in relation to the credible threat of terrorism attacks on their energy delivery infrastructure. AHP has welcomed the opportunity to participate in training with the Council and other ALEOs in respect of Civil Contingencies, specifically how they can support the Council to meet its statutory obligations under the Act.</p>	Low
Finance	<p>Please provide copies of any papers provided to your Board on your quarterly financial position along with any financial resilience papers that were prepared to support decisions made to manage your organisation's financial position.</p>	<p>The Hub reviewed the financial accounts and documents submitted by AHP and agreed in respect of the audited accounts for 2019/20 that the risk rating was low as no concerns were raised and the auditors were satisfied. In respect of forecast figures for 2020/21, it is likely that AHP's final figures will be in line with budget. The Covid pandemic has not had any material adverse effect on operations although it was noted that the closure of Hazlehead School did reduce income arising from lower energy use. There is reference to a budget error in the paper submitted for one of the sites (Stockethill) This has been examined but as Stockethill is a small site, this has no material effect on the financial performance overall. AHP has a Reserves Policy in place requiring reserves equivalent to 3 months sales (£1.074m). This has been achieved as at the end of January 2021. AHP have provided cashflow figure to year end (year to date plus estimate for March) which indicate that the organisation has sufficient unreserved working capital of approx. £1.1m and is therefore in a sound financial position.</p>	Low