

ABERDEEN CITY COUNCIL

COMMITTEE	Audit, Risk and Scrutiny
DATE	9 th May 2024
REPORT TITLE	ALEO Assurance Hub – Workplan and Terms of Reference
REPORT NUMBER	COM-24-082
CHIEF OFFICER	Jenni Lawson
REPORT AUTHOR	Vikki Cuthbert
TERMS OF REFERENCE	Remit - 1.2

1. PURPOSE OF REPORT

To present the ALEO Assurance Hub workplan for 2024 including the dates for reporting.

2. RECOMMENDATIONS

That the Committee –

- 2.1 note the workplan for the ALEO Assurance Hub in 2024 which has been consulted upon with the ALEOs and the relevant Conveners; and
- 2.2 note the Terms of Reference for the ALEO Assurance Hub which have been amended to reflect changes to role titles and to ensure assurance is sought in relation to compliance with the Public Sector Equality Duty.

3. CURRENT SITUATION

- 3.1 The ALEO Assurance Hub is one component of the ALEO Assurance Framework which provides a basis for the Council to oversee and support its arms-length external organisations. The Hub reports twice a year to this Committee to provide assurance that systems and policies are in place in each ALEO to mitigate and manage risks to the organisation and to the Council.
- 3.2 The Hub has in place a Terms of Reference which are reviewed annually. These are attached at **appendix A** to the report. Some minor revisions are included and tracked.
- 3.3 Attached at **appendix B** is a workplan for 2023. The workplan has been agreed with each of the ALEOs.

4. FINANCIAL IMPLICATIONS

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

4.2 The role of the Hub is to ensure that ALEOs provide assurance that risks, including financial ones are identified and managed. One of the Hub's primary functions is to ensure that the Council is able to follow the public pound as outlined in Accounts Commission guidance.

5. LEGAL IMPLICATIONS

5.1 Legal officers within Commercial and Procurement Services have reviewed ALEO Service Level Agreements which aim, amongst other things, to facilitate the ALEO Assurance Framework. These have been modified to recognise the requirements of the Assurance Hub to receive assurance regarding systems of governance, company outcomes and risk management and mitigation.

5.2 The Hub will help identify any projects and/or initiatives that could influence investment decisions of Bond holders or the Council's credit rating and ensure that the appropriate governance is put in place. This adds to the Council's existing Bond governance arrangements.

6. ENVIRONMENTAL IMPLICATIONS

6.1 There are no direct environmental implications arising from this report.

7. RISK

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H) *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
Strategic	Ability of ALEOs to support the Council in meeting its strategic outcomes.	The Assurance Hub process mitigates against this risk by monitoring ALEO contribution to ACC strategic outcomes. This includes review of ALEO risk registers.	L	Yes
Compliance	ALEO service level agreements are not up to date and ALEOs are not delivering on Council	Commercial and Procurement Services reviews ALEO service level agreements to ensure they remain robust	L	Yes

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H) *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
	<p>outcomes.</p> <p>GDPR Compliance.</p>	<p>and fit for purpose.</p> <p>The Council has oversight of how ALEOs are achieving Council outcomes and complying with the terms of their service level agreements.</p> <p>The Hub will continue its oversight of ALEOs' approach to embedding strong governance, including audits, policies, procedures and systems to ensure that these are being reviewed and staff training is being delivered to mitigate the risk of governance failure.</p> <p>The Legal Regulatory and Compliance Team provide support and advice to the Hub on the steps ALEOs are taking on GDPR compliance in order for the Hub to provide assurance to Committee on ALEOs' management of this risk.</p>		
Operational	Failure of ALEOs to deliver services according to agreed Service Level	Monitored by Council which has oversight of ALEO strategic business plans.	L	Yes

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H) <small>*taking into account controls/control actions</small>	*Does Target Risk Level Match Appetite Set?
	Agreements			
Financial	Financial failure of ALEOs impacting on the Council and its credit rating.	ALEOs report financial performance and governance to their boards and present their annual accounts for scrutiny by an external auditor, then reported through the Finance and Resources Committee. One of the Hub's key functions is to provide assurance to Committee on the financial stewardship of Council ALEOs.	L	Yes
Reputational	Impact of performance or financial risk on reputation of ACC.	Regular reporting to this Committee from the Hub provides adequate control.	L	Yes
Environment/ Climate	No direct risks arising from the report's recommendations		L	Yes

8. OUTCOMES

8.1 The recommendations within this report have no direct impact on the Council Delivery Plan.

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	Impact assessment not required. Confirmed by Chief Officer – Governance.
Data Protection Impact Assessment	Not required.

10. BACKGROUND PAPERS

None.

11. APPENDICES

Appendix A – ALEO Assurance Hub Terms of Reference

Appendix B – ALEO Assurance Hub Workplan 2024

12. REPORT AUTHOR CONTACT DETAILS

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