

Area of Assurance	Purpose	Hub Commentary	Risk rating
Governance	Assurance on the on-going training and development of Board members including any changes to Board structure, rationale for any structure changes, training plans for Board members, procedures around conflicts of interest.	The Hub was advised that the AH&P Board structure remained unchanged, however there was one ACC vacancy which required to be filled. The Hub noted the Directors procedure which had been submitted, which included details on (1) the process and procedure in relation to appointments; (2) induction checklist for new Directors; and (3) Board skills audit/matrix, which required to be completed on a self assessment basis. The Hub agreed that this provided a good level of assurance.	Very Low
	Assurance of on-going review of all governance documentation and policies. The assurance will be provided through a short written summary of planned and completed activities in this area and should include reference to information governance, health and safety governance, public liability and employer's liability insurance and cyber governance.	<b>Health and Safety</b> - The Hub noted that AH&P use an external local health and safety consultancy company to act as their competent person. This is legally compliant and the Hub are aware of this long-established company which provides adequate assurance. AH & P have a compliant health and safety policy which covers the 3 areas required within the Health and Safety at Work Act. It was noted that the agenda for the Board included health and safety as a named topic with incidents being reported to that level. However, it was noted that whilst the topics of risk assessment completion, adequacy of controls and closing off of issues of non-compliance were covered there was not detail given around how AH&P actually gained assurance that they were legally compliant therefore some level of assurance would be expected on an annual basis to the Hub to evidence this is being completed.	Low
		<b>Data Protection</b> - The Hub noted that all Aberdeen Heat & Power staff will undertake basic system and IT security awareness training, however assurance is required to the effect that that this is to be done on an annual basis. The Hub recommends that all staff are required to undertake relevant training on an annual basis in line with best practice and requests that Aberdeen Heat & Power provides assurance to this effect. The Hub noted that although there is a relevant policy in place it does not appear to have been reviewed and updated at the last revision date. Aberdeen Heat & Power advised that the policy will be updated shortly and as such the Hub requests an estimated completion date by which this will be done and will follow this up in the next cycle. The Hub noted that Aberdeen Heat & Power did not provide evidence that there is a tested procedure for staff in order to ensure they know how to recognise and report an incident should one occur and would like more evidence of understanding and compliance in this area. This will be followed up in the next cycle and if assurance is provided the risk rating can reduce.	Medium
		<b>Cyber Security</b> - The Hub noted that the policies provided were last updated in 2021 and should be revisited. It is anticipated that this will be carried out in consultation with the recently appointed IT Consultant, and the Hub would appreciate sight of the plan on this review and update process. The technical security detailed in the organisation's documentation are described as being well implemented and meeting industry best-practice, and the user training and awareness described meets expected minimum levels. The Cyber Essentials Certificate was not provided so will be followed up in the next cycle.	Low

<b>Risk Management</b>	Assurance that risks are being regularly reviewed in accordance with the organisation's agreed risk management policy, are kept under regular review with control actions monitored to completion, and are linked to the achievement of outcomes for the ALEO and the Council. This assurance will be provided through provision of risk registers and relevant supporting minutes/documentation.	<p>The Hub reviewed the risk register provided by AH&amp;P. The overall format of the risk register remains unchanged since the last review and categories the risks according to board subgroups.</p> <p>The Hub noted that whilst no new risks have been added to the risk register since the last review, the risks recorded on the register have been reviewed and any updates and changes are noted.</p> <p>AH&amp;P confirmed that they have established a Risk Register Working Group. The group will meet on a quarterly basis with risk register review and updates being its primary remit. An annual report of the group's activities will be provided to the Board on an annual basis. The hub will request updates on the progress of the group in the next reporting cycle.</p> <p>The Hub continues to receive assurance that AH&amp;P have an effective system of risk management in place.</p>	<b>Very Low</b>
	<p>Assurance that ALEOs have risk-based internal and external audit plans in place and a process to address and close out audit recommendations to completion.</p> <p>Assurance that there have been no internal control failures or that any failures have been addressed and/or notified if they are of significance to the Council.</p>	AH&P advised that they have appointed a new audit partner and that they are working closely with them to update their policies, including HR policies. An update on progress will be sought in the next cycle of meetings.	<b>Low</b>
<b>Finance</b>	Assurance that accounts are being managed within budget, that the level of financial risk to the Council is low and that there is compliance with the Following the Public Pound Code of Practice.	<p>The Hub noted that extensive budget monitoring and budget analysis papers continue to be submitted to and reviewed by the AH&amp;P Board. This includes additional analysis regarding Debtors, Creditors, and the Balance Sheet.</p> <p>The Hub risk rating within this category has been increased from Very Low to Low due to the volatility of energy prices and the forecast of a challenging financial position in the next financial years.</p>	<b>Low</b>
	Assurance that ALEOs undertake medium-term financial planning or have incorporated medium term planning into a Business Plan to provide assurance that ALEOs are prepared for core funding pressures. Again this ensures compliance with the Following the Public Pound Code of Practice.	The Hub confirmed that a Business Plan is in place and Budget monitoring reports reflect that Business Plan. AH&P have confirmed that purchase contracts for the supply of energy are now in place, and this will allow any contracts being agreed for the onward supply of heat to be in line with costs. The Hub risk rating within this category has been increased to Low as there is a risk of not rebuilding company reserves due for potential unanticipated costs.	<b>Low</b>
	Assurance that accounts are being managed within budget, are in line with statutory requirements and Following the Public Pound Code of Practice, and that the level of financial risk to the Council is low.	The Hub confirmed that audited copies of the 2023-24 annual accounts have been submitted to Companies House within the deadline of 31 December 2024. The auditors' report identified no matters of concern and concluded that the organisation's use of the Going Concern basis of accounting was appropriate. There are no audit recommendations for 2023-24.	<b>Very Low</b>