

APPENDIX C - Aberdeen Heat and Power

Area of Assurance	Purpose	Hub Assessment	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.	The Hub noted that AH&P were in the process of completing annual reviews for all Board members and this would be completed by the end of November, with any training or development needs to be highlighted. The Hub noted the Template of Directors Procedure and the Board Skills Audit which had been provided, which provided assurance.	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.	1. The Hub noted that the AH&P Board Standing Orders did not appear to have been updated for 5 years but were currently under review with the External Auditor, and the audit recommendations were due to be provided by the end of October. The Hub noted the current Standing Orders in the meantime and agreed to request a copy of the updated Standing Orders following completion of the review. 2&3. Provision of Cyber Essentials Certificate received. TIAA Cybersecurity audit findings do not raise any urgent issues, and those actions identified have been accepted by AH&P with implementation dates agreed. Follow-up that these have been completed would be appreciated.	Low
Risk Management	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.	The Hub reviewed the risk register provided which was last reviewed by the Risk Register Working Group in June. The Hub noted the newly identified risks which have been added to the risk register since the previous review as well as the corresponding updates which are recorded against each risk recorded on the risk register. AH&P has confirmed that the Risk Register Working Group will undertake the next review of the register in November or December 2025. The Hub continues to receive assurance that AH&P maintains an effective risk management system.	Low
	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. 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.	AH&P confirmed that the Corporate Governance Audit Report is due from their External Auditor. This report will be reviewed by the Hub in the next reporting cycle alongside the reports from the Business Continuity and Procurement audits which are scheduled.	Low

	<p>Assurance that emergency plans/major incident plans and processes and appropriate business continuity arrangements are in place.</p> <p>Assurance that testing and exercising arrangements or schedules are in place which recognise the evolving risk environment for the Place; in particular that provision is made within plans and exercising to ensure resilience around critical service delivery; that each organisation has an awareness of the Council's responsibilities as a Cat 1 responder under the Civil Contingencies Act and has agreed mechanisms in place to support these; and that each organisation is fully conversant with the implications for their operations of the CONTEST Strategy (UK Govt strategy for counter-terrorism), in particular in respect of the Prevent and Protect duties.</p>	<p>AH&P confirmed there has not been an activation this year to date, and the Business Continuity Plan undergoes a formal annual review in February with any adjustments and updates required to the plan made at this time.</p> <p>AH&P confirmed that as the Chief Executive is a member on the ACC Energy Board, any activation of AH&P Business Continuity Plan would be reported to the Board.</p> <p>A review of the existing Business Continuity Plan was recently conducted as part of the Beach Leisure Centre demolition work. The review confirmed that the BCP accurately reflects the necessary processes.</p>	Low
Finance	<p>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>	<p>The Hub confirmed that an extensive set of Management Accounts is regularly reviewed by the Board.</p> <p>The economy is being affected by a series of significant events, including high interest rates and ongoing global conflict. These increased costs present a challenging financial situation for the company.</p>	Medium
	<p>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.</p>	<p>AH&P has developed a five-year Business Plan covering the financial years from 2024 to 2029. The underlying assumptions in the Business Plan appear to be reasonable.</p> <p>Every year, the company prepares a two-year budget for presentation to the board and to monitor actual network returns against expected outcomes.</p> <p>The company aims to maintain cash reserves equivalent to three months' worth of gas costs, calculated based on the previous year's results.</p>	Medium
	<p>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.</p>	<p>The Hub confirmed that the annual accounts for 2024-25 were submitted to Companies House by the required deadline and in compliance with the Companies Act. The auditors' report found no issues of concern and concluded that the organisation's use of the Going Concern basis of accounting was appropriate.</p>	Low