

	Assurance Request	ALEO Response and Hub Commentary	Risk Rating
Governance	<p>Assurance required on training and development of Board members including any changes to Board structure, rationale for any structure changes, and training plans for Board members.</p> <p>Please provide details of any recent or planned structure changes and training plans for Board members.</p>	<p>The Hub noted the key Governance document which indicated that the Board structure had last been updated in May 2022, and which explained the structure of the Board and its remit. The Board noted that document was extensive in nature and provided a good level of assurance. The Hub was also provided with details of a New Board Member Induction Day which had been held on 11 February 2022.</p>	Very Low
	<p>Assurance required that key policies are in place with a review schedule in place, and that policies are developed using a risk-based approach.</p> <p>Evidence that key organisational policies are in place and regularly reviewed, in particular policies which regulate internal controls such as Health and Safety, Fraud Prevention/Detection, Data Protection, etc This may be evidenced through a policy register or schedule and it would be helpful to see a sample of policies also.</p>	<p>The Hub had been provided with an Internal Audit Report for 2021/22 produced by Wylie and Bisset, which stated that the organisation had, amongst other things, adequate and effective governance processes to manage its achievement of its objectives.</p> <p>The Hub noted the Document Register which indicated when key policies and other documents had last been reviewed and were due for review. The Hub noted the Health and Safety and Environmental Policy Manual which had been provided and agreed, by way of follow-up next cycle, that key policies such as Fraud Prevention/Detection and Data Protection policies be provided in order that the Hub could review them and receive adequate assurance.</p>	Low
Risk	<p>Assurance required 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.</p> <p>This area will be explored in more depth in the December cycle, however could you provide a high level summary of the current impact of the cost of living and longer lasting impacts of COVID.</p>	<p>The Hub reviewed the risk registers provided. The main risk register identifies risks that relate to inflationary pressures including Energy Cost Fluctuations and Failure to Collect Revenue/Bad debt. Current gas price sensitivity is also captured within the AHP May Financial Review.</p> <p>Covid-19 risks were captured and monitored within the Covid specific risk register, however, any on-going Covid related risks have now been integrated into the main risk register.</p>	Very Low
	<p>Assurance required 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 sought 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> <p>Please provide a summary of AH&P's internal and external audit plans for the current year (and beyond, if available) and detail the process that is followed to close off audit recommendations. Provide details of any high graded recommendations on the back of internal or external audit, or any regulatory activity, in the last 12 months.</p> <p>As a follow up to the last submission, please also provide an update on the Business Continuity and Disaster Recovery audit.</p>	<p>The Hub was advised that Internal Audit activities previously undertaken by Wylie & Bisset will now be carried out by an in-house team. The in-house team will focus on the AH&P quality system by undertaking a review of all policies and procedures to ensure that they remain fit for purpose in the current operating environment. The in-house team shall meet on a monthly basis and will record and track progress of its activities.</p> <p>The Hub noted that as the group has recently been established no plan or schedule of its activities was currently available, this will be followed up in the next reporting cycle.</p> <p>AH&P advise that the annual External (Financial) Audit will be carried out by Anderson Anderson Brown (AAB). AAB visited the AH&P offices w/e 5th June to discuss and plan the activities required for the current audit that will be finalised by August/September 2022.</p> <p>The Hub was advised that audit recommendations are reviewed by the Policy and Operations Board, recommendations that are accepted are added to a tracker document that is maintained and monitored by office staff. A copy of the tracker was provided and records various detail relating to the progress and status of recommendations.</p> <p>AH&P currently have 4 Internal Audit recommendations including the recommendation from the Business Continuity and Disaster Recovery Audit. The Hub will follow up progress on these recommendations in the next reporting cycle.</p>	Low
	<p>Assurance requested 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 detailed forecast figures for financial year 2021-22 formed part of the Management Accounts which are reviewed by the Board and it is likely that AHP's final 2021-22 figures will be in line with budget. It was noted that the financial data provided to the Board is extensive and includes monthly, Year to Date and prior year comparisons as well as a year end forecast. Also included are details around debtors, creditors and accruals for review/discussion by the Board as appropriate. The Board have been made aware of potential challenges to the 2022-23 budget caused by fluctuating energy prices and these were discussed at a recent May 2022 Board meeting set up for this purpose.</p>	Low

Finance	<p>Assurance sought 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 have prepared a budget for 2022-23, utilising appropriate advice from their broker in respect of potential gas prices when the current contract ends on 30 October 2022. AH&P currently have an exposure period of 30th October 2022 until 1st April 2023 as a new contract is not yet in place. AH&P informed the Hub that they have also taken some mitigation steps to lessen the impact of any losses that may be accrued if ultimately the gas contract is for a higher rate than budgeted. AH&P do have strong reserves, but in an extremely volatile gas market the final effect cannot be quantified. AH&P have rightly identified this issue as being of extremely high importance and held an extraordinary Board to discuss their approach to energy supply contracts. The Hub noted that the AH&P pricing structure will be linked to contractual gas prices from April 2023 onwards which will reduce the current risk around the October to March period.</p>	Medium
	<p>Assurance requested 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 noted that the audited accounts for financial year 2020-21 were submitted to companies House within the due deadline. There were no matters of concern raised by the auditors. Detailed Draft accounts for 2021-22 would indicate the final trading position will be in line with estimates, although these still remain subject to final audit.</p>	Low