

Aberdeen Heat & Power - Appendix C

Area of Assurance	Assurance Request	ALEO Response and Hub Commentary	Risk Rating
<p>Governance</p>	<p>Assurance that all governance documentation is regularly reviewed and supports the organisation's governance framework. The following are examples of documents which may be requested:</p> <ul style="list-style-type: none"> - Delegated powers - Codes of Conduct - Procurement Regulations 	<p>The Hub noted that although minutes had been provided, there was no reference in these to the governance documents therefore agreed to seek further clarification that these were reviewed at Board meetings. It was noted that the documents provided had clear dates where revisions had been made however. In terms of the Standing Orders, the Hub further noted that the version provided was from 2019 and that the document was to be reviewed every three years and agreed to request information on the timeline for any upcoming review of the documentation. Further information provided from AH&P stated that due to COVID and the energy crisis, the document review had been delayed, however documents were due before the Board at its next meeting. It is therefore suggested that evidence of this review be requested for the next report. The documentation provided evidence of the delegations to the Board and the various Sub Groups. Evidence was provided of procurement regulations and purchasing processes, handling of data protection and fraud / information breach policies as requested.</p> <p>The Hub noted that privacy notices were in place and that a review was to be undertaken of all documentation around data protection. AH&P have advised that this will commence in January and be complete by April 2023. It is therefore proposed that an update be sought after April as to progress with the review. The Hub noted that although staff were recruited with a pre-existing knowledge of DP, specific training was not in place for staff and the Hub considered that this was an area which could be reviewed, perhaps to provide refresher training to those staff to ensure knowledge was retained. AH&P have responded to agree that this will be taken forward in 2023.</p>	<p>Very low (No Change)</p>
	<p>Complaints Procedure</p>	<p>The Hub noted that there was a comprehensive complaints procedure in place which was readily available to the public on the website and which aligned with the MCHP, providing clear information on stages of complaints and contacts for support.</p>	<p>Very low</p>
<p>Risk Management</p>	<p>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.</p>	<p>The Hub reviewed the risk register provided. The risks are categorised within in accordance with the risk policy previously reviewed by the Hub. The risk register is reviewed and updated periodically by AH&P staff and is presented for review at two of the board subgroups in addition to the full Board. Any new risks added to the risk register are raised specifically as an agenda item for discussion at the relevant meetings.</p> <p>A major review of the risk register was conducted in February and March. The review was conducted to ensure that the risks specified within the risk register were still relevant to the operational risk climate and resulted in the previous risk relating to EU-Exit being absorbed into other risks contained within the register. The risk register reflects the risks associated with inflationary pressures including energy costs and risks around reduction of Government grants and incentives.</p> <p>There is consistency across the risk register in the way that risks are assessed, graded, and controlled and this, in addition to the periodic reviews by staff, the Board and subgroups provides AH&P will a strong risk management framework.</p>	<p>Very low (No Change)</p>
	<p>Assurance that ALEOs are actively considering risk appetite in their decision making.</p>	<p>AH&P has established a risk appetite and tolerance level relating to the achievement of strategic objectives and this is set out within the Risk Policy. Risk appetite is also considered within decision making and this is evidenced within the Decision Flow Chart contained within the Connection Policy.</p>	<p>Very low</p>
	<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>	<p>The Hub reviewed the 2021/22 Internal Audit Follow Up Report produced by Wylie & Bisset. The report concluded that of the 16 recommendations made in 2020/21, 8 had been fully implemented, 6 remain either partially or not implemented and 2 have been superseded.</p> <p>The Hub was advised that work is ongoing to progress the recommendations that are partially or not implemented and will follow up on these at the next reporting cycle.</p> <p>The Hub had previously agreed to follow up on the recommendations resulting from the Business Continuity & Disaster Recovery Audit and were pleased to note that these recommendations were fully implemented.</p> <p>AH&P advised that a full review of documentation is currently underway and the output of this review will facilitate future internal audit planning. The Hub will follow up progress on this activity at the next reporting cycle.</p>	<p>Low (No Change)</p>

	<p>Assurance that appropriate business continuity arrangements are in place including testing and exercising arrangements or schedules; 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)</p>	<p>AH&P provided a copy of the current Business Continuity Plan which was updated recently to include a training element to ensure that individuals are aware of roles and responsibilities within the plan.</p> <p>The Hub were advised that not specific training or testing of the Business Continuity Plan has been conducted although the AH&P team and subcontractors are aware of their individual roles and responsibilities in the event of plan activation.</p> <p>The Hub notes that although the plan has been reviewed and updated it has not been tested recently and no testing plan is currently in place. AH&P confirmed that the existing plan will be tested by April/May 2023. The Hub will review progress in this areas at next reporting cycle.</p> <p>AH&P advised that CONTEST online training has been undertaken by the CEO and the Business Support Administrator.</p>	<p>Low</p>
<p>Finance</p>	<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 extensive detailed forecast and monitoring figures along with any potential financial risks form part of the regular Board papers. This includes year to date as well as detailed prior year comparisons. Fluctuating energy prices and analysis continue to be examined by the Board as as AH&P seek to enter into a new energy contract to cover the period November 2022 to March 2023. Whilst AH&P have analysed the effect on its operations at various energy pricing levels, the final effect on the current years financial accounts will depend upon the final energy contract price agreed plus how any government price cap will affect this.</p>	<p>High (From Medium)</p>
	<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>The Hub noted that the MTFP had been produced but also noted that these will need to be updated once Gas contracts are put in place and the effect of the energy supplier price cap is determined</p>	<p>Medium (No change)</p>
	<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>Draft annual accounts show AH&P made a profit during 2021-22. As these will not be finalised until November 2022 anyadditonal information arising from these accounts will be reported to a future committee.</p>	<p>Low (No Change)</p>