

Appendix C - Aberdeen Heat and Power

Area of Assurance	Assurance Request	ALEO Response and Hub Commentary	Hub Risk Rating
Governance	<p>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.</p> <p>Specifically:</p> <p>Please provide a follow up on annual Board Member reviews and any planned training requirements.</p> <p>Please provide confirmation of the scheduling of reviews of governance documentation including policies.</p> <p>Please confirm any impact of Teckal compliance. A short written summary is sufficient.</p>	<p>The Hub noted that a review of governance and associated documentation had been scheduled as an internal audit to be carried out by the Board. This was focusing on financial procedures in the first instance. The Hub also noted that a specialist HR consultant had been appointed to update HR documentation. The Hub agreed to request an update on this work in terms of timescales and progress.</p> <p>With regard to Board Member training requirements and the impact of Teckal compliance, the Hub noted that no information had been provided and agreed to request this by way of follow-up in the next cycle.</p>	Low
Risk Management	<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. This assurance will be provided through provision of risk registers and relevant supporting minutes/documentation.</p> <p>Specifically:</p> <p>Please provide copy of your risk register including confirmation of when this was last reviewed by the Board and any outputs.</p>	<p>The Hub reviewed the risk register provided which contains the organisation's risks categorised in accordance with the risk policy. AH&P conduct a detailed review of the risk register on a 6 monthly basis and this includes each of the board subgroups. Evidence of review and updates to each risk recorded within the review column along with the review date.</p> <p>Review of the risk register continues to provide the Hub with assurance that AH&P have an effective risk management framework in place.</p>	Low
	<p>Assurance that appropriate business continuity arrangements are in place, including testing and exercising arrangements or schedules 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)</p> <p>Specifically:</p> <p>Please provide updates on progress with implementing Protect duty and preparations for OC6/RLD prior to Winter.</p> <p>Update on BCP activations, testing of plans, since the last cycle.</p>	<p>The Hub was advised that BCP's were updated to reflect OC6 and RLD (planned and unplanned power outages) the update includes the actions required by contracting staff in the event of business interruption. RLD/OC6 will be added as an agenda item to the regular meetings held between operation and maintenance contractors.</p> <p>No plan activations or testing of plans was reported for the current reporting cycle.</p> <p>AH&P confirmed that two members of staff attended CONTEST training last year and options are currently being explored to test AH&P existing strategy and plans in this area along with contracted staff. The Hub will follow up progress in this area in the next reporting cycle.</p>	Low

Finance	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.	The Hub noted that extensive budget monitoring and budget analysis papers continue to be submitted to and reviewed by the AH&P Board. This includes additional analysis in respect of Debtors, Creditors and the Balance Sheet. The Hub risk rating within this category has been reduced back to Low as Budget monitoring papers indicate that stability in energy costs have reduced the potential financial risk.	Low
	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. AH&P are also aware of the need to rebuild reserves to meet potential unanticipated costs and these also form part of the Board Agenda papers. The Hub risk rating within this category has been reduced back to Low as the energy purchase contracts are now in place.	Low
	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 2022-23 annual accounts have been submitted to Companies House within the deadline of 31 December 2023. The auditors' report identified no matters of concern and concluded that the organisation's use of the Going Concern basis of accounting was appropriate.	Low