

	A	C	M	N
1	<b>bP</b>			
2	<b>Area of Assurance</b>	<b>Assurance Request</b>	<b>ALEO Response and Hub Commentary</b>	<b>Hub Risk Rating</b>
3	<b>Governance</b>	Assurance on the on-going training and development of Board members including any changes to Board stucture, rationale for any structure changes, and training plans for Board members.	<p>The chair of the board rotated from Ian Hunter to Katie Butler at the April board meeting (energy partner). Director Steven Whyte stood down following his retirement and has been replaced by David Dunne (ACC partner) and training/handover provided. Overall the board remains with 2 ACC directors and 4 energy partner directors. Training for board members remains the responsibility of the shareholders. This provides sufficient assurance to the Hub that the required resilience is in place.</p> <p>Board meetings opening business include a request for any Conflicts of Interest and are minuted.</p>	<b>Low</b>
4		Assurance that the board has clear policies and procedures for its members to ensure that potential conflicts of interests are identified, declared and acted upon.	Conflicts of interest and declarations take part at the start of Board meetings in the opening business section. This is handled by the company secretary. Further assurance will be sought that Board members are very clear about these requirements in order to make active declarations.	<b>Low</b>
8		Assurance that arrangements are being made by the Joint Venture to put in place the required governance documentation, including information governance, health and safety governance and cyber governance.	The Hub noted that full Board meetings are currently used to review risks including data, cyber and HSE risks. Post-Financial Investment Decision (FID) two committees will be established; Safety, and an Audit & Risk committee. Information on the Terms of Reference for these committees will be sought in the November update. There is no progress on ISO certification at this point and it will be picked up in the next cycle also.	<b>Low</b>

	A	C	M	N
9	<b>Risk Management</b>	Assurance that risks are being regularly reviewed in accordance with the organisation's agreed risk management policy. The assurance will be provided through a short written summary of ALEOs current risk environment, including risks that been added, escalated or de-escalated rather than through provision of the risk register. This will also include an overview of activity and controls in place across the three lines of defence.	<p>The Hub noted the following update:</p> <p>The risk register was updated in a risk review session with the directors at the July Board followed by an update in September. Gross and net risks were assessed and ratings confirmed. This included escalation of a number of risks with relevant mitigations placed against them to manage the impact and likelihood.</p> <p>The organisational risk profile has not changed significantly but will be continually reassessed .</p> <p>The JV Risk Assessment was further updated as part of the Phase 1 business case adding detailed study of potential Major Accident Risk (MAR) associated with process safety. Detailed engineering design work will be undertaken post-FID to update assessments including proposed controls.</p> <p>The three lines of defence can be clearly seen in the financial area where the bp and JCCA teams work together as do-ers (first line), with review and approval helpers (second line) being the senior team members. Third line assurance is coming in the form of external audit. A full second line, including internal audit, will develop as the organisation grows in size.</p> <p>In the project area the first line is being performed by third parties, with bp performing second &amp; third line assurance through the project team's work and peer review.</p> <p>There is no BCP at the current time. This will be addressed post FID to be ready for post commercial operation date.</p>	<b>Low</b>
12		Assurance that arrangements are in place for internal and external auditing.	The Hub took assurance that external audit is currently taking place by Hall Morris for the financial year ended 31.03.24. A clean report is expected. Internal audit will be considered post FID and more likely once trading commences. This will be followed up in future Hub cycles as per the workplan.	<b>Low</b>
14	<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.	The Hub confirmed that regular monthly budget monitoring accounts are being issued to Board members and that there are no matters of concern arising within these reports. Board papers also indicate extensive discussions on particular aspects continue to be tabled as required.	<b>Low</b>
15		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 Business Plan was taken to the Board in October 2023. Updates discussed at the June meeting on working capital requirements post FID and early years forecasting will be followed up in subsequent cycles.	<b>Low</b>
17		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 audited 2022-23 annual accounts formed part of the ALEO Hub committee report in November 2023. There were no matters arising and the auditors raised no matters of concern. The annual accounts for 2023-24 have still to be audited and will be covered in a future ALEO Hub report.	<b>Very Low</b>