

## ABERDEEN CITY COUNCIL

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<b>COMMITTEE</b>	Audit, Risk and Scrutiny
<b>DATE</b>	19 <sup>th</sup> February 2026
<b>REPORT TITLE</b>	ALEO Assurance Hub – Workplan and Terms of Reference
<b>REPORT NUMBER</b>	CORS/26/033
<b>CHIEF OFFICER</b>	Jenni Lawson
<b>REPORT AUTHOR</b>	Vikki Cuthbert
<b>TERMS OF REFERENCE</b>	Remit - 1.2

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### 1. PURPOSE OF REPORT

To present the ALEO Assurance Hub workplan for 2026 including the dates for reporting.

### 2. RECOMMENDATIONS

That the Committee –

- 2.1 note the workplan for the ALEO Assurance Hub in 2026 which has been consulted upon with the ALEOs and the relevant Conveners; and
- 2.2 note the Terms of Reference for the ALEO Assurance Hub which have been amended to remove Bon Accord Care (BAC) from the remit of the Hub following the Council decision on 10<sup>th</sup> December to transfer BAC back into Aberdeen City Council in 2026/27.

### 3. CURRENT SITUATION

- 3.1 The ALEO Assurance Hub is one component of the ALEO Assurance Framework which provides a basis for the Council to oversee and support its arms-length external organisations. The Hub reports twice a year to this Committee to provide assurance that systems and policies are in place in each ALEO to mitigate and manage risks to them and to the Council.
- 3.2 The Hub has in place a Terms of Reference which are reviewed annually. The Terms of Reference are attached at **appendix A** to the report. These have been amended to remove reference to Bon Accord Care following the decision of Council on 10<sup>th</sup> December 2025 that BAC would transfer back into Aberdeen City Council in 2026/27. The next reporting cycle for ALEOs is June 2026, by which time it is expected that BAC will no longer be an ALEO and therefore no longer within the remit of the Assurance Hub. A further adjustment has been made to reflect that the ALEO Strategic Partnership meets monthly rather than every six weeks, which addresses an internal audit recommendation on Group Assurance.

- 3.3 Attached at **appendix B** is a workplan for 2026. Slight changes have been made to workplan: to ensure that ALEOs undertake horizon scanning in respect of changes to the law and risks which may impact them, to seek assurance on procurement practices, and to ensure that ALEOs confirm readiness for external inspection from any relevant regulatory bodies.
- 3.4 The workplan has been agreed with each of the ALEOs and the relevant Conveners, as per the requirements of the Hub Terms of Reference.

#### 4. FINANCIAL IMPLICATIONS

- 4.1 There are no direct financial implications arising from the recommendations in this report.
- 4.2 The role of the Hub is to ensure that ALEOs provide assurance that risks, including financial ones are identified and managed. One of the Hub's primary functions is to ensure that the Council is able to follow the public pound as outlined in Accounts Commission guidance.

#### 5. LEGAL IMPLICATIONS

- 5.1 Legal officers within Commercial and Procurement Services keep ALEO Service Level Agreements under review. These aim, amongst other things, to facilitate the ALEO Assurance Framework. These include reference to the requirements of the Assurance Hub to receive assurance regarding systems of governance, company outcomes and risk management and mitigation.
- 5.2 The Hub will help identify any projects and/or initiatives that could influence investment decisions of Bond holders or the Council's credit rating and ensure that the appropriate governance is put in place. This adds to the Council's existing Bond governance arrangements.

#### 6. ENVIRONMENTAL IMPLICATIONS

- 6.1 There are no direct environmental implications arising from this report.

#### 7. RISK

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H)  *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
Strategic	Ability of ALEOs to support the	The Assurance Hub process mitigates	L	Yes

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H)  *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
	Council in meeting its strategic outcomes.	against this risk by monitoring ALEO contribution to ACC strategic outcomes. This includes review of ALEO risk registers.		
<b>Compliance</b>	<p>ALEO service level agreements are not up to date and ALEOs are not delivering on Council outcomes.</p> <p>GDPR Compliance.</p>	<p>Commercial and Procurement Services reviews ALEO service level agreements to ensure they remain robust and fit for purpose.</p> <p>The Council has oversight of how ALEOs are achieving Council outcomes and complying with the terms of their service level agreements.</p> <p>The Hub will continue its oversight of ALEOs' approach to embedding strong governance, including audits, policies, procedures and systems to ensure that these are being reviewed and staff training is being delivered to mitigate the risk of governance failure.</p>	L	<b>Yes</b>
<b>Operational</b>	Failure of ALEOs to deliver services	Monitored by Council which has oversight of ALEO strategic	L	<b>Yes</b>

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H)  *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
	according to agreed Service Level Agreements	business plans.		
<b>Financial</b>	Financial failure of ALEOs impacting on the Council and its credit rating.	ALEOs report financial performance and governance to their boards and present their annual accounts for scrutiny by an external auditor, then reported through the Finance and Resources Committee. One of the Hub's key functions is to provide assurance to Committee on the financial stewardship of Council ALEOs.	L	<b>Yes</b>
<b>Reputational</b>	Impact of performance or financial risk on reputation of ACC.	Regular reporting to this Committee from the Hub provides adequate control.	L	<b>Yes</b>
<b>Environment/ Climate</b>	No direct risks arising from the report's recommendations		L	<b>Yes</b>

## 8. OUTCOMES

- 8.1 The recommendations within this report have no direct impact on the Council Delivery Plan.

## 9. IMPACT ASSESSMENTS

Assessment	Outcome
<b>Integrated Impact Assessment</b>	Full impact assessment not required. Confirmed by Chief Officer – Governance.

**10. BACKGROUND PAPERS**

None.

**11. APPENDICES**

**Appendix A** – ALEO Assurance Hub Terms of Reference

**Appendix B** – ALEO Assurance Hub Workplan 2026

**12. REPORT AUTHOR CONTACT DETAILS**

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