

Assurance Request	ALEO Assurance Hub Review	Risk Rating
<p>Assurance that the organisation has adequate workforce and succession planning arrangements in place. Outline the nature of any changes to workforce or succession plans required as a result of the pandemic.</p>	<p>The Hub noted that APA had been reviewing their workforce and team structures as they prepared to re-open, to ensure the organisation was fit for purpose, efficient and resilient. The Hub was provided with assurance as APA embarked upon a phased learning and development and recruitment strategy to support the return of staff to work after closure and building in additional capacity/capability where possible through additional expertise in agreed areas.</p> <p>The Hub noted the recovery plans for re-opening that had been provided and agreed that this provided assurance regarding people, venues and communications.</p>	<p><b>Very Low</b></p>
<p>Assurance on training and development of Board members and workforce to align the needs of the organisation to skillset. Explain the process for training and development of Board members, particularly to advise how any gaps in capability are being addressed.</p>	<p>The Hub noted that APA Board members received an induction and orientation sessions as they joined the board, as well as annual review with the Chair to review their participation and to identify any skills gaps or areas for development. The Hub also noted that Board members attended an annual development day to support both business and individual development.</p> <p>The Hub was provided with assurance with regard to further activities and initiatives undertaken by APA, such as external training and short bite-size learning at Board meetings.</p> <p>The Hub noted that APA were currently looking to recruit three Board members over the course of the next year and would be using this opportunity to add additional skills and experience. In that regard the Hub noted the recruitment pack that had been provided. The Hub agreed that an update on the recruitment should be provided to a future Hub meeting.</p>	<p><b>Very Low</b></p>
<p>Assurance that risk registers are in place, 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. Provide a copy of your risk register and evidence that it has been reviewed and updated since the last cycle of Hub meetings.</p>	<p>The Hub reviewed the General Risk Register that has risks grouped by the following categories: Financial, Operational, Management &amp; Governance. The actions being undertaken to mitigate the risk were listed against each risk and each risk has a date specified as to when it is next due for review. The change column indicates where the level of risk has either increased, decreased or remained unchanged since the previous review according to the scores allocated using a risk matrix.</p> <p>The highest scoring risks on this register are within the Financial category and risks relating to existing funding streams and risks to revenue resulting from external factors including the pandemic and local economics.</p> <p>The Risk Register provided was last reviewed in August 2021 and the Hub was advised that the Risk Register is reviewed at regular points through the year by Leadership team and by the Board in March/April and November.</p>	<p><b>Very Low</b></p>
<p>Assurance that ALEOs have an established risk appetite which is reflected in decision making structures. Advise of any plans for introducing a risk appetite statement, or do you already have one? If so, can this be shared. If not, can you outline current thinking on whether you would find this useful to guide decision making. The Council approved a risk appetite statement in December 2020 (copy provided).</p>	<p>The Hub was provided with a draft risk appetite statement currently under development which will be reviewed by the APA Board in November 2021. The document sets out APA's Risk Appetite (Low, Medium or High) against the key operational areas of the business, statement of principle sets out how they anticipate and avoid risks, and the opportunity inherent in some risks. The Hub was satisfied with the Statement.</p>	<p><b>Very Low</b></p>
<p>Assurance that the organisation is managing the impacts of EU Exit, that risks are identified and controls are in place.</p>	<p>Risk 1.6 on the Risk Register relating to impacts resulting from EU Exit remains open on the Risk Register and will be reviewed in October 2021 and provides the hub with assurance that the risk in this area is still being monitored.</p>	<p><b>Very Low</b></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. Confirm to what extent audit plans have progressed since the update to the last cycle of meetings.</p>	<p>The Hub was advised that external audit work for financial year 2020/21 is almost completed and the audited accounts will be presented to the Finance, Audit and Property Committee in November 2021. APA note that another "clean" audit has been completed and that no areas of risk have been identified.</p> <p>APA confirmed that Internal Audits have been conducted during the current reporting cycle and added that the Internal Audit Schedule for 22/23 will be set at the Finance, Audit and Property Sub Committee on the 25th October.</p> <p>The external audit for the 2020/21 financial year, conducted by AAB, will be concluded imminently with the accounts being presented to our Finance, Audit &amp; Property Committee in November 2021. We have received another clean audit report with no areas of risk being identified.</p>	<p><b>Very Low</b></p>

<p>Assurance that accounts are being managed within budget and the level of financial risk to the Council is low through presentation of quarterly trading accounts.</p>	<p>The Hub noted that APA continue to actively fundraise and most recently secured £500,000 of stabilisation funding from the Performing Arts Venues Relief Fund. APA shared their most recent cashflow for information, which shows a small surplus at the end of the financial year.</p>	<p><b>Medium</b></p>
<p>Assurance that ALEOs have prepared a medium-term financial plan or had incorporated medium term planning into a Business Plan to provide assurance that ALEOs are prepared for core funding pressures.</p>	<p>The documents provided show that APA have been looking at phased reopening from September with full reopening from November. APA papers provided show review and restructuring of operations is underway to provide compensatory savings for 2022-23. Cashflow projections indicate a small surplus in March 2022 would be available if income levels are in line with this forecast. APA have used the closure period to look at both potential social distancing works as well as review various aspects of its operations including food and catering. Whilst APA is positioned to restart operations as per any ScotGov guidelines this area (Theatres) would be a high risk in the event of further lockdowns. The risk rating has reduced from high to medium as a result of the scenario planning around physical distancing and phased reopening from September, but this will remain an area of close scrutiny for the Council. APA have strong governance arrangements and have been continued to update cashflows and submit these for Board review in the current financial year 2021-22.</p>	
<p>Assurance that accounts are being managed within budget, are in line with statutory requirements and that the level of financial risk to the Council is low through presentation of Audited Annual Accounts 2019-20 and draft accounts for 2020-21</p>	<p>The Hub also noted that a guarantee of £356k additional funding during 2021-22 is still in place as approved by Council (10 March 2021).</p>	
<p>Assurance that ALEOs have a strategy in place to meet the short to medium term effects of Covid and EU Exit as they affect financial risk. Provide responses to the following questions:</p> <ul style="list-style-type: none"> <li>• Does your organisation have a medium term (3 - 5 years) financial strategy/plan in place?</li> <li>• If yes - how many years does it cover?</li> <li>• If yes - does you review the financial strategy/plan on an annual basis?</li> <li>• Does the medium term financial strategy/plan contain details on the following: <ul style="list-style-type: none"> <li>- Changes in partner funding level</li> <li>- Demand pressures (costs)</li> <li>- Costs pressures (inflation and new costs)Income from fees and charges (including service grants)</li> <li>- Savings details and target (including sufficient detail of how savings will be achieved)</li> <li>- Fundamental service redesign</li> <li>- Scenario planning</li> <li>- Assets/liabilities &amp; reserves</li> </ul> </li> </ul>	<p>APA advised as follows "Given the impact of Covid-19 pandemic on our organisation, our focus on survival for the last 18 months, and our current focus on getting the business reopen and back on its feet, we do not currently have a medium term financial plan in place. However once reopened we will be turning our attention to this as part of our review and update of our next business plan."</p> <p>The Hub would wish to review this when it becomes available. We do recognise the impact of Covid on APA and also recognise that until APA undergoes phased re-opening in September that footfall and capacity figures will have a direct bearing on any medium term financial plan. The Hub does also note has that APA has already been reviewing elements areas which would require to be included within the MTFP, including cost mitigation, various cash flow scenarios and review of operations with a view to ensuring a sound financial platform moving forward.</p>	<p><b>Medium</b></p>