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ABERDEEN CITY COUNCIL

COMMITTEE	Audit, Risk & Scrutiny
DATE	29 September 2015
INTERIM DIRECTOR	Angela Scott
TITLE OF REPORT	Aberdeen International Youth Festival
REPORT NUMBER	CG/15/121
CHECKLIST COMPLETED	Yes

1. PURPOSE OF REPORT

To provide an update on the current position with regard to the governance and financial arrangements between the Council and Aberdeen International Youth Festival (AIYF).

2. RECOMMENDATION(S)

It is recommended that the committee:-

- i) note the contents of this report

3. FINANCIAL IMPLICATIONS

There are no direct financial implications arising from this report.

4. OTHER IMPLICATIONS

Any changes to the current governance arrangements will require the legal status of the AIYF to be amended.

5. BACKGROUND/MAIN ISSUES

- 5.1 This committee on 26th February 2015 considered an internal audit report entitled Aberdeen International Youth Festival – Following the Public Pound. The report contained the following recommendation “The Board should be made aware of the challenges with the current governance structure with a recommendation that they agree to change their Articles of Association to enable a more flexible and arm’s length relationship to be put in place and that future arrangements between AIYF and the Council will require to be underpinned by a formal agreement e.g. a Service Level Agreement”.
- 5.2 The committee requested officers to submit a report on the governance and financial arrangements between the Council and the Aberdeen International Youth Festival at the earliest opportunity.
- 5.3 At a meeting on 29th April 2015, the trustees of AIYF reviewed both the internal audit report and a letter from the Head of Finance concerning the main recommendations of the report and noted the contents.
- 5.4 In March 2015 Castlegate Arts Ltd approached AIYF with a proposal to establish a new Scottish Charitable Incorporated Organisation (SCIO), with the functions of both existing organisations then being transferred to the SCIO prior to both existing organisations being wound-up. Discussions are ongoing between the two organisations and are likely to continue into 2016.
- 5.5 As these discussions progress and as necessary, reports will be submitted to the appropriate committee(s) for consideration.
- 5.6 Should the proposed restructuring go ahead it is anticipated that the current arrangements whereby the Council provides financial services to AIYF would no longer be required.

6. IMPACT

The Council has a long standing relationship with AIYF and supports the organisation both with funding and the provision of financial services.

7. MANAGEMENT OF RISK

Not applicable as the report is for update purposes only.

8. BACKGROUND PAPERS

None

9. REPORT AUTHOR DETAILS

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