

Garthdee Alpine Sports

Sector	Sport and Leisure
Level of ACC Control/Influence	ACC is a guarantor of the company and is represented on the Board along with four partner organisations
ACC Funding 2017-18	£255,361
Service Designate	Education and Children's Services

The Hub requested assurance in the following areas:-

1. Governance Assurance

1.1 Recent changes made to Constitutional Documents – Garthdee Alpine Sports (GAS) confirmed that no changes had been made to their constitutional documents within the last 12 months.

1.2 Methods used to review Board competencies and identify skills gaps - GAS provided a copy of a skills matrix which outlined competencies of Board members in a number of areas ranging from fundraising, knowledge of snowsports industry and health and safety.

1.3 Composition of the Board and gender representation – GAS advised that gender balance and representation of community groups had been considered by the Board and no problem had been identified.

1.4 Council representation at Board meetings – GAS identified the Council Board member but provided no information on whether Council officers had the right to attend meetings or receive Board papers.

1.5 Transparency of Board decision making – GAS advised that Board meetings and papers were not accessible to the public.

Governance Assessment – The Hub welcomed GAS's efforts to recruit community representatives onto the Board but identified areas of concern such as GAS providing no assurance that Council officers were entitled to attend Board meetings and no overview of Board composition or gender representation. The Hub noted that GAS was a tier 2 organisation with a very small number of full time staff who could provide administrative support and this may have had an impact on the level of detail that GAS had been able to provide. Based on the assurance provided, the Hub agreed that GAS's governance arrangements posed a **medium risk** to the Council.

2. Risk Management Assurance

- 2.1 Risk management strategy or policy** – GAS provided copies of their Risk Assessment of the Aberdeen Snowsports Centre; Task Risk Assessments; Health and Safety Policy Statement; and First Aid Need Risk Assessment.
- 2.2 Maintenance of risk register and identification of biggest risks** - GAS provided a copy of their business risk register which identified their biggest risks as (1) lack of raw materials for the snow slope; (2) employment dispute; (3) incident and accidents; (4) breach of disciplinary process; and (5) marketing and competition from other sports.
- 2.3 Mitigation of risk** – GAS provided a copy of their business risk register which outlined the controls, interventions and actions in place to mitigate identified risks.
- 2.4 Business continuity planning** – GAS did not provide a copy of the Business Continuity Plan but explained that their risk register and risk assessments highlighted appropriate business continuity planning.
- 2.5 How the Board receives assurance on the organisation's management of risk** – GAS explained that their risk register and risk assessments set out reporting arrangements to the Board.

Risk Management Assessment – The Hub noted that a number of the risk documents provided were standard templates but did not provide sufficient detail of controls in place to mitigate risk. The Hub noted that most risk documents related to health and safety which was reasonable considering the nature of the business. Officers expected to have been provided assurance on PVG checks as GAS worked with children and young people on a regular basis. Subsequent to the meeting, GAS confirmed that a PVG check is undertaken on each employee prior to appointment and certificates awaited prior to appointment. This was audited as part of an annual assessment of the company by Snowsports Scotland. In addition, annual reviews of the lifts and equipment were undertaken by a specialist contractor as a requirement of the company's insurance cover.

The Hub noted that risk identification was not as robust as it could have been and had expected to see greater detail in relation to safety arrangements and the potential for legal challenge following any incident. The Hub did not receive assurance on business continuity planning. Officers took the view that GAS's lack of capacity had impacted on the level of detail within their submission.

The Hub was concerned that there may be a lack of expertise in formal risk management within GAS to enable the company to provide assurance to the Council

and based on the assurance provided, assessed GAS to be **medium-high risk** in this area.

3. Financial Management Assurance

- 3.1 Quarterly management trading accounts** – GAS provided a copy of a Finance Report with quarterly accounts which were presented to the GAS Board in August 2017.
- 3.2 Annual audited accounts** - GAS presented a copy of their 2015-16 audited annual accounts prepared by Hall Morrice LLP. GAS confirmed that 2016-17 annual accounts were currently being audited.
- 3.3 Financial procedures and scheme of delegation** – GAS submitted no financial procedures or scheme of delegation from the Board to officers.
- 3.4 Discussion of financial management and performance at Board level** – GAS provided copies of agendas and minutes from Board meetings of 31 May and 31 August 2017 to provide assurance that financial management, performance and implications were being considered by the Board.
- 3.5 Business Planning** – GAS advised that no updates had been made to their Business Plan since it had been presented to the Education and Children's Services Committee on 8 September 2016.
- 3.6 Internal Audit** – GAS provided a copy of an internal audit report prepared by Aberdeen City Council's internal auditors.
- 3.7 External Audit** - GAS confirmed that 2016-17 annual accounts were currently being audited.

Financial Management Assessment – The Hub agreed that management trading accounts were in an acceptable format but would suggest that additional assurance would be provided if the report also included the full year budget and a forecast out-turn for the year to demonstrate if the budget position was likely to be achieved. Officers had also expected to have been provided with a copy of the External Audit Management report which would outline audit recommendations for improvement, the Management response and the report thereon to the Board. The Hub noted that 2016-17 annual accounts were currently being audited and would request to see these accounts at its next meeting. The Hub did not receive assurance on the development of financial procedures or a standard board report template which would cover financial implications as these had not been provided within the submission. (GAS has submitted additional documentation following the meeting).

Officers noted that GAS's Strategic Business Plan had been presented to the Education and Children's Services Committee on 8 September 2016 and further noted that the Council's internal auditors had been auditing GAS during 2017 and a report on their findings had been presented to the Audit, Risk and Scrutiny Committee on 26 September 2017 and would also be submitted to the Education and Children's Services Committee on 16 November 2017. Based on the assurance provided, the Hub assessed GAS to be **medium risk** in terms of financial management.

4. Future Oversight Arrangements

The Hub took the view that GAS had provided assurance that indicated some understanding and compliance but there were a number of significant areas particularly within risk and financial management in which the Hub would need to receive further assurance in order to provide the requisite level of comfort to the Audit, Risk and Scrutiny Committee.

The Hub agreed that during the next cycle, additional documentation would be requested to support statements made within the exception reports. The Hub acknowledged that GAS was a small company with a limited number of full time administrative staff and based on the information provided the Hub took the view that a lack of resource and capacity particularly over school holiday periods had contributed towards the provision of information that did not allow the Hub to be fully assured of their governance arrangements during this cycle. The Hub took account of GAS's status as a tier 2 ALEO; the level of annual funding it received from the Council; and the Council's position as a guarantor of the company and assessed GAS to be **medium risk** to the Council. The Hub will request GAS to report further assurance to the Hub's next meeting in February 2018.

Assurance Standard	Risk Rating
Unambiguous responses demonstrating clear understanding and comprehensive ability to fulfil ACC requirements, giving full detail as how these are achieved.	Very Low
Responses provide evidence of good understanding and compliance although limited detail provided for some areas.	Low
Responses provide some indication of understanding and compliance.	Medium
Minimal or poor responses providing little evidence of understanding or compliance.	High

Nil or inadequate responses with little or no understanding of requirement or evidence of compliance.	Very High
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