

Aberdeen Performing Arts (APA)

Sector	Arts, Theatre and Culture
Level of ACC Control	The Council is one of 13 subscriber guarantors of the company
ACC Funding 2018-19	£975,000
Function	Commissioning

The Hub requested assurance in the following areas:-

1. Governance

1.1 Assurance on existing approach towards Data Protection – Aberdeen Performing Arts (APA) provided a copy of its existing Data Protection policy. They advised that in preparation for GDPR, the Leadership Team and a Board Champion would review all policies, procedures and processes relating to data management and security. APA noted that the revised policy would be presented to the Board on 16 March 2018 to ensure it was in place ahead of GDPR coming into effect and it was their intention to review the policy biennially or in response to a specific event.

1.2 Assurance on General Data Protection Regulation (GDPR) preparations – APA advised that in 2016 they created the new post of Head of Business Transformation incorporating the role of data protection and GDPR implementation at a senior level within the organisation. In early 2017, they established a working group to focus on the requirements of GDPR to identify any additional requirements in the management and security of processes for the data they held. The working group is led by the Head of Business Transformation, who has been appointed APA's Data Protection Officer (DPO). The working group's progress is regularly reported to APA's Leadership Team and the Board.

APA identified a number of technical solutions that either have been implemented or are in the process of being assessed as proof of concepts prior to implementation. These technical solutions include, but are not limited to:-

- use of encryption technologies
- implementation of mobile device management
- the procurement of a data audit and management software to identify data flows, permissions, stale data
- implementation of a secure File Transfer Protocol (FTP) service

- implementation of data cleansing software for Customer Relationship Management (CRM)
- procurement of next-generation endpoint security
- procurement of new firewall appliances
- use of email security, archiving and continuity software
- use of network monitoring and logging software

APA explained that GDPR was a core consideration of any procurement process and a Data Protection Impact Assessment (DPIA) would be included if necessary to ensure all supplier partnerships and new business applications were in compliance with the new regulation. APA continues to work with cultural partners such as Culture Republic to understand the impact of GDPR in the sector and have approached an external agency with a view to leading a consultancy project over three days. This project will include stakeholder interviews and a detailed assessment of information systems and ICT infrastructure, culminating in a report capturing the results of these activities.

APA intends to review the following existing policies and protocols in light of GDPR:-

- Business Continuity Plan
- Child Protection Policy
- Crisis Management and Communication Protocols
- Data Protection Policy
- Email Etiquette Policy
- Information Security Policy
- Meetings Protocols
- Privacy Policy
- Records Management Policy
- Recruitment Policy
- Social Network Policy

1.3 Assurance on GDPR training – APA has recognised the importance of training in this area and has undertaken two key training events over the past 12 months. Programmed by cultural partners Culture Republic, APA's Head of Business Transformation and Marketing Manager attended two day-long training workshops led by the Information Commissioner's Office for Scotland to prepare cultural organisations for GDPR. The Director of Finance and Corporate Services, and Head of Business Transformation attended Aberdeen City Council's GDPR training event on 5 March 2018. The Head of Business Transformation also attended a workshop on GDPR at a conference in Birmingham in early March.

Following on from this, APA plans to deliver internal workshops for all staff and volunteers to commence on 19 March 2018. Thereafter a short staff survey would be circulated to assess the effectiveness of the sessions. These workshops will be led by the Head of Business Transformation and/or an external consultant and would

provide an update on all aspects of GDPR and its impact on the business. APA also highlighted that the Board was well equipped to manage and understand the implications of GDPR, as amongst its membership it has two members who lead on GDPR compliance for Robert Gordon University and the University of Aberdeen.

1.4 Assurance on GDPR readiness – APA advised that they have a very clear understanding of the requirements of GDPR and have been working for the past 18 months to understand the impact of the legislation on the organisation. APA has implemented various technical solutions and had been assessing other applications to mitigate risk. APA was in the process of updating all policies and procedures that relate to data management and information systems.

APA highlighted that they had recognised the importance of GDPR well in advance by creating the new senior management post of Head of Business Transformation to lead on GDPR and had appointed key staff onto a working group to manage all parts of the process. They advised that all stakeholders had been involved including the Board; senior management; third-party suppliers; cultural partners; staff; and volunteers. APA provided assurance that they would be GDPR compliant by 25 May 2018.

Governance Assessment – The Hub received legal advice that APA's Data Protection Policy provided a good benchmark for implementing GDPR but highlighted that further work would be required particularly on Subject Access Requests and data breach procedures. The Hub welcomed APA's appointment of a Data Protection Officer to manage the implementation process and found its training arrangements to be satisfactory. The Hub agreed that due to the administrative and regulatory demands of implementing GDPR, which would involve significant systematic and procedural change, in addition to the higher costs and risks of a data breach, it was felt that a **Medium Risk** rating was the best score it could assign to any organisation (including the Council). The Hub noted that GDPR had not been listed on APA's corporate risk register as a risk and took the view that this risk should be recorded, along with appropriate controls to mitigate risk to the organisation.

2 Risk Management

2.1 Assurance on risk registers – APA provided copies of its corporate risk register and Music Hall risk register which were both reviewed in February 2018. The biggest risk for the organisation was the cost of making loan and interest payments to the Council for the Music Hall Project.

2.2 Assurance on Business Continuity Planning –APA advised that its Business Continuity Plan would be reviewed by the Board at its development day on 16 March before being presented to the Board for final approval on 21 May 2018. They added that regular testing was carried out on evacuations and ICT systems.

2.3 Assurance that risk is taken into account at Board meetings – APA advised that the corporate risk register was reviewed by the Board bi-annually and was a standing agenda item on the Finance, Audit and Property Sub-Committee. They confirmed that the Music Hall risk register was reviewed at every Music Hall Strategic Board Meeting.

Risk Management Assessment – The Hub highlighted that GDPR was not listed as a risk on APA's corporate risk register and it recommended that this risk be inserted to take account of the challenges of implementing the regulation as well as the potential sanctions for non-compliance. APA's Service Lead confirmed that the Board had discussed GDPR as a corporate risk during recent meetings and agreed to forward on the Hub's recommendation to Management for consideration. The Hub also noted that Project Delay was appropriately rated as High Risk in APA's Music Hall risk register but took the view that this risk should also be included in the corporate risk register as this risk may have a significant impact on the overall business in terms of revenue generation.

The Hub assessed the Music Hall risk register to be robust but agreed to request further information ahead of its next meeting on how APA would mitigate risks relating to snagging issues after the Music Hall had opened. APA's Service Lead advised that in her view, APA had managed the Music Hall development professionally and had prepared an effective communication strategy to mitigate reputational damage to the organisation and the Council.

Overall, based on the assurance provided, APA's risk management approach was assessed as **Medium Risk** due to the ongoing development of its Business Continuity Plan and GDPR's omission from the corporate risk register. The Hub agreed to request an update on these items at its next meeting and took the view that provision of this assurance would likely result in an improved risk score.

3 Financial Management

3.1 Assurance on Management Trading Accounts – APA provided a copy of its management trading accounts as at 31 December 2017.

3.2 Assurance on Audited Annual Accounts – APA provided a copy of its 2016-17 audited annual accounts which had been prepared by Scott-Moncrieff. They advised that External Audit had reported to the Board in August 2017 and issued APA with a clean audit certificate with no audit adjustments or any outstanding audit improvement actions required. APA also returned a surplus and was managing its reserves appropriately.

3.3 Assurance on Financial Regulations and Scheme of Delegation – APA confirmed they had taken on board the Hub's recommendation for their Financial

Regulations to be reviewed and noted the review would take place at the Board meeting in August 2018. APA added that the Board would also consider the Hub's recommendation to adopt a formal scheme of delegation to officers at this meeting.

3.4 Assurance on Business Planning – APA provided its three year Business Plan: 2018-19 - 2020-21.

3.5 Assurance that the Board considers financial implications when taking decisions – APA advised that as an autonomous charity, the Board and Leadership Team have taken the view that their report template is appropriate and explained that cognisance was given to financial implications on any decision in accordance with good governance principles. APA maintains a clear audit trail of all financial decisions and their implications, as Board discussions and decisions are minuted. The budget is set annually in February by the Board and reviewed on a quarterly basis by the Finance, Audit and Property (FAP) Sub-Committee and the Board. Finance was a standing item on FAP Sub-Committee and Board agendas and implications of financial decisions were discussed and minuted under this item. APA also provided its Board papers from 19 February 2018 which outlined how risk and financial implications were reported to the Board.

3.6 Assurance that financial performance is scrutinised by the Board – APA advised that financial performance was a standing agenda item for discussion at every Leadership Team meeting. Managers and Budget holders meet monthly with Finance colleagues to account for performance and the Finance, Audit & Property Sub-Committee review and discuss financial performance at every meeting. The Board was presented with a Finance report and management accounts at every meeting; in addition to any other specific financial issues requiring decision. APA highlighted that an annual development day had been arranged for the Board and Leadership team to review the business plan. They explained that the litmus test for financial management is the performance of an organisation and noted that APA has healthy reserves; returned a surplus and received a clean external audit for its latest annual accounts.

3.7 Assurance on Internal Audit – APA explained that they had not appointed a single internal auditor as they did not believe this would be cost effective or appropriate for the range of APA business. They advised that the following internal audit work had been carried out over the past year, which included three specialist external reviews and Management had accepted their recommendations and implemented accordingly:-

- External marketing review carried out by an independent consultant
- Pricing Review carried out by an independent consultant
- Ticketing system evaluation carried out by an independent consultant
- Human Resources process audit carried out internally

Financial Management Assessment – The Hub welcomed APA's positive financial performance and identified no significant issues with either how the accounts were presented or the annual business plan which had been reported to the Education

and Children’s Services Committee on 14 September 2017. APA’s Service Lead informed the Hub that APA had recently retained core funding from Creative Scotland and had been looking to generate additional revenue through marketing its facilities as conference venues. The Hub welcomed APA’s acceptance of Hub recommendations to review its Financial Procedures and consider the development of a scheme of delegation at its Board meeting in May 2018.

Overall, based on the assurance provided, APA’s financial management was assessed as **Low Risk**. Ahead of its next meeting, the Hub agreed to request further information on APA’s internal audit arrangements and how APA reported financial implications to the Board to provide additional assurance to the Audit, Risk and Scrutiny Committee.

4 Future Oversight Arrangements - The Hub found that APA was taking appropriate steps to comply with GDPR but would request an update on whether GDPR had been added to its corporate risk register at its next meeting. The Hub welcomed APA’s willingness to consider Hub recommendations in relation to reviewing Financial Procedures and considering a scheme of delegation. The Hub agreed to request further information on APA’s Business Continuity Plan; Internal Audit arrangements; reporting financial implications to the Board; and its approach to address snagging issues following the opening of the Music Hall. Overall, based on the assurance provided, the Hub assessed ASV to be **Low-Medium Risk** to the Council. This risk rating has remained the same since the Hub’s last report to the Audit, Risk and Scrutiny Committee on 23 November 2017.

Assurance Standard - May 2018	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