

Aberdeen Performing Arts - Appendix D

	Assurance Request	ALEO Response and Hub Commentary	Risk Rating
Governance	<p>Assurance required on training and development of Board members including any changes to Board structure, rationale for any structure changes, and training plans for Board members.</p> <p>Please provide details of any recent or planned structure changes and training plans for Board members. In particular, provide assurance around handover to the new Chief Executive and how this is being planned and prepared for.</p>	<p>The Hub noted that APA had a small number of vacancies on their Board and would be undertaking a round of board recruitment over the summer which would include the recruitment of a Chair Designate as a result of the Board Chair being due to step down in August 2023. The Hub was advised that a full induction plan was being developed in preparation for the new Chief Executive joining APA in August 2022 and the current Chief Executive had held a number of discussions and meetings with the new Chief Executive as part of this process.</p> <p>The Hub noted that arrangements had been put in place for the APA Leadership Team to provide cover during the six week period between the current Chief Executive leaving and the new Chief Executive starting, with additional support from a named Board member, as well as the Chair, where required. The Hub agreed that an update on board recruitment and the induction of the new Chief Executive should be sought for the December Hub meeting.</p>	Low
	<p>Assurance required that key policies are in place with a review schedule in place, and that policies are developed using a risk-based approach.</p> <p>Evidence that key organisational policies are in place and regularly reviewed, in particular policies which regulate internal controls such as Health and Safety, Fraud Prevention/Detection, Data Protection, etc This may be evidenced through a policy register or schedule and it would be helpful to see a sample of policies also.</p>	<p>The Hub reviewed the Policy Review Tracker, which is a simple yet effective tool which identifies which member of staff is responsible for each Policy, when it was last reviewed, approved and when it is next due for review. A small number of policies was also provided which included APA's Data Protection Policy and Health and Safety Policy and Procedures and the Hub was assured accordingly. It was noted that these policies are risk-based in that the purpose and scope section within each of the policies establish the risk within the aims of the policy, and have been created with risk/s in mind and are being used as a control to mitigate the risk/s identified.</p> <p>The Hub in particular noted that Health and Safety Champions were identified within the Health and Safety Policy which was an example of good practice, and they supported the Operations Manager and Departmental Managers with regard to health and safety matters. The Policy had been recently reviewed in May 2022, as had the Criminal Facilitation of Tax Policy.</p>	Very Low
Risk	<p>Assurance required that risks are being regularly reviewed in accordance with the organisation's agreed risk management policy, 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.</p> <p>This area will be explored in more depth in the December cycle, however could you provide a high level summary of the current impact of the cost of living and longer lasting impacts of COVID.</p>	<p>The Hub was provided with a high level summary that outlined APA's current assessment of concurrent risks, including the on-going effects of Covid-19 and inflationary pressures. APA has identified the risks and the potential operational impacts. Risk mitigation activities are identified and in place, these include; income and data monitoring and increased capacity in key staffing areas to cover increased absence due to Covid-19.</p>	Very Low
	<p>Assurance required that ALEOs have risk-based internal and external audit plans in place and a process to address and close out audit recommendations to completion.</p> <p>Assurance required that there have been no internal control failures or that any failures have been addressed and/or notified if they are of significance to the Council.</p> <p>Please provide a summary of APA's internal and external audit plans for the current year (and beyond, if available) and detail the process that is followed to close off audit recommendations. Provide details of any high graded recommendations on the back of internal or external audit, or any regulatory activity, in the last 12 months.</p>	<p>The Hub was advised that Anderson Anderson Brown (AAB) will commence annual audit activities on 20th June 2022 in preparation for the statutory accounts being signed off by the Board in November. APA confirmed that no significant recommendations were made during the 2021 audit and confirmed the process in place that would be utilised to monitor and manage any recommendations made.</p> <p>APA confirmed that a Health & Safety audit has been commissioned with Worknest, the audit will commence in June 2022 and the outputs from the audit will used to form APA's 3-year Health and Safety Plan.</p> <p>Internal audit and review activities being undertaken include a review of People/HR data and Internal IT information. Three audits will be completed in total. This complies with the Board's wish to have a minimum of two areas per year to be internally audited annually, which is in line with pre-Covid levels.</p>	Very Low
	<p>Assurance required that accounts are being managed within budget, that the level of financial risk to the Council is low and that there is compliance with the Following the Public Pound Code of Practice.</p>	<p>The Hub noted that detailed quarterly forecasts and cashflows are reported both to the Finance, Property and Audit Sub Committee and the Board at each scheduled meeting. Minutes of the Finance Sub Committee indicate a close examination and discussion takes place around these figures, with any suggestions then passed to the Board. Draft 2021-22 figures suggest APA has performed better than previously budgeted.</p>	Low

Finance	<p>Assurance required that ALEOs undertake medium-term financial planning or have incorporated medium term planning into a Business Plan to provide assurance that ALEOs are prepared for core funding pressures. Again this ensures compliance with the Following the Public Pound Code of Practice.</p> <p>Please provide a copy of APA's Business Plan, to support evidence of medium term financial planning.</p>	<p>The current version of 5 year draft Business Plan will be reviewed by the Board at its 30 May 2022 meeting. A review of the assumptions around this, combined with cashflow projections for 2022/23 indicate adequate controls are in place. It is acknowledged that Covid is still an issue in this sector both in terms of staff absence and productions. Board papers and cashflow projections include the repayment of a Social Enterprise Scotland loan plus the guarantee provided by Aberdeen City Council (£356k) does not require to be renewed. APA have applied for any relevant funding which is applicable to their sector. During the year APA have taken the opportunity to review and update their Reserves Policy, including proposing an Energy Reserve as this is seen as a fluctuating cost which needs to be mitigated.</p>	Medium
	<p>Assurance required that accounts are being managed within budget, are in line with statutory requirements and Following the Public Pound Code of Practice, and that the level of financial risk to the Council is low.</p>	<p>The 2020-21 Annual accounts were submitted in line within the required statutory deadlines and the auditors raised no areas of concern. Draft 2021-22 Accounts have been provided but these are still subject to audit and will be reported to a future committee.</p>	Low