

Aberdeen Performing Arts - Appendix D

Area of Assurance	Assurance Request	ALEO Response and Hub Commentary	Risk Rating
<p>Governance</p>	<p>Assurance that all governance documentation is regularly reviewed and supports the organisation's governance framework. The following are examples of documents which may be requested:</p> <ul style="list-style-type: none"> - Delegated powers - Codes of Conduct - Procurement Regulations 	<p>The Hub noted from minutes provided that the Scheme of Delegation and Memorandum and Articles had last been reviewed in 2018 and 2019 respectively, however a review of the Scheme of Delegation was scheduled for November 2022. The Hub agreed to request copies of any revised documentation following this review. Procurement was covered within the Financial Regulations provided. The Hub noted that there was nothing to report in terms of code of conduct for Board members. The Hub noted that a comprehensive induction plan had been put in place for the new Chief Executive however there had been a delay to the recruitment of new Board members. The Hub noted that it was expected to begin this process by November and agreed to request a further update from APA once this had been undertaken. It was noted that assurance had been provided that data protection and privacy policies and procedures were in place and had been recently reviewed (May 2022), with training provided to staff through various methods.</p> <p>The Hub considered that the governance risks were generally very low, although there was a risk around the delay to the Board member recruitment as a result, but were assured that this was mitigated through the additional support being provided to senior managers.</p>	<p>Very Low (No change)</p>
	<p>Complaints Procedure</p>	<p>The Hub noted based on the responses provided that the complaints procedure generally followed the MCHP, although Stage 3 of the process was not to the SPSO. Records of complaints were reviewed on a monthly basis by Customer Experience Managers, and then on a quarterly basis by the leadership team and a Board sub-committee. Upon request, the Hub was provided with a copy of the 'Customer Service Standards' for APA which is used in place of a complaints procedure. The Hub noted that while the procedure was advised to those who approached staff with a complaint, it was not currently available publicly, and the APA website used a 'Contact Us' form which did not specifically mention complaints.</p>	<p>Very Low (No change)</p>
<p>Risk Management</p>	<p>Assurance 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>APA confirmed that the risk register is subject to a formal, annual review by the board on an annual basis each November and evidenced this with minutes of the November 2021 meeting, in addition the risk register is also regularly reviewed by the leadership team.</p> <p>APA confirm that the updated risk register will reflect the current risk environment. This will include the risk of funding cuts resulting from pressures on public finances. The risks and potential impacts to the business resulting from external factors such as inflationary pressures and the cost of living increases. APA anticipate that these external factors will impact ticket sales and income generation whilst inflationary pressures will affect cost base/operating costs such as increased production costs, real living wage increases and energy costs.</p> <p>APA recognise that risks and impacts to the business resulting from Covid have reduced however, there are risks in this area such as impact on shows resulting illness (artists, supporting staff etc.) which may result in sales and refund requests. APA confirm that the risk register will incorporate activities and plans required to mitigate these risks including financial planning, having fixed rates/contracts in place at competitive rates and reducing energy consumption.</p> <p>A copy of the current risk register was not provided for the current reporting cycle as it is currently under review for the board meeting in November. The Hub will review the register in the next reporting cycle.</p>	<p>Very Low (No change)</p>

	Assurance that ALEOs are actively considering risk appetite in their decision making.	APA confirmed that a risk appetite policy is in place and was reviewed and approved by the Board in November 2021. This policy is reviewed every three years.	Very Low
	Assurance that appropriate business continuity arrangements are in place including testing and exercising arrangements or schedules; that each organisation has an awareness of the Council's responsibilities as a Cat 1 responder under the Civil Contingencies Act and has agreed mechanisms in place to support these; and that each organisation is fully conversant with the implications for their operations of the CONTEST Strategy (UK Govt strategy for counter-terrorism)	APA confirmed that business continuity arrangements have been tested regularly during the pandemic on a "live" basis and so planned exercises were not required. Activation of business continuity plans and arrangements has allowed APA to assess the effectiveness of the plans and to update and change the plans based upon lessons learned.	Very Low
Finance	Assurance 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.	The Hub has reviewed the Cashflow/forecast projections provided by APA. These would indicate a positive position at the end of 2022-23. Forecasts are regularly updated and reported to the Board. The organisation is aware of changes in customer behaviours and spending patterns and potential effects on income arising from such changes. APA's reserve strategy was reviewed by their Finance Sub Committee prior to year end and these have been updated with a view to increasing financial resilience going forward.	Low (No change)
	Assurance 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.	The Hub will review the next iteration of the MTFP as it becomes available in February 2023. This would be in the next ALEO reporting cycle. As reported in the June ALEO committee report the assumptions and cashflow figures provided at that time indicated adequate controls were in place. There is evidence within the draft 2021-22 accounts that the Board is aware of potential risks arising from the current economic climate and is looking to mitigate and reduce financial risk arising from this.	Medium (No change)
	Assurance 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.	The Hub noted that the audited 2020-21 annual accounts were filed timeously and the auditors raised no matters of concern. Draft Accounts for financial year 2021-22 have been submitted but as these are still subject to audit they will be reported to a future committee. The draft figures indicate APA had a surplus against budget for 2021-22.	Low (No change)