

Area of Assurance	Assurance Request	ALEO Response and Hub Commentary	Hub Risk Rating
<b>Governance</b>	Assurance on the on-going training and development of Board members including any changes to Board structure, rationale for any structure changes, and training plans for Board members.	<p>The Hub noted that APA had appointed Jane Spiers (previous CEO for 10 years) as interim CEO in January 2023 to ensure continued leadership for the organisation until a new CEO was recruited. The Hub further noted that recruitment had been successfully completed and a new CEO was due to start on 1 June, with the interim CEO stepping down on 22 May.</p> <p>With regard to training, the Hub was advised that a number of APA Board members had attended Board training provided by Arts and Business Scotland at the end of 2022. Once the new CEO was in post and upcoming board recruitment was complete, and 1:1s had been held, the Hub noted that APA intended to create a board training plan taking into consideration current skill and knowledge as well as any possible gaps.</p> <p>The Hub agreed to receive an update at its next meeting on all of the above matters following the new CEO taking up post.</p>	<b>Low</b>
	Assurance that the board has clear policies and procedures for its members to ensure that potential conflicts of interests are identified, declared and acted upon.	The Hub noted that all APA Board members are requested to provide declarations of interest when they join and on an annual basis thereafter, which was recorded in the Register of Interests. The Hub further noted that Board members were also required to advise the organisation immediately if their circumstances changed in relation to their interests, and Board members must make declarations of interest at each Board meeting.	<b>Very Low</b>
	Assurance that ALEOs articles of association are clear, remain up-to-date, and reflective of how the ALEO functions and operates.	The Hub noted that APA's Data Protection policy had been reviewed in April 2023 and submitted accordingly. General data protection training was provided via e-learning modules and refresher training would be issued to staff later in 2023. The Hub further noted the Scheme of Delegation which had been updated and approved in November 2022 and agreed that this provided a good level of assurance.	<b>Very Low</b>

<p><b>Risk Management</b></p>	<p>Assurance that risks are being regularly reviewed in accordance with the organisation's agreed risk management policy. The assurance will be provided through a short written summary of ALEOs current risk environment, including risks that been added, escalated or de-escalated rather than through provision of the risk register. This will also include an overview of activity and controls in place across the three lines of defence.</p>	<p>APA confirmed that regular risk register reviews are being maintained, with reviews conducted by the Leadership Team, the Finance Audit and Property Sub-Committee and the Board. APA provided a summary of the current risk environment which includes business risk and impacts associated with cost of living, reductions in public subsidy and reduced audience levels.</p> <p>Mitigation activities undertaken include, updating the existing business plan, building relationships and lobby external stakeholders, focus on building customer loyalty, assessment of the programme and a focus on income generation.</p> <p>APA confirmed that the risks around Covid-19 has reduced/de-escalated however they maintain a cautious approach in this are with some mitigations remaining in place.</p> <p>APA provided a copy of the current risk register which was last reviewed in May 2023 (next review due in August) the risk register format remains unchanged since the last review. The risks are grouped by the following categories; financial, operational and management and governance. Each risk category incorporates the risks the reflect APA's current operating environment.</p>	<p style="text-align: center;"><b>Very Low</b></p>
	<p>Assurance 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 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>APA confirmed that Anderson Anderson Brown completed the audit of the statutory accounts in September and that no significant recommendations were made. APA's 3-year Health and Safety Plan was formed based on recommendations resulting from a Health and Safety audit conducted by Worknest. The annual Customer Service Excellence assessment was also completed in September 2022.</p> <p>APA confirmed that no internal control failures were identified following the review of People/HR data and Internal IT data.</p> <p>Internal audit activities were agreed at the Finance, Audit and Property sub-committee in February 2023 and includes focus on PCI-DSS (Payment Card Industry Data Security Standards) due to upcoming changes in compliance requirements, stock levels/management and the Terrace following the recent investment in the new Cafe Bar.</p> <p>Progress with these activities will be reviewed in the next reporting cycle.</p>	<p style="text-align: center;"><b>Very Low</b></p>

<b>Finance</b>	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.	Budget monitoring and updated cashflow reports continue as agenda items at each Board Meeting. The review of budgets and finance are supported by the organisations Finance, Audit and Property Sub Committee. The organisation continues to review customer behaviour and spending patterns to support Cash Flow and budget monitoring. There is a clear distinction between available funds and advance booking monies within Cash Flow and budget forecasts.	<b>Medium</b>
	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.	<p>The Hub noted that a confidential paper was tabled at the 22 May 2023 Board meeting in respect of the draft 5 Year Business Plan for 2023/24 to 2027/28, following further consultation and research to reflect the ever changing external financial environment in which it operates. It is anticipated that this will remain in draft form until the new CEO is in place.</p> <p>The Business Plan evidences the the Board continues to be aware of potential risks from the current economic climate and that mitigation will be required moving forward. For note the business plan indicates a projected deficit of £1.3m by 27/28 without significant change, with an assumption of standstill funding from ACC and Creative Scotland. The Business Plan is expected to go back to the APA Board in the autumn and the Business Plan will also be reported to Council later in the year.</p>	<b>Medium</b>
	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 confirmed that the 2021-22 annual accounts were submitted to Companies House and OSCR by the required deadline and in accordance with the appropriate regulations. The auditors' report identified no matters of concern and concluded that the organisations use of the Going Concern basis of accounting was appropriate. The 2023-24 accounts are still subject to audit and will be reviewed when that is complete.	<b>Low</b>