

Recommendation	Priority	Management Response	Original Deadline	Status at time of follow-up audit (June 2009)	Update by General Manager at September 2009	Revised Deadline	Management Action Required
<p>1. <u>Corporate Governance</u></p> <p>The Trust put in place a Code of Corporate Governance for their organisation; take appropriate measures to publicise it; ensure that responsibility for monitoring and reviewing its operation is defined; and ensure that it is complied with on an ongoing basis across the organisation, with regular reports to the Board demonstrating compliance.</p>	1	<p>APPCT agrees that it will review corporate governance arrangements but points out that the board did not accept the recommendations made in the report of 2005 which was submitted to the board of trustees without input from the charity officers or advisors.</p> <p>The matter was taken up by the then Chair of the board but not pursued</p> <p>The review when it is conducted will rely heavily on the separate legal advice which has been sought and this will be reported to the trustees in due course.</p>	April 2009	<p>Not Achieved</p> <p>A draft Code of Corporate Governance was presented to the Board in February 2009. APPCT advised internal audit that it has been resolved to hold "away days" to discuss the contents and the way forward. An away day has been set for the 19th June 2009.</p>	<p>Not Achieved</p> <p>At the APPCT Board meeting on June 30, Trustees supported a paper which highlighted the opportunity for a greater overhaul of the current governance. A Project Steering Group has been formed and is overseeing this work, which is progressing in line with a review of the branding of AP. This work will engage stakeholders across a broad spectrum of interest groups and ensure high levels of collaboration and will inform future strategic master-</p>	March 2010	Yes

					planning for the site. The Awayday has been scheduled for 26 September and a Stakeholder Forum for 24 October.		
<p>2. <u>Risk Management Framework</u></p> <p>The Trust implement a risk management framework for their organisation; ensure that responsibility for monitoring and reviewing its operation is defined; and ensure that it is complied with and embedded across the organisation.</p>	1	APPCT will review its risk management strategy and report this back to the board of trustees. Formal adoption will of course be contingent on the review of strategy which is required now that the development is not going ahead	April 2009	<p>Partly Achieved</p> <p>As part of the Code of Governance the trustees were presented with a risk management schedule and draft risk register at the February Board meeting. Internal Audit were advised that this issue will be included in the planned away day for further discussion</p>	<p>Partly Achieved</p> <p>The Interim General Manager has been strategically reviewing business operations and addressing short term urgent issues of skill deficiencies & legislative compliance, updating a master compliance sheet regularly. During the next quarter a strategic risk management frame work will be addressed. Trustees will be informed at Board meetings during</p>	December 2009	Yes

					October and November 2009.		
<p><u>3. Relationship with Haringey Council</u></p> <p>The Trust formally agrees an operating framework between the organisations and Haringey Council.</p> <p>The framework should specify the processes and timing for financial and legal input from Haringey Council into reports to the Trust's Board</p>	1	<p>The operating framework between APPCT and LBH is currently defined in the LBH constitution. A report by the local authority officers on corporate governance was submitted to the trustees some time ago but the contents were rejected by the trustees.</p> <p>APPCT will review the existing relationships and define a framework in consultation with the trust solicitor, charity commission and local authority officers</p> <p>It must be noted that there is a risk that too close an association with LBH may lead to the inadvertent creation of a shadow directorship of APTL which</p>	April 2009	<p>Partly Achieved</p> <p>A paper for consideration on the relationship with Haringey Council has been drafted for consideration.</p>	<p>Partly Achieved</p> <p>The existing relationships operate effectively, with regular liaison between senior officers of APPCT and LBH but the General Manager exercises judgement and takes decisions (in consultation with trustees where appropriate). The final framework will be drafted as part of the Review of Governance work</p>	December 2009	Yes

		would not be beneficial. There is also a risk of the local authority having undue influence over the decisions of the charity trustees and officers which could have serious repercussions if the Charity commission were to conclude that the necessary separation had been compromised.			described at 1. above. A SLA is in place with Corporate Procurement. The Interim GM is currently using Corporate Procurement, Legal and Insurances services from LBH.		
4. <u>Internal Audit Arrangements</u> The Trust ensures that appropriate internal audit arrangements are in place for their organisations. Annual audit plans should be in place, which are agreed by the Board. Monitoring arrangements, including review of internal audit reports and implementation of recommendations should be in place.	2	This is recognised as a weakness. The newly appointed Head of Finance will look to re-implement internal audit functions by March 2009.	March 2009	Not Achieved The Head of Finance is preparing a specification for new internal auditors for both the Charity and Trading Company	Achieved Mazars have now been appointed as internal auditors to the APPCT and APTL.	N/A	No
5. <u>Contract Management</u>	1	APPCT agrees that this is a	March 2009	Partly Achieved	Achieved	N/A	No

<p><u>Framework</u></p> <p>The Trust implement a contract management framework for their organisation; ensure that responsibility for monitoring and reviewing its operation is defined; and ensure that it is complied with and embedded across the organisation.</p> <p>The framework should define approval and reporting requirements, including the involvement of the Board</p>		<p>weakness and will draft suitable frameworks.</p> <p>The current position on those contracts identified above is a direct result of the drive to achieve the overall council and trustee strategy of risk transfer via a long lease of the building which has prevented re-tendering.</p>		<p>To assist with the management of contracts and procurement the Charity has entered into a one year Service Level Agreement (SLA) with the Council's procurement team effective from April 2009. The signing of the SLA is to be reported to the Board. In addition regular site meetings are held with the main contractors undertaking regular work. All contracts are now in place and a contract register and lease register have been created to show key information. Additional controls have been recommended during the course of the follow up audit these have</p>	<p>Regular, formal Contact Review meetings are held with term contractors operating on site at operational management and strategic levels.</p> <p>The Interim General Manager has used and continues to use LBOH basic procedures. Corporate Procurement and Legal Services from LBOH are actively involved in key contract works. (E.g. security and Facilities Management contracts).</p> <p>The Contract Management framework will be documented as part of the</p>	
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				been agreed	preparation for the new Facilities M & E contract.		
<p><u>6. Business Planning Process</u></p> <p>The Trust implements a formal business planning framework for their organisation; and ensures that responsibility for monitoring and reviewing its progress is defined.</p> <p>The framework should define approval, monitoring and reporting requirements, including the involvement of the Board.</p>	1	The trust undertakes in business planning by way of annual budget preparation, APPCT is aware that the LBH planning cycle is triennial and that APPCT planning does not align with the LBH system. There is no requirement of the Charities act that it does so, but it will endeavour to provide three year information.	November 2008	<p>Partly Achieved</p> <p>The Charity Trustees considered and adopted a one year business plan in March 2009. Internal Audit were advised that it is intended to produce a three year business plan once the trustees have resolved the future strategy and objectives of the charity. The General Manager, the company Managing Director and Head of Finance now meet on a regular basis with the Council's Head of Finance</p>	<p>Partly Achieved</p> <p>The Interim General Manager has developed cost models for R&M expenditure which are proactively managed.</p> <p>Capital applications for 2010-11 are being submitted in line with the council timetable..</p> <p>The Trust will attempt to align its budget setting process with that of LBH.</p>	December 2009	Yes
<p><u>7. Performance Review and Staff Development</u></p>	2	All staff will have been appraised by the end of	September 2008	Although the deadline of September 2008	<p>Achieved</p> <p>The Interim</p>	N/A	Yes

<p>The Trust will ensure that a formal performance review and staff training and development framework is introduced.</p> <p>The framework should specify the roles and responsibilities of all relevant parties, including the Board.</p>		<p>September 08</p>		<p>was not met all staff appraisals have now been completed. It is intended to hold performance appraisals twice yearly and the Charity has adopted the template that is currently used by the Council</p>	<p>General Manager has actively reviewed custom and practice. Short term issues of skill deficiencies are being addressed.</p> <p>A new Staff Handbook has been produced for officers of the Trust and performance appraisals are scheduled for all permanent officers.</p>		
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<p>8. <u>Contract Management</u></p> <p>The Trust should ensure that its expenditure complies with local and statutory procurement regulations.</p> <p>In particular, the Trust should ensure that contracts are in place for:</p> <ul style="list-style-type: none"> • security arrangements; • engineering; and • legal services. 	1	<p>The APPCT have recently considered the future of contracts for Security and Engineering. A forward plan is being developed to ensure the security function is secured until it is tendered and a new contract begun in April 2009, the engineering contract has been extended until 2010 when it will be re-tendered.</p> <p>The General manager is seeking advice on the subject of the legal services to the trust and this will be reported to the board in due course.</p> <p>Further procurement advice will be sought as part of a review of financial controls and procedures being conducted by the new Head of Finance</p>	February 2009	<p>Partly Achieved</p> <p>Contracts are in place for engineering and security. Internal Audit were advised that the issue of a contract for legal services will be subject to further consideration by the Board.</p>	<p>Achieved</p> <p>Novation of Security contract has been completed with support of LBOH Legal Services.</p> <p>Improved Facilities M&E Contract being project managed for a new contract in place by 31/8/10.</p> <p>Regular, formal Contact Review meetings are held with term contractors operating on site at operational management and strategic levels.</p> <p>Legal services were addressed by Trustees at their meeting on 30 June and the arrangements have been regularised</p>	N/A	Yes
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<p>9. <u>Contract Management</u></p> <p>A copy of the insurance bond held by Integral (UK) Ltd should be obtained and held on file.</p> <p>The Trust should ensure that this continues to be in force should this contract be extended or re-appointed.</p>	2	This has been obtained		Achieved		N/A	No
<p>10. <u>Repair and Maintenance of Building</u></p> <p>The Trust should ensure that a robust programme of planned maintenance, developed by a suitably qualified and independent contractor/surveyor, is in place and is appropriately approved and monitored.</p> <p>The Trust should ensure that any additional works required or identified as part of the planned maintenance programme are subject to separate assessment and approval processes.</p>	2	<p>A defined programme of PPM is in place, the GM has subsequently re-appointed the professional advisor to assist in the contract management of the engineering contract. Advice is also sought on the building from several other professional advisors on an as needed basis.</p> <p>The PPM contractor does not have authority to undertake additional works unless approved by the Charity, however total separation of this role would lead to unnecessary cost increases.</p>		<p>The maintenance schedule is held on a database that was originally compiled by a company called FSI; using a software package they developed called Concept. There have been some additions since inception of the database that have been entered by the contractor. The contractor advises of work that is outside of what is termed maintenance. Work is not carried out</p>	<p>Achieved</p> <p>Detailed review of contract undertaken and areas of VFM and transparency of delivery key areas of deficiency. Improved FM contract is being project managed for 31/8/10 when existing contract expires.</p> <p>LBH Internal Audit are addressing short term issues with us to improve VFM and performance.</p>	N/A	Yes

				<p>until verified as necessary by Peter Sharp Associates and approved by</p> <p>the General Manager.</p> <p>During the course of the audit the following was noted</p> <p>a) level of monthly contract spend.</p> <p>b) The maintenance schedule was compiled some years ago.</p> <p>c) The planned maintenance database can be accessed and amended by the PPM contractor.</p> <p>d) Incurred expenditure on repairs outside of contracted maintenance appears high..</p>	<p>This area is under close scrutiny and review to ensure that VFM can be identified. Strategic meeting being scheduled with incumbent suppliers top management to address areas of concern</p> <p>Concept System and database being updated for new contract for December 2009</p> <p>Reactive maintenance control system improved and capped at a monthly level, under FM formal</p>		
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					approval.		
11. <u>Performance Review</u> The performance of the Development Manager must be subject to formal appraisal, in accordance with the requirements of the original appointment	2	Agreed, with the ending of the development project, some of the KPI points are not valid and as such the continuation of this contract for services may now not be needed.	September 2008	Achieved The contract of the Development Manager has been ended	N/A	N/A	No

<p>12. <u>Asset Register</u></p> <p>The asset register should be reviewed and amended to reflect date of acquisition and value.</p> <p>Arrangements should be put in place for on-going periodic review of the register to ensure accuracy</p>	2	<p>Agreed. A more detailed fixed asset register will be introduced in the 2008/09 financial year and the date and value of all new acquisitions will be recorded.</p> <p>In respect of existing assets, this information should be relatively easy to obtain for the past three financial years. However, the backing documentation for earlier acquisitions is likely to be in archive and thus we will need to consider the cost/benefit of updating the register for these items, particularly as many older items will be fully depreciated.</p>	March 2009	<p>Achieved</p> <p>An asset register has been drawn up and a physical inspection and tagging of items purchased in the last three years carried out. This is additional to lists of assets held that are older than three years old. A copy of the two records is being stored both on and off site.</p>	Achieved	N/A	No
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