



Haringey Council

Agenda item:

[No.]

Audit Committee

On 19 April 2011

Report Title: **Alexandra Palace – outcome of follow up audits at the Charitable Trust and Trading Company**

Report Authorised by: **Director of Corporate Resources**

J. Fowler 11/4/11

Report of and contact Officer: **Anne Woods, Head of Audit and Risk Management**

Tel: **020 8489 5973**

Email: **anne.woods@haringey.gov.uk**

Wards(s) affected: **All**

Report for: **Information**

1. Purpose of the report

1.1 To advise the Audit Committee of the outcome of follow up audit work completed by the independent internal auditors for Alexandra Palace and Park Charitable Trust and Alexandra Park Trading Limited.

2. State link(s) with Council Plan Priorities and actions and/or other Strategies:

2.1 Audit and Risk Management contribute to the Council priority to deliver excellent, customer focused, cost effective services by reviewing systems and undertaking investigations, where appropriate, to reduce risks and improve controls.

3. Recommendations

3.1 That the Audit Committee notes the contents of the report.

4. Reason for recommendation(s)

4.1 The Audit Committee is responsible for monitoring the completion of internal audit work completed and the implementation of agreed recommendations as part of its Terms of Reference. In order to facilitate this, reports are provided for review and consideration by the Audit Committee.

5. Other options considered

5.1 Not applicable

6. Chief Financial Officer Comments

6.1 The Chief Financial Officer notes that Mazars LLP, the internal auditors appointed by Alexandra Palace and Park trading company and charitable trust, have reported back that all but one of the outstanding recommendations has been implemented.

6.2 The Chief Financial Officer is satisfied with progress against the outstanding actions and will ensure that the final recommendation is monitored and completed when the current restructuring process is concluded.

7. Comments of the Head of Legal Services

7.1 The Head of Legal Services has been consulted in the preparation of this report, and advises that there are no direct legal implications arising out of the report.

8. Equalities and Community Cohesion Comments

8.1 This report deals with how risks to service delivery are managed within Alexandra Palace charitable trust and trading company, which have an impact on various parts of the Council and the community as a whole. Improvements in managing risks and controls will therefore improve services which Alexandra Palace charitable trust and trading company and the Council provides to all sections of the community.

9. Consultation

9.1 The follow up reports referred to in this report have been agreed by the respective internal auditors and officers at Alexandra Palace charitable trust and trading company.

10. Service Financial Comments

10.1 There are no direct financial implications arising from this report. The Council's Internal Audit service has previously provided advice and guidance where appropriate to support Alexandra Palace Charitable Trust and APTL in the implementation of recommendations. The cost of undertaking the follow up audit work was part of Alexandra Palace's own internal audit programme.

11. Use of appendices

11.1 Not applicable

12. Local Government (Access to Information) Act 1985

12.1 For access to the background papers or any further information please contact Anne Woods on 0208 489 5973.

13. Background

13.4 The Council has previously provided temporary resources, including staff and financial support, to Alexandra Palace in order to assist in improving the systems and controls in place. In order to ensure that appropriate governance and internal control

arrangements were in place an internal audit was undertaken of both the charitable trust and trading company in 2008, using powers under section 151 of the Local Government Act 1972.

13.5 The Council's Internal Audit service undertook follow up reviews at both organisations to ensure that the agreed actions had been implemented. Since the original audit reviews were completed, there have been substantial changes to the management structure and personnel at Alexandra Palace. Both APTL and APPCT Boards approved the actions which were being undertaken and proposed by senior management in order to fully implement the audit recommendations.

13.6 Alexandra Palace and Park trading company and charitable trust subsequently appointed their own internal auditors, Mazars LLP, and the follow up of the original recommendations was included as part of their annual audit programme of work. The findings of the follow up work completed as part of their 2010/11 audit plan are summarised below. Internal audit is satisfied with the progress and actions taken to date to address the outstanding recommendations. Internal audit will continue to monitor the progress of the remaining recommendation.

14. Alexandra Park Trading Ltd – follow up

14.1 All of the three outstanding recommendations were confirmed as implemented by Mazars in March 2011. These related to:

- Review of existing contracts in place;
- The development of operational procedure manuals for all departments within APTL; and
- Review of the ice rink charging policy.

15. Alexandra Palace and Park Charitable Trust – follow up

15.1 Five recommendations remained outstanding from previous follow up work. Mazars latest audit, in March 2011 confirmed that four of these recommendations have been implemented. These related to:

- Adapting the NCVO Code of Governance to suit the Trust's circumstances;
- Producing and approving a risk management framework for the Trust;
- Documenting an operating framework between the Trust and Haringey Council; and
- Producing and documenting a contract management framework.

15.2 Mazars report that the one remaining recommendation is considered to be 'in progress'. This relates to the development and approval of a three year Business Plan for the Trust. A Draft Business Plan for 2010/13 was presented to the Trust Board in June 2010. However, both Alexandra Palace charitable trust and the trading company are currently undergoing planned restructuring, including the intention to appoint a joint Chief Executive, which is likely to impact on the Trust's ability to develop a detailed Plan in the short term.