

Report Title: **Finance Report & Annual Review**

Report of: **Dorota Dominiczak, Director of Finance and Resources, Alexandra Palace Charitable Trust**

1. Purpose

1.1 This report provides an update on the Audit review 2014-15

2. Recommendations

2.1 That the Board notes the contents of the report.

Report Authorised by: **Emma L Dagnes, Interim Chief Executive, Alexandra Palace & Park**



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3. Executive Summary

3.1 The 2014-15 audit review performed by the Auditor (Deloitte LLP) is substantially completed.

3.2 On satisfactory completion of minor outstanding matters the Auditor (Deloitte LLP) proposes to issue unmodified audit opinion on the truth and fairness of the UK GAAP consolidated financial statements of APPCT.

3.3 The Auditor received full co-operation from management and the finance team and were satisfied with the successful completion of the process.

4. Reasons for any change in policy or for new policy development (if applicable)

4.1 N/A

5. Local Government (Access to Information) Act 1985

5.1 N/A

6. Background

6.1 The audit work was planned and performed with the following audit quality objectives set:-

1. A robust challenge of the key judgements taken in the preparation of the financial statements
 2. A strong understanding of internal control environment
 3. A well planned and delivered audit that raises findings early with those charged with governance.
- 6.2 Audit work for the Trust was tailored towards the following audit risk areas identified during a planning stage:
- a) APPCT: Haringey provision write off
 - b) APPCT: grant income recognition
 - c) APPCT: fund accounting
 - d) Going concern
 - e) Management override of controls
- 6.3 In conclusion on the above risk areas there are no matters to be brought to the Board's attention as correct accounting treatments was applied and no material issues were identified in the process of the audit work.
- 6.4 Insights and recommendations:-
- a) The Auditor highlighted areas where the management might or should consider improvements and re-assess risk management. These were: physical identification of Fixed Assets, introduction of electronic banking facilities, controls over future fundraising activities involving cash collections and re-introduction of the internal audit function.
 - b) All recommendations are being considered by management and it has been agreed that suitable changes will be implemented in 2015-16.
- 6.5 The Auditor highlighted forthcoming changes in the UK accounting standards and their impact on 2015-16 financial statement of APPCT. The management acknowledged a need to perform a detailed assessment of these changes and prepare an implementation plan in the near future.

7. Legal Implications

- 7.1 The Council's Assistant Director of Corporate Governance has been consulted in the preparation of this report and in noting that the accounts have been prepared in compliance with legislation and accounting best practice, and they have been signed off by the external auditors, has no comments.

8. Financial Implications

- 8.1 The Council's Chief Financial Officer has been consulted in the preparation of this report and notes the positive outcome of the external audit review and acknowledges the hard work undertaken by officers and managers in reaching an unqualified statement.
- 8.2 It is recommended that the proposed improvement plan should be presented to and agreed with the FRAC as soon as practicable.

9. Use of Appendices

9.1 Appendix 1 - Annual Review