

LEE VALLEY REGIONAL PARK AUTHORITY

AUDIT COMMITTEE MINUTES 22 JUNE 2023

Members Present: David Gardner (Chairman) Lesley Greensmyth
Suzanne Rutland-Barsby (Vice Chairman) Terry Wheeler
John Bevan
Mike Garnett

Apologies Received From: Shaun Dawson (Chief Executive), Keith Kellard (Head of Finance)

Officers Present: Beryl Foster - Deputy Chief Executive
Dan Buck - Corporate Director
Michael Sterry - Senior Accountant
Victoria Yates - Head of Human Resources
Vince Donaldson - Senior Contracts & Quality Manager
Lindsey Johnson - Committee Services Officer

Also Present: Sam Lowe - Mazars (Internal Auditors)
Andy Waters - Right Directions (H&S Consultants)
Kevin Bartle - S151 Officer (London Borough of Enfield)

Also in Remote Presence: Debbie Hanson - EY (External Auditors)
Oliver Randall - EY (External Auditors)

Part I

250 DECLARATIONS OF INTEREST

There were no declarations of interest.

251 MINUTES OF LAST MEETING

THAT the minutes of the meeting held on 23 February 2023 be approved and signed.

252 PUBLIC SPEAKING

No requests from the public to speak or present petitions had been received for this meeting.

253 EXTERNAL AUDIT UPDATE

The Chairman informed Members that due to the Head of Finance requiring an emergency operation, the external audit for 2020/21 has still not been completed. He has requested that our External Auditors from Ernst & Young give an update on the current situation.

Debbie Hanson and Oliver Randall of Ernst & Young informed Members that:

- there are still a couple of historic asset issues to be resolved, once this is completed we will require an updated set of the draft accounts;

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- once we have the updated draft accounts it should only take us a couple of weeks to give an opinion assuming we find no further issues with them;
- we recognise that there is a capacity issue for the Finance Team, which is why we have allowed other finance matters to take priority at certain times over resolving the historic assets issues;
- we have resources in mid-July to complete the 2020/21 audit; and
- adjustments will be material.

The Senior Accountant informed Ernst & Young that he believed the Head of Finance had already completed the work on historic assets prior to falling ill. Ernst & Young agreed that they would send over what they believed to be incomplete.

The Chairman suggested that Members look to having a special Audit Committee meeting at the end of July to sign off the accounts for 2020/21. Ernst & Young requested that they be informed of potential dates to ensure that they are available to attend the meeting.

Debbie Hansen and Oliver Randall left the meeting.

253 ANNUAL REPORT ON THE WORK OF INTERNAL AUDIT
2022/23 AND AUDIT PLAN 2023/24

Paper AUD/133/23

The report was introduced by the Corporate Director informing Members that:

- whilst we have adopted internal audits as part of our governance, this is only a requirement for Local Authorities and some areas are therefore not applicable to us;
- our position since GLL took over our major venues has changed, therefore we are considering the possibility of re-procuring for a more bespoke contract. Alternatively we could extend the agreement held by London Borough of Croydon if there is flexibility in the contract;
- the internal audit has given us the level of assurance as moderate;
- two areas received limited assurance; these were Estates & Facilities with issues around statutory compliance of maintenance checks and poor record keeping; and staff training a development with poor policies and procedures in place. Both these areas have suffered from long term sickness; and
- we have directed the audit to areas that we know need looking at in order to learn how to improve.

Sam Lowe from Mazars informed Members that he is aware that both of these limited assurance areas were in the process of being improved, however, it was not demonstrable at the time of the audit. The appendix to the report details the management response to the two areas of limited assurance. He will be returning in due course to see what has been done. He also thanked staff for their help in assisting him with the audit.

The Chairman asked if most organisations that Mazars deal with have moderate assurance. Sam Lowe responded stating that whilst it does depend on what areas have been selected to be audited and on whether an organisation has only selected safer areas to audit, generally moderate was the average assurance.

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A Member commented that long term staff sickness should not become such a severe issue and it is bad practice for only one member of staff to have the knowledge to do a job and more staffing resources should be put in place. The Deputy Chief Executive responded stating that we are a small organisation with little capacity in some areas. With long term sickness we often don't have the budget to pay for a temporary member of staff, but we are looking at ways to ensure that there is not reliance on only one officer. In the case of the Head of Finance and the historic asset issues, unfortunately he is the only person who knows this information due to how far back the information goes.

Members commented that they were pleased that the Authority is prepared to have audits carried out in areas that they know to be weak.

A Member requested that the internal audit reports not have white text in the future as it makes reading them difficult.

The Head of HR informed Members that a new Training & Development policy was approved by Members in April. We are working closing with Right Directions to provide training using consistent formats. During Covid we were unable to provide face to face training, we have now created an e-learning platform.

- (1) the annual report of the Internal Auditors for 2022/23 detailed in Appendix A to Paper AUD/133/23 was noted; and**
- (2) the annual Audit Plan for 2023/24 as detailed in Appendix B to Paper AUD/133/23 was approved.**

254 ANNUAL REPORT ON HEALTH & SAFETY 2022/23 AND
HEALTH & SAFETY AUDIT PLAN 2023/24

Paper AUD/134/23

The report was introduced by the Corporate Director informing Members that:

- We had to go through a procurement process due to our previous consultants RDHS no longer being able to continue their work.
- Right Directions took over in October 2022, they are unable to provide a level of assurance covering aspects of work done by RDHS due to different methodologies.
- Right Directions will be looking to perform a more factual and detailed audit.

Andy Waters from Right Directions informed Members that:

- he was pleased that future audits would include office audits;
- he has been working with the Head of HR to give £3k worth of online training;
- we have online forms and check lists for asset management; and
- we will now provide eight days service instead of five with a dedicated member of staff working at each venue.

The Chairman thanked Right Directions for their comprehensive report and was pleased to see travel in going in the right direction.

- (1) the annual report of Right Directions Ltd for 2022/23 detailed in Appendix A to Paper AUD/134/23 was noted;**

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- (2) the aims and objectives for 2023/24, set out in Appendix A to Paper AUD/134/23 in the annual report of Right Directions; and**
- (3) the signing of this years' Health & Safety Policy Statement attached as Appendix B to Paper AUD/134/23 was approved.**

255 RISK REGISTER 2023/24

Paper AUD/132/23

The report was introduced by the Corporate Director who informed Members that:

- residual risk is on the way down, one remaining is SR2.4 as it relates to utilities;
- SR3.3 and SR3.4 can both be removed as their risk relates to Covid; and
- red text on the Risk Register shows where there have been changes from the previous register. We need to come up with a way to illustrate if the changes have increased or decreased.

The Chairman asked if we would benefit from the reduction in wholesale prices for energy. The Corporate Director responded stating that we already benefit from getting the Local Authority rate for energy, we will find out in October what our new prices will be. We also have the £1.5m LED light investment project, which once completed will see a significant reduction in consumption. The Senior Accountant added that our budget is set on our previous years consumption.

- (1) the Corporate Risk Register included at Appendix A to Paper AUD/132/23 was approved.**

256 ANY OTHER BUSINESS

The Deputy Chief Executive informed Members that we have received an allegation of fraud against us. Mazars are currently investigating this and will report at the end of the week, we will then update Members. As officers, we aren't aware of any of the details surrounding this at present.

Chairman

Date

The meeting started at 11.30am and ended at 12.36pm