

LEE VALLEY REGIONAL PARK AUTHORITY

**AUDIT COMMITTEE MINUTES
22 FEBRUARY 2018**

Members Present: Frances Button (Chairman)
John Bevan (Deputy for Peray Ahmet)
Christine Hamilton

Apologies Received From: Peray Ahmet, Simon Walsh, John Wyllie

Officers Present: Simon Sheldon - Director of Finance & Resources
Beryl Foster - Director of Corporate Services
Keith Kellard - Finance & Systems Accountant
Lindsey Johnson - Committee Services Officer

Also present: Pamela Hillie - Ernst & Young (External Auditors)

Part I

129 DECLARATIONS OF INTEREST

Name	Agenda Item No.	Nature of Interest	<i>Prejudicial</i> ✓
John Bevan	-	Trustee for Lee Valley Leisure Trust	<i>Non- Pecuniary</i>

130 MINUTES OF LAST MEETING

THAT the minutes of the meeting held on 22 June 2017 be approved and signed.

131 PUBLIC SPEAKING

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

132 ACCOUNTING POLICIES AND ACCOUNTS CLOSEDOWN TIMETABLE 2017/18 Paper AUD/87/18

The report was introduced by the Director of Finance & Resources, informing Members that the auditors would begin on 18 June and the first set of draft accounts would be completed by late May.

- (1) the accounting policies as set out in Appendix A to Paper AUD/87/18;
- (2) the closedown timetable as set out in paragraph 6 of Paper AUD/87/18 was approved; and
- (3) the key judgements and assumptions set out in paragraphs 8 to 11 of Paper AUD/87/18 was noted.

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133 EXTERNAL AUDIT 2017/18 – AUDIT PLAN Paper AUD/84/18

The report was introduced by the Director of Finance & Resources.

Pamela Hillie from Ernst & Young introduced the Audit Plan, key points included:

- She is now the Authority's audit manager.
- There were no changes from the previous year in regards to the audit strategy.
- Planning materiality has been set at £4.4million, 2% of prior year total non-current assets and performance materiality at £358,000.
- There are no significant risks to their value for money conclusion.

A Member asked whether there might be extra fees as has happened in the past. The Director of Finance & Resources responded stating that we have challenged the additional fee of £3000 from last year and are awaiting an outcome, and we are not expecting any additional fees this year.

- (1) the External Auditors' Audit Plan for 2017/18 (Sections 1 and 2) attached at Appendix A to Paper AUD/84/18; and**
- (2) the proposed annual audit fee for 2017/18 as set out in the financial implications of Paper AUD/84/18 was noted.**

134 AWARD OF INTERNAL AUDIT CONTRACT Paper AUD/85/18

The report was introduced by the Director of Finance & Resources.

The Chairman asked whether the Authority should have gone out to market again. The Director of Finance & Resources responded stating that it was more cost and time efficient for us to attach ourselves to the London Borough of Croydon framework agreement because they have more experts and achieve better value for money.

- (1) the award of a contract for six years (2018/19 to 2023/24) with Mazars Public Sector Internal Audit Limited (Mazars PSIA) under the London Borough of Croydon framework agreement; and**
- (2) the signing and/or sealing of the contractual documents as necessary was approved.**

135 RISK REGISTER 2017/18 Paper AUD/86/18

The report was introduced by the Director of Finance & Resources, and gave Members a presentation which was due to go to the Risk Register Workshop which was cancelled, key points included:

- Currently the Risk Register is reviewed at each Audit Committee and the strategy and framework was last reviewed in June 2012.
- Under governing regulation 3 and account regulations 2015 we must exhibit a sound system of internal control.

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- The risk management strategy and framework currently covers what we do and how we do it; the definitions we use; scope; risk appetite; and how we score the risk.
- The risk register underpins what we do to identify and manage risk.
- Risks can include corporate objectives, service level objectives, partnerships, or projects, can be internal or external to the authority and are not necessarily financial.
- We have a scoring criteria which ranges from (1) no impact, through to (9) financial loss above £1million or major impact at strategic level or closure/transfer of business.
- Once a risk is identified the response can be to either, treat, transfer, terminate or tolerate it.

The Director of Finance & Resources also informed Members that Picketts Lock development and the Leisure Services Contract Retender were new additions to SR9 on the risk register.

The Chairman requested that another Risk Management Workshop be scheduled around the middle of April where matters such as the scoring criteria, how we quantify reputational risk, whether we should have numbers instead of words for our response to risk, and how risks are categorised.

(1) the report was noted.

Chairman

Date

The meeting started at 1.18pm and ended at 2pm.