

## LEE VALLEY REGIONAL PARK AUTHORITY

### AUDIT COMMITTEE MINUTES 21 SEPTEMBER 2017

Members Present: Frances Button (Chairman)  
Simon Walsh  
John Wyllie  
John Bevan (Deputy for Peray Ahmet)

Apologies Received From: Peray Ahmet, Linda Haysey, Simon Miller, Claudia Webbe

Officers Present: Simon Sheldon - Director of Finance & Resources  
Beryl Foster - Director of Corporate Services  
Keith Kellard - Finance & Systems Accountant  
Sandra Bertschin - Committee & Members' Services Manager

Also present: Debbie Hanson - Ernst & Young (External Auditors)  
Kevin LeRoux - Mazars (Internal Auditors)

#### Part I

#### 123 DECLARATIONS OF INTEREST

Name	Agenda Item No.	Nature of Interest	
John Wyllie	-	Prior to his current term of membership his company supplied goods to the Authority last year	<i>Non-Pecuniary</i>

#### 124 MINUTES OF LAST MEETING

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

#### 125 PUBLIC SPEAKING

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

#### 126 EXTERNAL AUDITORS' AUDIT RESULTS REPORT - 2016/17 ACCOUNTS Paper AUD/83/17

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

Debbie Hanson (Ernst & Young, external auditors) gave an overview of the Audit Results Report for the year ended 31 March 2017, including:

- assurances had been received on the 2 outstanding issues and therefore it was intended to issue an unqualified audit opinion on the financial statements at the end of the meeting;
- highlighting that the discount range and RPI inflation assumptions used by the Authority's actuary for pension disclosures fell outside the range expected by the experts consulted by the external auditors;

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- no significant risks were identified for the value for money conclusion; and
- a draft letter of representation had been included in the Audit Results Report as no issues had been found in internal control.

The Chairman welcomed the unqualified audit opinion but expressed concern over the format of the Audit Accounts Report which was costly for the Authority to print. The external auditors were requested to feedback on consideration of removing some of the coloured title pages.

In response to Member queries regarding the earlier deadline for production and audit of financial statements from 2017/18:

- Ernst & Young advised that they had been considering this for some time and a meeting would be held shortly with Authority officers to agree a closedown timetable to meet the new deadline. However meeting the earlier deadline was also dependent on timely receipt of externally provided information for pensions and asset valuations; and
- the Director of Finance & Resources advised that the Authority had compiled a full set of accounts for this year by middle to late May but would work with auditors to refine processes to ensure future audits were concluded quickly. Currently it was not anticipated that additional accounting resources would be required to meet the earlier deadline for production and audit of financial statements.

Members agreed the draft Letter of Representation.

- (1) the 2016/17 External Auditors' Audit Results Report for the Authority set out in Appendix A to paper AUD/83/17 was noted;**
- (2) the rationale supporting the unadjusted error of depreciation as set out in paragraph 3 of Paper AUD/83/17; and**
- (3) the final 2016/17 Annual Accounts set out in Appendix B to Paper AUD/83/17 was approved.**

127 ANTI-FRAUD, BRIBERY & CORRUPTION AND  
WHISTLE BLOWING POLICIES

Paper AUD/81/17

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

Kevin LeRoux (Mazars, internal auditors) advised that the policies were applicable to all staff, Members, contractors and members of the public. An e-learning programme would be rolled-out to staff followed by a fraud awareness survey.

In response to Members it was advised that:

- the last whistleblowing case was approximately 5 years ago;
- a statement about the number of whistleblowing cases over the year would be included in future annual audit reports; and
- for procurement the Authority used either electronic or hardcopy tender submissions dependent on the item being procured;

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- the Leisure Services Contract with Lee Valley Leisure Trust Ltd required it to have adequate anti-fraud, bribery and corruption and whistleblowing policies; and
  - further monitoring of the electronic HR system would be undertaken to ensure that staff took a minimum of 21 days holiday a year and did not carry forward large annual leave entitlements.
- (1) **the revised Anti-Fraud, Bribery & Corruption Policy as set out in Appendix A to Paper AUD/81/17;**
- (2) **the revised Whistle Blowing Policy as set out in Appendix B to Paper AUD/81/17; and**
- (3) **the revised Fraud Response Plan as set out in Appendix C to Paper AUD/81/17 be recommended to the Authority was approved.**

128 RISK REGISTER 2017/18

Paper AUD/82/17

The report was introduced by the Director of Finance & Resources, advising that a Risk Workshop would be held soon.

Kevin LeRoux (Mazars, internal auditors) gave a presentation on Embedding Risk Management, including:

- Definition of Risk and Risk Management
- Risk Management Strategy
- Key Risk Management Objectives
- What is Needed?
- The Three Lines of Defence
- Risk Management Process – a model
- Risk Management Framework
- Risk Register – purpose and content
- Developing the Risk Register
- Acceptability of Exposure – risk appetite and reporting of risks
- Develop Action Plans
- Roles and Responsibilities
- Monitoring of Risks
- Reporting of Risks
- Strategic Risks

The Chair thanked Kevin for his presentation and commented that the last 2 columns on the Authority's Strategic Risk Register spreadsheet were very helpful.

In response to Members it was advised that:

- identified risks had changed over time which was consistent with other organisations, strategic risk registers had become shorter with risks associated to working practices embedded at sub risk level; and
- the focus of the Authority's strategic risk register had moved on from Olympic and legacy projects to Ice Centre and land sales to reflect changes in corporate activities.

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- (1) the Authority's Strategic Risk Register (incorporating any agreed changes recommended at this Committee meeting) as attached at Appendix B to Paper AUD/82/17 was approved.

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Chairman

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Date

The meeting started at 12.40pm and ended at 1.35pm.