

LEE VALLEY REGIONAL PARK AUTHORITY

AUDIT COMMITTEE MINUTES 20 JUNE 2019

Members Present: Frances Button (Chairman) Gagan Mohindra (Deputy for Simon Walsh)
John Bevan John Wyllie
Christine Hamilton

Apologies Received From: Claudia Webbe, Simon Walsh

Officers Present: Shaun Dawson - Chief Executive
Simon Sheldon - Director of Finance & Resources
Beryl Foster - Director of Corporate Services
Keith Kellard - Finance & Systems Accountant
Jon Carney - Head of Parklands
Lindsey Johnson - Committee Services Officer

Also Present: Neil Harris - Ernst & Young (external auditors)
Vanessa Bateman - Mazars (internal auditors)
Sarah Watkins - Mazars (internal auditors)
Joe Ryan - RD Health & Safety
Nigel Foxall - Lee Valley Leisure Trust

Part I

158 DECLARATIONS OF INTEREST

There were no declarations of interest.

159 MINUTES OF LAST MEETING

THAT the minutes of the meeting held on 14 February 2019 be approved and signed.

160 PUBLIC SPEAKING

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

161 ANNUAL REPORT ON THE WORK OF INTERNAL AUDIT 2018/19 AND AUDIT PLAN 2019/20 Paper AUD/98/19

The report was introduced by the Director of Finance & Resources stating that the audit of the Authority's function as been in accordance with the Audit Plan agreed in 2018/19 and has been found to be satisfactory and the level of substantial assurance.

Vanessa Bateman from Mazars introduced the Internal Auditors report, key points included:

- 13 Projects were included, with liaised with senior management throughout the year to ensure work focused on high risk areas in light of new and ongoing developments with the Authority and Trust.
- There have been no impairments of audit work and we have received full cooperation.

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- We are able to provide substantial assurance.
- Work on Risk Management from the Trust has not been completed yet but will be concluded in the next few weeks.
- Previously recommendations have been followed up in the next year, we will now be following them up sooner.

The Chairman asked who decides what is included in the internal audit plan. Vanessa Bateman replied that it was done in collaboration with the Authority with a look at the risk register, previous issues from last year, what is assessed in other organisations and a rotating plan on key systems.

The Chairman asked what the delay had been with Clarity. Nigel Foxall replied that the Trust had now delivered the majority of the recommendations. The software account manager had been on maternity leave but has now returned.

A Member asked why some information from the Trust was missing. Nigel Foxall replied stating that it was because the Trust works to a different timetable for year end and that their Audit Committee meets after this one.

Nigel Foxall informed Members that Commercial Activities was a new audit done at the request of the Trust so that they could obtain advice. Vanessa Bateman assured Members that if their advice is followed then the Trust would expect to receive substantial assurance on this.

Vanessa Bateman introduced her report on the Audit Plan, key points included:

- 41 days have been allocated as an outline figure, this year we might come in lower.
- Areas that might be considered next year are included on page 42 of the report.

A Member asked why the risk of fraud and whistleblowing were not being included on the plan. Vanessa Bateman responded stating that these were on this years' plan as they were carried forward from the year before. These issues are only ever audited in a reactive basis.

- (1) the annual report of the Internal Auditors for 2018/19 detailed in Appendix A to Paper AUD/98/19 was noted; and**
- (2) the annual Audit Plan for 2019/20 as detailed in Appendix B to Paper AUD/98/19 was approved.**

162 ANNUAL REPORT ON HEALTH & SAFETY 2018/19 AND
HEALTH & SAFETY AUDIT PLAN 2019/20

Paper AUD/102/19

The report was introduced by the Director of Finance & Resources, including:

- The combined score for the Authority and Trust is 88.9% was achieved against a stretch target of 95%.
- Accidents reduced from 2.1 per 10k visits to 1.8.
- Four accidents were reported under RIDDOR.
- A comprehensive training programme has been completed.
- The Joint Water Safety Partnership has been implemented.

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Joe Ryan from RD Health & Safety introduced their annual report, key points included:

- Lee Valley Park Authority (LVRPA) have strong and effective systems and we can provide a higher level of assurance. Vibrant Partnerships (VP) have robust and effective systems and we can offer reasonable assurance.
- We've given advise on event safety.
- Two Safety Leadership team meetings have been held.
- Four Safety Coordination Group meetings have been held.
- New Site Safety Coordinators have been appointed at Hayes Hill Farm and Picketts Lock Golf Course.
- Training courses have been delivered via e-learning in Counter Terrorism where staff are trained on how to react and make decisions for themselves.
- The H&S team have achieved NEBOSH diploma and Grad. IOSH status.
- There have been 11 insurance claims, 9 are still live and 3 have been closed.
- Your audit score is the highest that we have awarded any of our clients.

A Member asked if they work alongside public health in regards to food and beverages. Joe Ryan responded that they act as a support element and if the Food Standard Agency made recommendations they would look to initiate through associates. Nigel Foxall responded that VP are 5 star assessed with spot checks.

A Member asked if a stretch target of 95% was fair to VP, bearing in mind that they are more likely to have accidents at venues such as the Ice Centre. Joe Ryan responded that they are not penalised if they have followed correct procedures. The Director of Finance & Resources responded stating that the stretch target was part of the Leisure Services Contract as it was critical that we do not fall below 92% and our 5 star status.

- (1) **the annual report of RD Health & Safety for 2018/19 detailed in Appendix A to Paper AUD/102/19 was noted;**
- (2) **the aims and objectives for 2019/20, also set out in Appendix A in the annual report of RD Health & Safety attached as Appendix A to Paper AUD/102/19; and**
- (3) **the signing of this years' Health & Safety Policy Statement attached as Appendix B to Paper AUD/102/19 was approved.**

163 ANNUAL GOVERNANCE STATEMENT 2018/19

Paper AUD/100/19

The report was introduced by the Director of Finance & Resources, stating that this will be included with the Statement of Accounts for 2018/19 which are currently subject to external audit.

The Chairman asked if the Ice Centre could be included as part of the significant governance issues.

- (1) **the Annual Governance Statement attached at Appendix A to Paper AUD/100/19 to be included within the Accounts, subject to any comments received from Members was approved.**

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164 RISK REGISTER 2019/20 Paper AUD/101/19

The report was introduced by the Director of Finance & Resources, stating that the red font indicates changes in the register.

The Chairman noted that it was helpful to have the Leisure Services contract sub-register in addition to the main risk register.

(1) the Corporate Risk Register included at Appendix A to Paper AUD/101/19 and the sub-register at Appendix B to Paper AUD/101/19 was approved.

165 ANNUAL EXTERNAL AUDIT FEE 2019/20 Paper AUD/99/19

The report was introduced by the Director of Finance & Resources, stating that the fee was determined by the Public Sector Audit Appointments (PSAA) for opted-in bodies such as us and that the fee was within the budget.

A Member noted that the fee was more in 2017/18. Neil Harris from Ernst & Young responded that this was the first fee in our new 5 year contract which includes fee reductions. The scope of the audit was changing so that there is now a process to consider additional fees, if Ernst & Young decide to do this, they would need to write to the Authority with a detailed plan. Delays would reflect the overall cost of delivering an audit, if you were unhappy with any aspect you would need to pursue PSAA.

(1) paying the annual fee of £14,336 for 2019/20 was approved.

166 EXTERNAL AUDIT PROGRAMME 2018/19 UPDATE

Neil Harris from Ernst & Young gave an update on the external audit programme, key points included:

- There have been delays to the timetable and we will not be able to complete the audit in time for your AGM on 4 July.
- He confirmed the Authority is able to approve its own draft accounts at its 4 July meeting and satisfy its statutory duties without this audit opinion.
- The Audit Committee will need to gain delegation from the Authority as to how this committee deals with any matters arising from the audit once completed.
- Ernst & Young has had to reschedule 19 public sector audits (LVRPA is not one of them) due to high staff attrition and sickness, these audits have been rescheduled for August and September.
- Ernst & Young will be recommencing LVRPA's audit on 1 July.
- Ernst & Young has agreed a contingency with the Director of Finance & Resources for the September Audit Committee and will alert the Chairman of this committee if anything changes.
- Ernst & Young has already undertaken significant work on 'value for money'.

The Chairman expressed regret about not having been told about this earlier as she was expecting the audit by Ernst & Young to have been completed by 4 July. Officers can advise

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Members of this committee in due course about how best to proceed regarding delegation from the Authority to deal with any matters arising from the report once it is completed.

The Director of Finance & Resources informed Members that the Authority's draft accounts are on the website and all information has been ready for Ernst & Young since the beginning of June when we expected someone on site, there has been poor communication and the timetable needs to be more explicit and adhered to. The Chairman asked that a note of the new timetable be circulated to Audit Committee members.

Members expressed concern and lack of faith as to when the audit would be completed. Another Member asked who would pay for additional costs such as staff having to cancel holiday. The Director of Finance & Resources responded that LVRPA could voice our complaints along with a request for a reduction in the fee to PSAA.

The Chairman asked that an update be prepared for the meeting on 4 July detailing the impact of the late start of the Audit by Ernst & Young along with confirmation that the audit has indeed started.

The Chairman and the rest of the Audit Committee expressed deep disappointment at the late start of the audit by Ernst & Young and at the poor communication of not notifying the Authority of the revised timescale. Neil Harris responded that it was not felt appropriate to notify us before a timetable had been confirmed and further stated that he acknowledged our disappointment but that a significant part of the audit had already been achieved on the pre-account testing.

Chairman

Date

The meeting started at 2.05pm and ended at 3.25pm.