

Coast to Capital Audit Committee Meeting

Wednesday 6 June 2018

Arun House, Hurst Road, Horsham, RH12 2DN

Meeting Minutes**Committee Members:**

Mike La Rooy (MLR) Chairman; Steve Allen (SA) Julie Kapsalis (JK) and Jonathan Sharrock (JS). Independent Members Karen Hayes (KH) and Andrew Swayne (AS).

Attendees:

Mark Filsell (MF) - Knill James External Auditor; Nick Rawson (NR) - Knill James External Auditor and Cath Goodall (CG) - Cities & Local Growth Unit, BEIS.

Coast to Capital attendees: Anthony Middleton (ALRM); Hazel Nicholmann (HN); Katie Nurcombe (KN) and David Smith (DS).

a) Welcome and apologies

Apologies were noted for Katharine Eberhart (WSCC Accountable Body); Rosaleen Liard (Board member) and Chris Maidment (Independent Member).

1. Declarations, Disclosures & Conflicts of Interest

MLR read out the Conflicts of Interest statement (see Annex A). KH, JK and AS declared conflicts in relation to Crawley College, Chichester College and Ricardo respectively. JS confirmed that these would not be discussed at this meeting so it was agreed that there was no conflict to report.

2. Year End Accounts 2017/18

The Annual Report and Financial Statements for the year ended 31 March 2018 were presented to the Committee. The improvements in relation to transparency and clarity of presentation of the Financial Statements were welcomed. Subject to some points of explanation the Financial Statements were approved. The updated documents would be forwarded to MLR for his approval once finalised. Thereafter the Committee agreed to recommend to the Board that the amended Financial Statements be approved and signed at the upcoming July Board meeting.

NR confirmed there was a clean Audit Report. Three points were raised in a Management letter which had been responded to by Coast to Capital including on segregation of duties and Declarations of Interest statements. For future Declarations it was agreed that that the onus should be on Board/Committee members to check their Companies House listings ahead of returning their Declarations to Coast to Capital which was in line with guidance obtained from the Accountable Body. HN agreed to take this forward when asking for new Declarations.

3. Accountable Bodies Review

The Committee noted progress to date on procuring a single Accountable Body. Members were satisfied that the procurement process was transparent and robust. The Committee discussed the risks given the LEP Review and potential boundary implications; however, the Committee concluded:

- Subject to the outcome of final due diligence on the top two highest scoring bidders as outlined in the Audit Committee paper, to recommend to the Coast to Capital Board the appointment of Croydon Council as the new Accountable Body.
- To confirm to Government by letter, that in light of the Annual Conversation mandate, together with the risk identified of continuing with multiple accountable bodies, that a recommendation would be made to the Coast to Capital Board on 4 July, to appoint Croydon Council as the new Accountable Body.

Once the Board had agreed the appointment, Croydon Council would be informed and a formal contract and transition period would start.

4. Finance Developments

The members agreed that it would be prudent to build up our reserves for unforeseen events or legal challenges; however, a further review will be undertaken in the autumn to develop a Reserve Policy. It was noted that the potential windfall from Block J had financial implications for Coast to Capital to consider. The Chairman's Committee, Growing Places Committee and Board will be discussing further at their meetings over the coming months. On Tax Planning it was agreed that professional advice should be sought.

A new Head of Finance role will be created as part of the new Accountable Body arrangements. The new head will, in addition to their Accountable Body responsibilities, put in place finance policies and continue to review and update our systems and processes. Some amendments were put forward to the job description which would be advertised as soon as possible.

The Committee also noted that once the new Accountable Body was appointed, arrangements for Local Growth Fund financials would be presented to the Audit Committee by the Head of Finance.

5. Governance Update

The Committee noted the significant work undertaken in relation to governance including the Annual Conversation, Assurance Framework update. Deep Dive report and the Scrutiny Review. It was also noted that an internal audit was being undertaken by the Accountable Body. Additional internal audits would go ahead in 2018/19 and GDPR compliance would continue to be a priority.

6. Review Corporate Risk Register

HN introduced the Corporate Risk Register which covers all Coast to Capital corporate risks. It was noted that the Pillar leads maintain their own risk registers and that the July Board will consider project risks.

Corporate risks were reviewed periodically by the Coast to Capital Executive Committee meeting. MLR recognised that this was a much enhanced Register which was strong on control measures. The Committee endorsed some editorial changes which would help with version control. The Committee also agreed to add a new risk relating to LEP boundary overlaps arising from the upcoming LEP Review.

AS agreed to send a sample document which covered 'risk management policy and risk appetite' which is used in line with his business. It was agreed that these could be useful for Coast to Capital.

7. Audit Committee TOR

The Committee was happy with the current TOR. They agreed the need to re-introduce twice yearly meetings. HN would follow up on due diligence for the Independent Board members for the necessary Disclosure and Barring check.

8. Close:

a) AOB

None.

b) Future Meetings

The next Meeting would take place in November 2018. Dates would be finalised in due course.

ANNEX A

Declarations, Disclosures & Conflicts of Interest Statement

'Can I ask members now to declare any interest they may have and to say which item or part of an item on the agenda the interest relates to. If a member realises a need to make any declaration later on during the meeting they may do so. If any member requires any assistance on how their interest affects their contribution to the meeting we will deal with it as the item arises. Are there any declarations please?'