



Audit and Risk Committee Meeting

Wednesday 15 March 2023: 10:30am – 12:00pm

By Teams Video Conference

Committee Members:

- Chair: Amanda Jones (AJ).
- Directors: Anthony Middleton (AM); Mark Brunt (MB).
- Independent Members: Chris Maidment (CM); Andrew Swayne (AS), Mike La Rooy (MLR)

External Presenter:

- David Kershaw: RSM UK Risk Assurance Services LLP

In Support:

- Accountable Body: Wendy McRae-Smith (WMS)
- Coast to Capital: David Smith (DS); Hannah Gosling (HG); Carli Foster (CF).

Apologies:

- Emma Smith, Karen Hayes, Nigel Manvell.

1. Introduction

a) Welcome and Apologies.

AJ welcomed everyone to the Teams meeting. Apologies were made from Nigel Manvell, Emma Smith and Karen Hayes.

AJ noted it was Cllr Mark Brunt's last Audit & Risk Committee and was thanked for his time on the Committee.

It was suggested to contact the new CBC S151 Officer at Crawley Borough Council to invited them as a member on the Audit & Risk Committee. **ACTION.**

b) Public Comments

It was noted that no public comments were received in advance of the meeting.

c) Conflicts of Interest

AJ read the conflicts of interest statement and invited any necessary declarations.

No conflicts of interest were declared.

d) Minutes from last meeting and Matters Arising.

The Committee noted that there were no Matters Arising.

The Committee approved the Minutes of the meeting held on 15 March.

2. Chief Executive Update

AM gave a thorough update on the items outlined below.

Funding

Board set a budget in January assuming negligible public funding and that turned out to be the right approach as we only heard from Government last week as to once again a drastically reduced core funding settlement down a further 33% from last year's settlement to 250k. We have not received any service specification yet from Government, but will consider treating this as very much a contract for services which our consultancy company could deliver back to the LEP.

Further we only heard last week on Growth Hub funding and that was via a letter from Government stating that we will get some money, but with no detail of how much unfortunately. I do fail to understand why they could not have simultaneously advised us of the amount!

So all of our contingency planning and approach to budget setting I believe proved to be correct cause of action because once again, if we had of waited for Government funding announcements, even in mid the last month of the financial year we don't have full information on our overall Government settlement.

Consultancy Activities

This section has been redacted.

Careers Hub

As a result of not receiving any funding support for the forthcoming financial year from Surrey County Council and West Sussex County Council we have previously advised the Careers and Enterprise Company that we would not be able to meet their match funding requirements should they choose to continue services beyond September this year. As a result of this with our agreement they decided to seek new partners for the service. We will therefore be starting a staff consultation on service cessation from September this year which will include the high possibility of the option for a TUPE transfer of staff to new partners, which indeed could be Surrey County Council and WSCC. The committee can therefore draw its own conclusions as to potentially why funding has been discontinued by those authorities to the LEP, although in fairness to WSCC we only can assume that funding will be discontinued because they continue to not advise us of whether or not they will offer any funding to us.

Annual Performance Review

This was held with Government several weeks ago and we have yet to hear the outcome.

AJ thanked TM for all his work and opened up the discussion to the Committee.

3. Financial Update

CF gave a Finance update paper based on the January result. The February results are now ready. We are still much tracking approx. £2.4m income. Still on track for a surplus of 750K – 800K.

It was suggested that the Finance & Resource Committee need to propose options for the use of reserves. **ACTION.**

4. Audit

a. RSM Internal Controls Audit

DS gave overview on the audit that was conducted. The main focus on the audit was a single point of failure.

DK from RSM joined the meeting.

DK gave presentation on the audit findings. Single points of failure was the key area the audit reviewed. It focussed on what happens when staff leave and the governance in place for this e.g. risk register. Key members of the team were engaged with the audit to ensure accuracy. There were three actions that came out of the audit; the use of the risk register to manage risks, reporting of bank signatories, training on internal controls and processes and how different teams operate. E.g. who needs training and on what areas– All actions are now closed or underway. The report is now to be finalised.

DK was thanked for his work and left the meeting.

The next steps for the wider audit strategy was discussed and it was agreed as an action for the management team to review and decide how we move forward. **ACTION**

DK left the meeting.

b. Payroll audit

No further actions and audit is closed.

c. Statutory Audit

CF – discussing with auditors on the timeline. We are anticipating a bit more work with fee income, so may need to push back the next A&R meeting to allow enough time. **ACTION**

5. Risk Register

HG presented the risk register. It was suggested to re-word the risk regarding staff leaving, as it is still an impact. **ACTION.**

6. Governance

The Assurance Framework amendment was approved by the Committee with slight amendment to wording regarding not to permit delegates, if needed we can accept observers.

It was suggested we get another Board member on the Audit & Risk Committee to ensure quoracy at meetings. It was suggested that in our annual reports we should include an attendance log of Committee and Board meetings.

It was proposed that TM discuss with the chair of the Board on Board member appraisals.
ACTION.

7. Close

a) AOB

N/A.

b) Future Meetings

The next meeting of the Audit and Risk Committee will be held on 04 July 2023.