

MINUTES OF FINANCE, AUDIT AND RISK COMMITTEE

Thursday 2 May 2019

Bishop Fleming, 1-3 College Yard, Worcester, WR1 2LB

PRESENT:

Chris Walklett (Chair)	(CW)	Partner, Bishop Fleming
Tony King	(TK)	Sanctuary Housing
Stuart Laverick	(SL)	Heart of Worcestershire College
Steph Simcox	(SS)	Worcestershire County Council
Luke Willetts	(LW)	Worcestershire Local Enterprise Partnership

APOLOGIES:

Karen May	(KM)	Bromsgrove District Council
Gary Woodman	(GW)	Worcestershire Local Enterprise Partnership

IN ATTENDANCE:

Joy Ryland	(JR)	Worcestershire Local Enterprise Partnership
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	AGENDA ITEM	ACTION
1.	Welcome and Apologies	
1.1	CW welcomed the FAR Committee Board. Karen May and Gary Woodman's apologies were received.	
2.	Notification of Declarations / Conflicts of Interest	
2.1	TK declared that he is now a Governor at Heart of Worcestershire college.	
3.	Actions from previous meetings	
3.1	The committee reviewed last meetings actions and agreed them as an accurate record of the meeting.	
3.2	LW updated FAR Committee on key actions, all of which had been completed and/or were on agenda for the meeting.	
4.	WLEP Audit Final Report	
4.1	LW provided FAR Committee with an overview of the audit which was undertaken by Paul Clarke (PC), Deputy Internal Audit Manager and focused on the application of WLEP's updated Local Assurance Framework, which was adopted in February 2018.	
4.2	The final report stated that a comprehensive framework has been produced by WLEP which covers the requirements set out in the National Assurance Framework.	

4.3 The audit review identified two areas for improvement:

- Some of the agendas and papers of sub-group meetings had not been published in line with frequency set out in the framework – this has now been addressed
- The purpose and operation of the Business Board should be reviewed and where necessary amended – a review is underway

4.4 Overall, the final Assurance Opinion and Conclusion is that the WLEP controls provide 'Substantial' assurance that risks are being managed.

4.5 CW commented on Business Board and LW provided update that proposals are being developed with Business Board Chair and WLEP CEO to refresh the Business Board function.

TK made the point that whilst listening and engaging the voice of business is a fundamental part of a LEPs role, this does not have to be achieved through a 'Business Board' mechanism.

CW commented that some Business Board members' attendance was infrequent and emphasised the need for commitment when new Business Board members are recruited – also need to be clear on expectations and the contributions being asked of Business Board members away from the meetings in terms of championing Worcestershire / WLEP.

A progress update on Business Board refresh is to be provided to FAR Committee at next meeting.

LW / GW

4.6 SS updated on internal reorganisation of audit function at Accountable Body, with some audit staff being TUPE transferred into Worcestershire County Council.

4.7 FAR Committee concluded this item by stating their content with the findings of the audit report and specified no requirement for a follow-up audit in 2019/20.

5. Attendance and presentation at Overview, Scrutiny and Performance Board (OSPB)

5.1 SS advised that WLEP have been invited to present their annual scrutiny report to the Accountable Body OSPB on 24 May 2019.

5.2 The Accountable Body have extended an invitation to attend the session to relevant District Council members too. The WLEP Chair, CEO and Director of Operations will be representing WLEP, with the delegated S151 nominated officer from Accountable Body in attendance too.

5.3 A draft report will be circulated to FAR Committee members ahead of the session.

LW

6. 2018 / 19 Quarter 4 Financial Report

- 6.1 SS presented the 2018/19 Quarter 4 financial report.
- 6.2 The Committee noted the final accounts position (subject to audit) in respect of the 2018/19 WLEP revenue budget, including balance of reserves, Local Growth Fund 2018/19 (capital), and current position in respect of the Growing Places Fund.
- 6.3 This report was agreed to be presented to the WLEP Board on 9 May for approval subject to amendments needing to be made in relation to the additional funding WLEP is expected to receive in relation to the work on the Local Industrial Strategy.

7. WLEP Local Assurance Framework update

- 7.1 LW presented the revised WLEP LAF document and summarised the key updates and additions as per the covering report.
- 7.2 The FAR Committee noted the changes made to the governance web-pages on the WLEP website and welcomed them, noting they provided a more intuitive and accessible experience.
- 7.3 TK suggested that the Risk Management section of the LAF would benefit from further explanation around WLEP Board's risk appetite.

LW agreed to include updated text to cover this point, ahead of submission to LEP Board for approval.

LW

- 7.4 The FAR Committee concluded the item by endorsing the revised LAF document and recommending WLEP Board implement with immediate effect. This recommendation will go to WLEP Board on 9 May.

8. Risk Register and Issue Management

- 8.1 LW presented the WLEP risk register which was agreed at November meeting of FAR Committee.
- 8.2 LW updated that following the FAR Chair's report to WLEP in November 2018, WLEP Board agreed the recommendation to delegate risk management to FAR Committee, and that their risk appetite/tolerance dictated that if any risk were to be rated 'red', then it should be escalated to WLEP Board with immediate effect.
- 8.3 Following discussion there were some changes made to the risk register to retire one of the risks due to it having expired, to reframe one risk relating to to scope of LEP operations (no.6) and re-scoring the risk relating to the overlap due to the impact on capacity funding (no. 2).

- 8.3 LW to update Risk Register and re-issue.

LW

9. Summary of Key Messages and Reporting to WLEP Board

- 9.1 FAR Committee Chair update to LEP Board in May to consist of reports on the following areas:

CW / SS / LW

- Verbal update from FAR Chair
- 2018/19 Quarter 4 Financial Report – by SS
- Recommendation to implement revised LAF document – by LW

10. Forward Plan for Next Meeting

10.1 The agenda for the next meeting will include:

- Q1 2019/20 – Financial Report
- Risk Register
- Business Board refresh update
- Feedback from OSPB session

11. AOB

11.1 N/A

12. Date of Next Meeting

12.1 Next meeting date for FAR Committee is 3 September 2019.