

FINANCE, AUDIT AND CORPORATE RISK COMMITTEE MEETING
25 FEBRUARY 2021 FROM 10.00 AM TO 11.30 AM
TEAMS MEETING
MINUTES
Attendees:

Aidan Dunn (AD)
 Cecilia Buffon (CB)
 Corrina Osborne (CO)
 Diane Grannell (DG)
 Lee House (LH)
 Lorna Carver (LC)
 Richard Smith (RS)
 Tony Ferrari (TF)

Also present

Kathryn Hill (KH)

Apologies:

Nick Brook

Item	Notes and Decisions	Action
1.	<p>Apologies received from Nick Brook</p> <p>There were no Declarations of Interest.</p> <p>AD introduced Lee House who works for Dorset Council on the Dorset LEP Finances.</p>	
2.	<p>Approval of draft 2021/22 Budget</p> <p>LC started the meeting and ran through proposed draft budget explaining the financial position to date.</p> <p>LC explained the budget presented was conservative and explained that the big difference this year is due to the decreased bank interest rates.</p> <p>AD said that DG had requested further detail on interest rates at the last Board meeting and provided some additional context. He explained that the LEP does not have its own bank account, and the LEP finances are within the Dorset Council's Treasury Management Function. The figure for the interest, AD explained is a prudent estimate.</p> <p>LC explained what was included in some of the budget lines.</p> <p>LC explained that the proposed expenditure is similar to this year and emphasised that the budget lines are not a target but rather a maximum amount for operating.</p>	

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2.	<p>Approval of DRAFT 2021/22 Budget Cont'd</p> <p>Action: It was agreed that an additional meeting to discuss scenario planning with options of a worst case, an optimistic case and a reduction in expenditure case to be reviewed in the meeting. Following that a recommendation as to the budget would be taken to the Board meeting on 25 March.</p> <p>LC left the meeting at 10.40 am</p>	KH to organise meeting
3.	<p>Explanation of Staff Costs</p> <p>CO gave a presentation on what sits behind the staff costs line of the budget. She detailed the number of staff and those on maternity leave. She explained that all costs, not just the salary are included in this, for example: rental of space, IT equipment, mobile phones, HR support, IT support, office furniture.</p> <p>CO explained that income for CEC and Gateway are shown under those lines on the budget report and to ensure the expenditure of those associated budget lines is accurate, a transfer of the staff costs from core that should be paid from the CEC/ Gateway budget is undertaken every other month.</p> <p>She then ran through the extra funding received during the year to explain how new staff costs are linked to delivery and to emphasise the unknown nature of future funding streams.</p> <p>AD informed that the presentation of the Board report is continually evolving, based on feedback from the Board and they are also have researched practice at other LEPs.</p>	
4.	<p>Appoint a Chair</p> <p>CO thanked RS for his role as Chair. She explained that the draft Terms of Reference required a Board member to be Chair and a nomination was now needed as RS's second term as a Board member had come to an end.</p> <p>DG volunteered to be Chair and was supported by the other members.</p>	
5.	<p>Agree Terms of Reference</p> <p>CO explained that the revised Terms of Reference needed to be agreed.</p> <p>RS asked about the audit function and CO ran through a presentation on this given at the last meeting.</p> <p>AD explained that as Dorset Council hold the LEP accounts, that element comes under Dorset Council's internal auditor and their external auditor is also able to review this.</p>	
6.	<p>Update on Finance Internal Audit at Dorset Council</p> <p>LH informed that at the last meeting a discussion took place on the changes to the process for paying invoices. They had mentioned inviting SWAP to audit this invoice process and asked if the Committee was happy for him to go ahead with that request.</p> <p>Action: All agreed they were happy with the request for SWAP to audit the new process for paying LEP invoices.</p>	All agreed

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7.	<p>Review of last Board Report Finances</p> <p>AD explained that the issue regarding the timeliness of the financial report at the January meeting was due to the closures over the Christmas period. The March report would be looking to report expenditure up to the end of February.</p> <p>DG mentioned the timings of the accounts coming to this Committee and then going to the Board.</p> <p>AD explained that this committee meets 4 times a year and the Board meets 6 times a year.</p> <p>RS suggested that the accounts do not need to be discussed at every Board meeting. AD explained that was not the steer from last Board and they had said they wanted to look at the accounts more often.</p> <p>LH explained that every month the trial balance was created where the reconciliation takes place. It takes a little bit of time to create the management accounts due to the two organisations working on it.</p> <p>DG mentioned importance of timeliness and said she was happy to look at a pattern with LC, CO and AD and bring to next meeting.</p> <p>CB requested the Terms of Reference be updated to say responsibility of the Committee is for the annual budget and forward financial plans.</p> <p>Action: CO to update the Terms of Reference.</p> <p>Action: it was agreed that DG, AD, LC and CO should meet to discuss the timing of the financial reports.</p>	<p>CO</p> <p>KH</p>
8.	<p>Corporate Risks Update</p> <p>11.30 - DG and TF left the meeting.</p> <p>RS requested if the risk register could be divided to show company risks and the risks to the county that we are seeking to address (ie energy).</p> <p>CB mentioned we should have a risk appetite exercise against all corporate risks.</p> <p>Action: CO stated she would raise this via the Board Improvement meetings.</p>	<p>CO</p>
9.	<p>Any Other Business</p> <p>No items were raised.</p>	

Note: Date of Next Meeting - 28 June 2021 at 10.00 am