



Cheshire and Warrington Enterprise Partnership Finance & Audit Committee Board Meeting Minutes

9th September, 2020 by Teleconference

Present:

Chris Hindley (Acting Chair)

In attendance:

Ian Brooks, Alex Thompson (CEC), Mike Benson (Murray Smith), Nicola Tucker (Murray Smith), David Rees (CEC)

Apologies:

Stephen Kinsey, Philip Cox, Michael Todd (CEC)

PART A – Public Session

Agenda Item 1: Apologies and Introductions

- 1.1 CH welcomed members and attendees to Committee meeting. Apologies were noted as above.
- 1.2 CH noted that in the absence of SK, decisions taken by the meeting would need to be ratified by SK by correspondence and may return to the next meeting as matters arising if SK requires further discussion.

Agenda Item 2: Conflicts of Interest

- 2.1 No conflicts of interest were declared in relation to Agenda Items.

Agenda Item 3: Minutes of the Meeting 30th June 2020

- 3.1 The minutes were accepted.

Agenda Item 4: Actions and Matters Arising

- 4.1 The recommendations made by the auditors regarding accounts presentation and policy for income recognition were on the agenda.
- 4.2 The updated Local Assurance Framework is in draft and comments have been received from CEC which are being incorporated. IB confirmed the intention to bring the updated draft to the Board Meeting in September.
- 4.3 The LEP board has, over recent weeks, taken forward work on sub-board and committee structures, identifying vacancies and a recruitment campaign is expected in the Autumn.

Agenda Item 5: Accounts Presentation and Income Recognition Policy

5.1 IB presented the proposed format for summarising the management accounts, which simplified the sources of income receivable and nature of expenditures made. The format also includes the cash movements of main funds held by CEC on the LEP's behalf, thus providing an "enterprise" view of the resources managed and administered by the LEP. It was agreed that the format improved the presentation and transparency of the LEP financial position and it will, in future, be used to present the management accounts and, for year end, added as a note to the statutory accounts of the LEP. The note will not be subject to audit.

5.2 IB also presented the income recognition policy which was approved. The policy describes how the LEP has been approaching income recognition and it is expected there will be little change. MB explained that the document will provide a useful reference for audit and that where funds for general use are received by the LEP, the income should be recognised in the year of receipt.

Agenda Item 6: Review of Management Accounts for 31/7/2020.

6.1 IB gave a summary of the year to date accounts to July 31st and explained that the deficit incurred in the early part of the year is forecast to lead to a small deficit for the full year. However, the committee noted there are sufficient reserves within the LEP "enterprise", including business rates, that the current forecast level of deficit can be managed.

6.2 The committee discussed the deficit of £24k which has arisen on the Accelerate project, noting that income is at risk until the programme achieves higher recruitment of trainees. The deficit is therefore likely to increase further during the remainder of the year. This will be kept under review and an update of the project requested by P&I. IB will inform Rachel Laver.

ACTION: IB

6.3 The committee noted the report.

Agenda Item 7: Review of the Corporate Risk Register

7.1 The top risks, as determined by residual risk scores, were considered by the committee. Several have direct financial impacts should they materialise.

7.2 In light of papers later on the agenda, cyber risk will be added to the register, in recognition that risks are present, but have been addressed.

Agenda Item 8: Any Other Business

8.1 IB provided an updated version of the Financial Scheme of Delegation to address recent board discussions. The committee approved the following changes:

- Increase in the daily limit for bank payments from £80k to £100k. This reflects that on occasion, due to the continued growth of the LEP, net payroll has come close to the previously limit.
- A delegated limit of £500k for the Business Growth Board, reflecting that the sub-board does on occasion take investment decisions, e.g. the business restructuring grant scheme.
- A delegated limit of £500k for the (new) Digital Connectivity Board which in future is anticipated to take investment decisions relating to projects for digital infrastructure investment etc.

8.2 AT commented that the Scheme of Delegation does not fully reflect the role of the S151 officer in approving payment of claims for project funds. The committee agreed that a future update should address this point.

ACTION: IB

PART B

Agenda Item 9: Review of Fraud Risk

9.1 IB summarised the main points of the paper which the committee welcomed. It considered the paper to be thorough and comprehensive in its' identification, coverage and mitigation of LEP activities exposed to fraud risks.

9.2 DR mentioned that MT had already provided some comments for consideration by the LEP.

Agenda Item 10: Review of Cyber Risk

10.1 IB presented a paper prepared jointly with the LEPs Managed Service Provider for IT and Information Services. The committee welcomed the approach and mitigations in place to minimise the risk and impact of cyber attacks. MB provided an example of another organisation for comparison including, for example, the training of staff to risks.

ACTION: IB

Date of Next Meeting

15th December 2020, either Wyvern House or by Teleconference.