

NEW FOREST NATIONAL PARK AUTHORITY

MINUTES OF A MEETING OF THE RESOURCES, AUDIT AND PERFORMANCE COMMITTEE HELD ON MONDAY 1 JUNE 2015 AT 10:00 HOURS IN THE COUNCIL CHAMBER, LYMINGTON TOWN HALL, AVENUE ROAD, LYMINGTON

Present:

Members:

John Pemberton (Chairman)
David Harrison (Deputy Chairman)
Edward Heron
Maureen Holding
John Sanger
Marian Spain
Ken Thornber

Officers:

Steve Avery	Executive Director Strategy and Planning
Julia Mutlow	Senior Solicitor and Monitoring Officer
Nigel Matthews	Head of Recreation Management and Learning
David Stone	Corporate Services Manager
Nigel Stone	Finance and Performance Manager
Heleana Aylett	Human Resources Manager
Jo Murphy	Information and Data Protection Officer
Frances Connolly	Executive Assistant

Also in attendance:

Lucinda Upton	Internal Audit Manager (New Forest District Council)
Helen Thompson	Audit Director, Ernst and Young LLP
Justine Thorpe	Audit Manager, Ernst and Young LLP

58 Apologies for absence

58.1 Apologies for absence were received from Alison Barnes, Chief Executive, Oliver Crosthwaite-Eyre and Pat Wyeth.

59 Declarations of Interest

59.1 Edward Heron declared an interest in minute item 67 as the Portfolio holder for Planning and Infrastructure at New Forest District Council.

60 Chairman's announcements

60.1 The Chairman welcomed Helen Thompson and Justine Thorpe from Ernst and Young, the Authority's external auditors.

61 Minutes

- 61.1 Members asked about the progress on the action at minute item 49.2, relating to a Members' briefing on stream restoration projects. Steve Avery advised the Committee that he anticipated that the briefing would take place in September. He informed Members that the matter had also been raised at the Consultative Panel which had raised queries around the criteria and need for planning permission. Members expressed concern that there was growing opposition to some of the projects in the local community.

Action: Steve Avery to draft an item for the Members' Bulletin to identify a date, possibly in September, for a Members' briefing relating to the work being carried out on stream restoration projects.

- 61.2 Oliver Crosthwaite-Eyre had given his apologies to the meeting and was therefore unable to update the Committee on the action contained in minute item 49.6; therefore this action was carried forward.

Action: If not already completed, the Chairman of the Authority to write to Geoff French, the Chair of the Enterprise M3 LEP, and extend an invitation to him to visit the New Forest.

Resolved, that the minutes of the meeting held on 9 March 2015 be confirmed as a correct record.

Voting: none voting against

62 Public Question Time

- 62.1 There were no questions or statements from the public.

63 Ernst and Young – External Audit Update – 2014-15 Progress Report, 2014-15 Audit Plan, 2015-16 Fee Letter

- 63.1 Helen Thompson introduced Justine Thorpe the new Audit Manager who was responsible for the Authority's account. Ms Thompson explained that the paper contained two items; the Audit Plan for 2014/15 and the Fee Letter for 2015/16.
- 63.2 Ms Thompson explained that despite the recent closure of the Audit Commission, the current audit will still be carried out using their format and standards and that the Audit Plan was therefore similar to previously seen reports. She drew Members' attention to section three of the report which contained details of the risks that had been identified to date. She reassured Members that the only significant risk was management override and that this could be mitigated by the Auditors checking for any unusual transactions and journal entries. The two lesser risks identified related to the change of the Authority's banking arrangements and the future valuation and treatment of a piece of gifted land.
- 63.3 Members queried whether it was necessary to have an annual independent valuation of the land. Ms Thompson advised Members that it would need to be revalued when the proposed housing was completed but that after that, provided that the Authority

had a satisfactory policy which covered the valuation arrangements and met with accounting standards, then it would not necessarily be required.

63.4 In response to a question, Ms Thompson confirmed that the level of risk on the Audit had not changed significantly from the last audit. Ms Thompson then drew Members' attention to the Fee Letter which contained the estimated fees for the year 2015/16; she confirmed that they were in line with the Audit commission's published scale of fees for public authorities.

63.5 Members asked how many audit days the fee equated to. Ms Thompson did not have the exact figures to hand but agreed to forward details to the Committee. Nigel Stone summarised the audit process, confirming that Ernst and Young usually spent approximately three weeks on site during the year and then followed up any queries through correspondence.

Action: Ms Thompson to provide the Committee with a breakdown of the number of days spent on the audit.

63.6 Members were informed that there was a requirement to have both internal and external audit and that provided the internal audit was robust, external audit work is often reduced. Ms Thompson pointed out that, as always, if the audit identified any areas or risks which required substantial further investigation, then Ernst and Young would negotiate additional fees to carry out the necessary checks.

Resolved that:

1. the Audit Plan 2014/15 be approved, and

2. the 2014/15 audit progress and the contents of the fee letter be noted.

64 Annual Internal Audit Performance and Opinion Report 2014-15

64.1 Lucinda Upton introduced the report, explaining that its purpose was to provide an opinion on the control environment and to review the effectiveness of Internal Audit. She highlighted two areas which needed further work; these were detailed in paragraph 3.5 and 3.6 of the report, namely counter fraud measures, which needed to comply with the new code of the Chartered Institute of Public Finance and Accountancy (CIPFA) and which she considered to be low risk and the new International Framework for Good Governance in the Public Sector. She explained that it is expected that the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) will publish a new framework and that internal audit would be able to provide support in developing and promoting an updated good governance framework for the Authority.

64.2 Ms Upton explained that she had carried out the testing on payroll and had not identified any areas of concern; however she had not had the opportunity to sign it off and was therefore not able to give a conclusion at this time.

64.3 Members asked what sort of resource would be needed for the fraud prevention work but Ms Upton explained that since CIPFA had not published their tool kit as yet, it was difficult to say, however she reminded Members that most of the high risk areas, such

as payroll and accounts payable were provided by New Forest District Council (NFDC) and that the Authority would benefit from any testing carried out on NFDC processes.

Action: Ms Upton agreed to notify Members of the SOLACE consultation when it was available.

64.4 Members noted that two of the Performance Activity targets contained in the table at 4.6 had been missed and asked whether a 100% target was realistic. Ms Upton confirmed that she believed that the targets were achievable, explaining that in both instances the target had been missed because the ICT Manager had left the Authority (shortly before an audit report was due to be published) and it was therefore agreed with management that the report should be further re-considered given this circumstance.

64.5 Members sought reassurance about the use of Authority credit cards. Nigel Stone confirmed that there were only a limited number of cards with limited users, and that they were only used in order to purchase items online where a preferential price could be achieved or where such a payment method was optimal or a necessity. He explained that the transactions were reconciled each month and signed off by the appropriate member of the Authority's Executive Board.

Resolved, that:

1. the Auditor's Annual Opinion report be noted and taken into account when approving the Annual Governance Statement, and

2. it be recorded that the Committee is satisfied with the effectiveness of the Internal Audit in line with Regulation 6 of the Accounts and Audit Regulations 2011.

Voting: none voting against

65 Year End Progress Report on the 2014-15 Operational Plan

65.1 David Stone introduced the report reminding Members that as on previous occasions the report contained Key Performance Indicators (KPIs) followed by four tables which summarised the progress made on the various projects under the four work programmes; Protect, Enjoy, Prosper and Aiming for Excellence.

65.2 Members noted that the target for press releases had not been met. Nigel Matthews responded that the target may be a little high and that other indicators such as followers on Twitter, number of re-tweets and shares on social media may be a better reputational indicator.

Action: Officers to consider introducing a KPI which gives an indication of the Authority's reputation, to include social media data.

Action: Nigel Stone to circulate the list of 2015/16 KPI's prior to the Annual Authority Meeting.

65.3 Members highlighted the significant reduction in the external and partner funding generated for Authority projects and whilst they noted that this was mainly owing to the loss of the Department of Transport funding for the New forest Family Cycling Centre, they expressed concern that since the Authority no longer had a dedicated External

Funding Officer, this may have an impact on the level of future funding. Members requested that a paper on the Authority's external funding strategy be presented to the next meeting.

Action: A paper on the Authority's external funding strategy to be considered at the next meeting of the Resources, Audit and Performance Committee.

65.4 Members discussed Village Design Statements and Neighbourhood Plans, and the impact they had on the Authority's resources. Steve Avery explained that there was funding available for Neighbourhood Plans and that he had already discussed them with both Brockenhurst and Lyndhurst Parish Councils. He also advised the Committee that the Planning Development Control Committee were considering a paper on the matter at its June meeting.

65.5 Members noted the report.

66 Draft Annual Governance Statement 2014-15

66.1 Nigel Stone introduced the Annual Governance Statement (AGS) explaining that it contained details regarding how the Authority was governed. He drew Members attention to a number of areas of work that have been strengthened or added throughout the year.

66.2 Mr Stone outlined the process in which the document would be passed to Ernst and Young, before being considered at the next RAPC meeting prior to final approval at the September Authority meeting.

66.3 Members recommended that the document be amended to include two additional items. Namely the work which was planned for 2015/16 on counter fraud measures and the effect on governance of the current situation whereby external funding exceeded the funding received from Defra.

66.4 Justine Thorpe recommended to the Committee that they consider adding more outcomes to the document in order to highlight what has been achieved as a result of various actions.

Resolved, that subject to the two additional items set out in minute item 66.3, the Draft Annual Governance Statement for the financial year 2014/15 be approved and that the amended draft be passed to the External Auditors.

Voting: none voting against

67 Draft Audit Letter 2014-15

67.1 Nigel Stone advised the Committee that the letter to the Chairman regarding how the Committee is generally governed had been received from the External Auditors and that subject to Members' approval, the draft response would be sent on behalf of the Committee to Ernst and Young.

Resolved, that the Audit Letter 2014/15 be approved.

Voting: none voting against

68 Financial Outturn and Treasury Report 2014-15

- 68.1 Nigel Stone explained that as had been previously described to the Committee, planning fees were significantly above the budgeted level and that this was owing to a small number of particularly large applications which had attracted high fees. He explained that this was the primary reason why a saving of c£102,000 had been achieved and therefore the call on reserves had been reduced to c£3,000.
- 68.2 Mr Stone pointed out that the 'overspend' on the Sustainable Communities Fund was simply due to more projects coming forward to claim the funding which had been previously set aside for them in previous financial years. John Sanger commented that he was pleased to see these funds were now being drawn down.
- 68.3 Mr Stone drew Members' attention to the interest received for the year, commenting that a 0.85% return was favourable when compared to the benchmark return of 0.36%. He confirmed that interest received was treated as revenue.

Resolved, that:

1. the provisional outturn position be noted;
2. the Treasury Management stewardship Report and Prudential Indicators 2014/15 in Annex 4 be noted and
3. the *indicative* transfers to/(from) Reserves in 2014/15 as set out in section 6 and detailed in Annex 3 be approved.

Voting: none voting against

69 Annual Health and Safety Report 2014-15

- 69.1 Steve Avery introduced the Annual Health and Safety Report 2014/15. He updated the Committee on the health and safety issues that had occurred over the year which included four minor incidents and a more serious accident whereby a member of staff tripped over a cable and fell. This incident had been referred to the Health and Safety Executive.
- 69.2 He informed members that absenteeism numbers had reduced and that staff had the opportunity to have lifestyle medical sessions again. One Member said that he was encouraged by the decrease in absenteeism figures which showed the resilience of staff especially when their workload had increased.
- 69.3 General staff well-being was discussed and a Member asked if the Employee Assistance Programme figures were recorded. Steve Avery advised that this information was confidential, but that on average it was only used on two or three occasions per year. It was suggested that it would be beneficial for all staff to be reminded that the programme was in existence.
- 69.4 Members noted the report.

Action: Item to be placed in the staff update to remind staff of the details of the Employee Assistance Programme.

70 Smoking, Alcohol and Substance Abuse Policy

70.1 Heleana Aylett advised the Committee that the policy had been revised to include electronic cigarettes. She explained that she did not believe that the Authority had an issue with e-cigarettes being used, however the proposed amendment would remove any ambiguity on the matter.

Resolved, that the changes to the Smoking, Alcohol and Substance Abuse Policy be adopted.

Voting: none voting against

71 Leave Policy

71.1 Heleana Aylett informed Members that the Authority had been implementing the Leave Policy for some time but that it had not been formally adopted by the Committee.

Resolved, that:

1. the Leave Policy be adopted.

Voting: none voting against

72 Time off for Public Duties

72.1 Heleana Aylett introduced the report and advised Members that the purpose of the policy was to clarify for employees which positions were covered. She confirmed that time off for Jury Service and for Reservists was covered in the Leave Policy.

72.2 Ms Aylett drew Members' attention to the comments from Unison and they debated the issue of whether leave should be paid. Following discussion, Members decided to adopt the policy as attached to the report.

Resolved, that the Time Off for Public Duties Policy be adopted.

Voting: none voting against

73 Any other items that the Chairman decides are urgent

73.1 There were no urgent items on this occasion.

74 Date of next meeting

74.1 Members noted that the next meeting of the Committee would be held on Monday 7 September 2015 at 10.00 hours at Lyminster Town Hall.

The meeting closed at 12.35 hours

Signed **Date**.....
(Chairman)