



Gangmasters  
Licensing Authority

# **GLA39/16 Audit and Risk Committee**

**16 October 2013**

# **Board Paper Reference – GLA39/16 – Audit and Risk Committee (ARC)**

## **1. Purpose of the Report**

- 1.1 To provide assurance to the Board concerning the probity and fitness for purpose of management systems and controls as well as to oversee risk management in the organisation.

## **2. Recommendation**

- 2.1 The board is asked to note the approach to assessing risk appetite and to note the regular plans for internal and external audit. .

## **3. Reasons for Recommendation**

- 3.1 Risk appetite is key to the GLA's ability to identify, prioritise and manage the range of risks facing the organisation.

## **4. Summary of Key Points**

- 4.1 The GLA has always held registers to identify and prioritise risks, both strategic and operational. These are assessed for their probability and likely impact. Actions to mitigate these risks are then agreed and the residual risk is given. Currently a RAG (red, amber, green) traffic light system is used. NAO now advises that a further consideration, the organisation's risk appetite, should be applied. In our strategy, this is currently described as being 'bold but not reckless'. To assess whether this is right and how this would look in practice, an exercise is proposed. The CEO will take the top priority risks, assess these against a risk appetite matrix and present both to the Finance and General Purposes Committee and Audit and Risk Committee. Their recommendations will then be presented to the Board for consideration and approval.
- 4.2 The ARC reviewed and tested the current Risk Registers – Business, Fraud and Pensions. It also approved the proposed Internal Audit Plan with one amendment, to use the proposed review of risk management to support the risk appetite exercise. ARC also carried out its annual review of the Anti Fraud Policy and noted updates.

It noted that this year's external audit would be carried out by NAO staff rather than Deloitte as part of the normal 'churn' of audit provision within NAO.

## **5. Financial Implications and Budget Provision**

- 5.1 In answer to a query from ARC, NAO confirmed that it did not vary its charges according to which provider it used but would negotiate the price with the GLA in the normal way.

## **6. Organisational Risks**

- 6.1 Adopting a clear approach to risk appetite will help the Board to control risks.

## **7. Policy Implications and Links to Strategic Priorities**

7.1 This work closely links with the overall strategic priorities of the GLA.

## **8. Details of Consultation/EQIA**

8.1 N/A

## **9. Background Papers and Relevant Published Documents**

9.1 See Managing Public Money – Annex 4.3

[Managing public money - Publications - GOV.UK](#)

Orange Book: Management of Risk – Principles and Concepts

<https://www.gov.uk/government/publications/orange-book>

Managing Risks in Government – NAO Publication

<http://www.nao.org.uk/report/managing-risks-in-government/>

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