

GLA34/7.1 Audit and Risk Committee – Chair's Report to the Board

11 July 2012

**BOARD PAPER REFERENCE – GLA34/7.1– AUDIT & RISK COMMITTEE
CHAIR'S REPORT TO THE BOARD.**

This report updates the main Board on items discussed at the Audit & Risk Committee which considers, self-evidently, all audit and risk issues as well as scrutinising financial performance on behalf of the Board.

1. Annual Report and Accounts

The main item considered at the Audit and Risk Committee meeting held on 7 June was the Annual Report and Accounts. After detailed scrutiny and discussion, the final version was agreed and signed off by the Chair and Chief Executive. The ARA will be laid before Parliament on schedule.

There were no significant issues although the Committee were careful to understand the pattern of income and expenditure flows.

This year the ARA includes the new Governance Statement which replaced the Statement of Internal Control. The statement is intended to provide a more rigorous and particularised summary of the state of governance in the organisation. These are being produced by all similar bodies for the first time; the GLA statement conforms to a template provided by DEFRA. Thanks were expressed to Ray Dawson and his finance team for the preparation of the ARA.

2. Strengthening Governance

The other main item was a continuation of a discussion led by the Authority Chair on how to strengthen governance. It was noted that she has now completed the first full round of appraisals of Board members, as well as recruiting the board to full strength.

As previously reported, it is proposed to further strengthen governance by separating out the performance scrutiny role from the audit/risk roles of the Audit & Risk Committee, forming a new group.

At our June meeting, proposals were brought forward by the Chief Executive, as requested, to form a Finance & General Purposes Committee as a new sub committee of the main board. The terms of reference were tabled for comment by the ARC. It was recognised that any new group would simply have a scrutiny role and should not become involved in operational matters, properly belonging to the management.

Members have since commented and proposals are being brought to this main Board meeting for approval.

With the appointment of Cath Speight, the Committee now has a full complement of members.

Jane Mordue, Chair ARC
29 June 2012