

GLA 33/7.1 Audit and Risk Committee – Chair’s Report to the Board

18 April 2012

BOARD PAPER REFERENCE – GLA33/7.1 – AUDIT AND RISK COMMITTEE – CHAIR'S REPORT TO THE BOARD

Typically this time of year is extremely busy for the Audit and Risk Committee (ARC) as the Authority moves towards year end accounts and annual report completion.

To increase accountability it has been agreed that the ARC provides a written report on audit, risk and its current monitoring of financial management on behalf of the Board.

Within the last quarter the ARC has considered the following areas:

- Discussions with the Authority Chair regarding how to strengthen governance. This included consideration of the process for formal appraisal of board members. The ARC has also played an increasing role in monitoring the performance of management. To strengthen this, it is proposed to split ARC meetings into two with part two becoming more overtly a finance and general purposes committee. The Authority Chair and Chief Executive are to report back on Terms of Reference and membership.
- Discussion with internal and external auditors regarding collaborative working to keep costs to a minimum.
- Annual review and update of ARC terms of reference to ensure continued focus.
- Annual review of performance of ARC through NAO self-assessment checklist.
- Review of the new draft GLA governance statement for inclusion in the 2011-12 Annual Report and Accounts. This replaces the Statement of Internal Control.
- Receipt and consideration of internal audit reports:
 - Corporate governance
 - Risk management
 - Performance validation
 - Licensing
 - Follow-up of outstanding issues
- Discussions regarding the forestry pilot and implications for managing public money.
- Agreement with external auditors of the key risks in the annual Audit Planning Report.
- Consideration of procurement of internal audit services in line with government policy.

In addition the ARC has undertaken a review of the appropriate risk registers to ensure that they remain 'live' documents and receives monthly financial reports.

The ARC has also considered the early indications of the year end outturn for 2011-12.

The Authority Chair will continue to seek an additional member to ensure that the committee remains quorate following the departure of the BRC representative.

Jane Mordue
Chair ARC
30 March 2012

Update from Chief Operating Officer regarding Accounts Position for Year Ending 31 March 2012

The year-end accounts will be subjected to audit by the National Audit Office week commencing 30 April 2012 with a view to the Annual Report and Accounts being laid before Parliament on 27 June 2012.

Very early indicative figures suggest that the actual expenditure for the year will be very close to budget and I give below a schedule of the variances. I stress that, at this stage, the figures are only extracted from the management accounts and therefore could be subject to amendment.

2011-12 Outturn

	Actual £'000s	Budget £'000s	Variance £'000s
Licensing			
Pay Costs	924	1,023	99
Non Pay	<u>779</u>	<u>674</u>	<u>(105)</u>
	<u>1,703</u>	<u>1,697</u>	<u>(6)</u>
Enforcement			
Pay Costs	1,962	1,959	(3)
Non Pay	<u>567</u>	<u>543</u>	<u>(24)</u>
	<u>2,529</u>	<u>2,502</u>	<u>(27)</u>
Overall	4,232	4,199	(33)

Note: The above variance (£33k) includes unbudgeted restructuring costs in the year of £37k which will be funded separately by Defra.

R A Dawson
Chief Operating Officer
4 April 2012