



Gangmasters
Licensing Authority

GLA45/16b Audit and Risk Committee Report

22 April 2015

Board Paper Reference – GLA45/16b - Audit & Risk Committee (ARC) Report

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 ARC's testing of risk related to the transition between government departments and the proposed approach to providing assurance from the outgoing to the incoming GLA boards re risk management and the preparation of the annual report and accounts (ARA).

3. Reasons for Recommendation

- 3.1 Both changes provide major opportunities to the organisation but require careful management to ensure a successful outcome.

4. Summary of Key Points

- 4.1 The ARC considered the assurances concerning the transition from Defra to the Home Office. It was noted that the risk registers would be aligned with those of the Home Office. Input from the new board and the Home Office would be sought. The process of risk escalation had already been tested i.e. re the GLA annual budget.
- 4.2 An update was given on positive progress re the transition to the new board which would take over on 1 April 2015. Advice has been received from the National Audit Office (NAO) on how to best manage the transition, including the offer of template handover documents. It was agreed the outgoing ARC could give assurances to the new Board to be relied on by them when preparing the ARA. Given that the financial year was so far advanced, the Governance Statement, which would be included in the ARA, would be drafted by the outgoing ARC for consideration and signed off by the new Board. An interim set of accounts would also be produced.
- 4.3 Licensing fees were considered reflecting on the current Treasury requirement for increased cost recovery. The history of GLA licence fees was well known but the actual authority for not recovering full costs was unclear. The situation will need clarifying.
- 4.4 Internal audit reports were received on a) site visits where a substantial assurance backed up the decision to introduce discretionary inspections. b) Follow up on previous audits where continuing issues with IT were noted.

5. Financial Implications and Budget Provision

5.1 None

6. Organisational Risks

6.1 Failure to achieve a smooth transition between Defra and the Home Office and between old and new boards would have significant reputational and operational risks. The ARC is satisfied that due thought and action has gone into mitigating those risks.

7. Policy Implications and Links to Strategic Priorities

7.1 This reflects the strategic priority of fighting modern slavery and trafficking.

8. Details of Consultation/EQIA

8.1 n/a

9. Background Papers and Relevant Published Documents

9.1 n/a

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