

GLA32/7.1 Report from Audit and Risk Committee to Board

18 January 2012

BOARD PAPER REFERENCE – GLA32/7.1 – REPORT FROM AUDIT AND RISK COMMITTEE TO BOARD

The Audit and Risk Committee (ARC) works on behalf of the Board to monitor controls and risks. It also reviews performance against plan and reports on significant variances to the Board. Meetings for the coming year have been scheduled to deal with key points in the planning cycle. This means that the ARC meets on a separate day to the Board and has greater opportunity for more detailed scrutiny.

Budget 2012/13

This year's budgeting cycle is challenging given the various uncertainties: government policy on regulation; funding in a time of budgetary restraint and the closure in March 2012 of the current site and the consequent need to find alternative accommodation.

On 25 November, the ARC met to consider the budget for 2012/13, based on the best estimate of the impact of the above. The ARC is grateful to Ian Livsey and Ray Dawson and their teams for their work to reduce the level of uncertainties. The ARC considered and agreed a budget for recommendation to the Board. Key areas for discussion centred around pay, legal costs, media support, performance related pay, the voluntary exit scheme and relocation. A significant concern was the potential impact of budget cuts on the reputation of the GLA. The Chief Executive confirmed that this would be a priority for the Executive Management Board (EMB).

Board Effectiveness

The new Chair is working with Defra to ensure smooth succession planning. Some members have served their full 6 year term and have been extended for a year. It was agreed that it was important to schedule changes to ensure a degree of continuity. The Chair will carry out her first round of board member appraisals once the situation is clearer. The ARC is also monitoring its own effectiveness, using a National Audit Office protocol.

Audit Cycle

The regular internal and external audit cycle continues. The ARC members' main concern was to monitor costs of audit which, for a comparably small operation, need to be kept proportionate. A report on costs will come to the next ARC meeting in March 2012.

Risk Registers

These were discussed and challenged to ensure that they are 'live' documents. The Chief Executive confirmed that the registers would be reviewed to ensure that they stayed sharp and relevant.

Jane Mordue, Chair, ARC
6 January 2012