

GLA 31/7

**Audit and Risk Committee
Chair's Annual Report
2010-11**

12 October 2011

**BOARD PAPER REFERENCE – GLA31/7 – AUDIT AND RISK COMMITTEE
CHAIR’S ANNUAL REPORT 2010-11**

The Audit Framework

The Audit and Risk Committee (ARC) continues to work on behalf of the GLA Board, under the guidance of the National Audit Office (NAO), and with the advice of our internal auditors.

Financial Performance

The ARC continues to receive presentations on the financial performance of the Authority, which it considers in detail on behalf of the Board.

Risks

The ARC has continued to identify and review the business risks arising from the GLA’s work and management’s proposed actions to reduce these.

The business risk, fraud risk and pensions risk registers were reviewed regularly on an exception basis and there is a report in the Annual Report and Accounts. Detailed discussions were held at all ARC meetings on the subject of risk. A further risk was added to the Fraud Risk register to reflect the new Bribery Act.

Internal and External Audits

Internal audit: The ARC received reports on both external and internal audits of the work of the Authority during the year. The issue of legal costs arising from appeals continues to be of concern but, following a review of past practice and discussion with the CEO, the ARC is confident that proposals for improvement have been adopted by GLA management.

During 2010-11 the ARC has received the following reports from RSM Tenon, the Authority’s internal auditors:

	Overall Opinion *
Corporate Governance	Green
Payroll & Expenses	Green
Risk Management	Green
Follow-up of Internal Audit Report	No opinion
Human Resources	Green
Intelligence – Advisory Review	No opinion
Key Financial Controls	Green

*Overall opinion: RSM Tenon provides an opinion on each audit report which is either green, amber or red. Green equals a high level of assurance.

External audit: The external audit programme for 2010-11 was agreed with NAO and the key audit issues and risks discussed. The audit was carried out by Deloitte under the auspices of NAO.

Annual Report and Accounts

The ARC also considers the corporate plan and the format and content of the annual report. The Annual Report and Accounts were presented to the June 2011 ARC meeting and various minor amendments were agreed. They were subsequently agreed by the Board and laid in Parliament on schedule in July 2011.

Conclusion

The ARC has continued to rigorously test the control system of the Authority and to review financial performance. All our endeavours have demonstrated that the GLA staff remain open to advice and are working in the best interests of the Authority.

We thank the representatives of the NAO for their wise advice and counsel and especially to Stephen Ferris. The efficient support of Ray Dawson and Jane Riley is also gratefully acknowledged.

Jane Mordue
Chair
12 October 2011