



Gangmasters
Licensing Authority

GLA52/16 Audit and Risk Committee

18 January 2017

Board Paper Reference – GLA52/16 - Audit & Risk Committee

1. Purpose of the Report

- 1.1 To provide the Audit and Risk Committee's (ARC) 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 following its meeting on 8 December 2016.

2. Recommendation

- 2.1 The Board is asked to note this report and in particular the Committee's continuing concerns in respect of the IT and LAWS systems risks.

3. Reasons for Recommendation

- 3.1 The recommendation is made in accordance with the Committee's terms of reference.

4. Summary of Key Points

- 4.1 The Committee considered the position on fees and expressed concern that there had been no progress in establishing a formal plan and timescale for a review of the continuing significant shortfall in fees against costs. The Committee noted the requirements of Managing Public Money to recover full costs (para 6.2.1) and that, where recovery is below cost, this should be subject to a plan and regular review (para 6.4.2). The Committee noted that changes in legislation might have an effect on the position in future, but asked the Accounting Officer to ensure that the GLA provided the Home Office with any further information that was required as soon as possible so that this matter could now be properly addressed and discussed at the next high level sponsor meeting.
- 4.2 The Committee noted the internal audit report on compliance procedures and noted the GLA responses. In particular, the Committee welcomed the commitments to address consistency and procedural issues in respect of policies and procedures.
- 4.3 The Committee considered and commented on NAO's audit plan for 2016/17. The further reduction in the fee was welcomed. The Committee also noted the NAO's "Round up for Audit Committees", which gave examples of NAO's work from across government, and asked that this be shared with the Board.
- 4.4 The Committee considered the risk update and noted:
 - Continuing concerns on the position on IT risks and the potential impact on the GLA's ability to discharge existing and planned responsibilities. The Committee noted the work of the Transition Project Board and urged the Chief Executive to ensure that there are robust contingency plans in place.

- The Committee noted that there appeared to be a number of issues to be agreed with the Home Office that were longstanding, for example issues relating to fees and the Chief Executive's remuneration. The Committee was concerned that these issues could get in the way of the significant strategic issues currently being considered and suggested that it might be helpful to identify such issues with a view to some 'deck clearing'. Officials and the Home Office Observer agreed that this should be done.

4.5 The Committee considered a draft paper on the top single points of failure and made suggestions for amendment.

5. Financial Implications and Budget Provision

5.1 The Committee noted the continuing potential financial impacts of the legal challenge cases and the ICT/LAWS replacement issues.

6. Organisational Risks

6.1 The organisational risks were discussed as set out above.

7. Policy Implications and Links to Strategic Priorities

7.1 None.

8. Details of Consultation/EQIA

8.1 None.

9. Background Papers and Relevant Published Documents

9.1 NAO Round-Up for Audit Committees.

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Senior Responsible Officer: