

AUDIT & RISK ASSURANCE COMMITTEE

Summary Report of 11th November 2020 meeting

The Committee considered the following:

Risk Management Update

Committee Members were updated on, and reviewed, the latest iteration of the risk register which included the disaggregation of one corporate risk into two. Members asked specifically about mitigating actions around one risk and the relevant director provided further detail on the actions taken and potential future actions. Members were made aware that HM Treasury have recently published a 'Guidance Note' regarding risk appetite to accompany HM Treasury's guidance on risk management, the Orange Book, that was reissued earlier this year.

<https://www.gov.uk/government/publications/orange-book>

Financial Accounts Update

Publication and laying in Parliament of the FSA's Westminster and Consolidated accounts is now expected before Christmas. The delay has been caused by the late third-party assurance on the London Pensions Fund Authority's pension asset valuation. This assurance is, unfortunately, entirely outside FSA's control but has now been completed. Once the pension fund audit report (that relies on the LPFA assurance) is completed by Mazars/NAO, digital sign off by the FSA Accounting Officer of the final Annual Reports and Accounts will be requested, ahead of the National Audit Office's (NAO) final review and submission for digital certification by the Comptroller and Auditor General.

Audit Assurance Progress Report

The report recorded the work of the audit team, including the publication of two reports with five audits in progress and updated Members on the review of the Local Authority assurance and audit work across the FSA. The report also captured the learnings from changes to working practices and delivery applied over the last eight months due to Covid.

Audit Assurance Planning Process

The Head of Audit Assurance outlined the process involved in developing the FSA's risk-based business and Official Controls audit plans using risk-based and cyclical factors. Audit plans for local authorities in each country are developed jointly and have country-specific elements to reflect local priorities.

AOB

Members discussed the Government Internal Audit Agency's Bulletin on that compared 93 Audit Committees to key aspects of current codes and good practice guidance. Members agreed that whilst the FSA ARAC performed well in comparison, there are areas where improvements could be made and action is being taken to address these.

Members agreed that cyber-security training for all Board Members should be arranged.

The Chair will discuss the concept of a 'deep dive' on one topic with the FSA Chair and Chief Executive as a way for ARAC members to gain greater insight into one area of the FSA and how the risks and controls around it are managed.

Date of next meeting: 19th January 2021.