

**Subject:** Report of the meeting of the Audit Committee held on 21 June 2012  
**Agenda item:** Public item 4  
**Report No:** 1  
**Meeting date:** 17/07/2012  
**Report to:** Board  
**Report of/by:** Jonathan Dutton, Executive Director of Finance and Corporate Services

**FOR INFORMATION**

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**This report will be considered in public**

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**1. SUMMARY**

- 1.1. This paper provides an update to the Board on the meeting of the Audit Committee held on 21 June 2012.

**2. RECOMMENDATIONS**

- 2.1 The Board is invited to **NOTE** this report.

**3. BACKGROUND**

- 3.1. The main matters considered by the Committee were:
- a) Audit Committee procedures and terms of reference
  - b) External Auditor
  - c) Internal Audit Plan for 2012/13
  - d) Risk Management and Internal Controls

**4. ISSUES DISCUSSED**

**Audit Committee procedures and terms of reference**

- 4.1. The Committee discussed the Audit Committee's procedures and terms of reference, and discussed some possible amendments to the terms of reference for future consideration by the LLDC Board. These related to employees and third parties being able to raise concerns with the Audit Committee and the Committee reviewing LLDC's risk and issues registers.

**External Auditors**

- 4.2. The Committee noted that the Audit Commission was managing the process for the appointment of external auditors for the Corporation for the next five years, as part

of the GLA's North London grouping. It was likely that the contract would be awarded to KMPG, provided there were no conflicts of interest.

#### **Internal Audit Plan for 2012/13**

- 4.3. The Committee agreed to recommend the Internal Audit plan for 2012/13 for approval by the Board. The plan includes four pieces of work to be carried out by the internal auditors, Moore Stephens: the second phase of a review of the purchase to pay finance system; a review of the Change Control process; a review of the Corporation's procurement arrangements; and a review of a completed business case. The Board is asked to approve this plan as part of a separate item on the agenda.

#### **Risk Management and Internal Controls**

- 4.4. The Committee noted the Corporation's approach to risk management and internal controls, including the Anti –Fraud, -Bribery and –Corruption Policy and the Whistle Blowing Policy.

### **5. LIST OF APPENDICES TO THIS REPORT**

- 5.1. None

#### **List of Background Papers**

- Papers for the meeting of the Audit Committee held on 21 June 2012

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