

**Subject:** Report of the meeting of the Audit Committee held on 4 March 2013  
**Agenda item:** Public item 6  
**Report No:** 3  
**Meeting date:** 26 March 2013  
**Report to:** Board  
**Report of/by:** Keith Edelman, Chair of the Audit Committee

**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 4 March 2013.

**2. RECOMMENDATIONS**

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

**3. ISSUES DISCUSSED**

**Executive Director of Finance and Corporate Services' Update**

- 3.1. The Committee noted the report of the Executive Director of Finance and Corporate Services including the appointment of Ernst & Young as external auditors. The Committee discussed a possible amendment to their terms of reference for future consideration by the LLDC Board relating to the oversight of any subsidiaries of LLDC.

**Treasury Management**

- 3.2. The Committee received an overview of the GLA's Treasury Management policies and agreed that the Board should be asked to approve the proposal that the GLA would perform certain treasury management functions on LLDC's behalf. This is covered as a separate item on the agenda for this meeting.

**Insurance update**

- 3.3. The Committee noted a report which provided an update on LLDC's insurance arrangements.

### **Trading arrangements**

- 3.4. The Committee noted a report describing the proposed arrangements being established to support trading activities of LLDC at 3 Mills Studios and ArcelorMittal Orbit in the first instance.

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

- 3.5. The Committee considered a report providing an update on the work of the internal auditors, Moore Stephens. The Committee noted and discussed the outcome and recommendations from of the recent audit on the LLDC's Change Control process which was amber green and the desk based review of the Business Case process. The Committee noted the remaining audits to be undertaken on: Park Transformation, LLDC's procurement arrangements, and a review on the implementation of recommendations relating to a previous audit on LLDC's Purchase to Pay finance system.

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

- 3.6. The Committee noted a report updating on LLDC's Corporate Risk and Issues management.

### **Draft capital and revenue budget 2013/14**

- 3.7. Following a positive resolution to exclude members of the press and public, in accordance with Part 1, paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended) the Committee discussed and noted the draft capital and revenue budgets for 2013/14 which had been submitted to the Committee at the request of the Committee's Chair.

### **Corporate risks and issues registers**

- 3.8. Following a positive resolution to exclude members of the press and public, in accordance with Part 1, paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended) the Committee discussed and noted the corporate risks and issues registers that contain exempt information.

## **4. LEGAL IMPLICATIONS**

- 4.1. Legal and procurement advice has been obtained in relation to these matters.

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

- 5.1. None

### **List of Background Papers**

- Papers for the meeting of the Audit Committee on 4 March 2013

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