

AUDIT & RISK COMMITTEE REPORT 2009 – 10

- 1 The Audit & Risk Committee has delegated responsibility for audit and risk matters at Consumer Focus on behalf of the Board. The Committee Chair reports to the Board after each meeting.
- 2 Committee members are Christine Farnish (Committee Chair), Sukhvinder Kaur Stubbs, Sharon Darcy and Dame Suzi Leather, all of whom are non-executive Consumer Focus Board members.
- 3 The Accounting Officers during the year 1 April 2009 to 31 March 2010 were:
Ed Mayo, Chief Executive, to September 2009
Philip Cullum, Acting Chief Executive, to February 2010
Mike O'Connor, Chief Executive, from February 2010
- 4 The Consumer Focus Chief Executive, Finance and Operations Director and Head of Finance normally attend meetings together with internal audit (Tribal Business Systems), external audit (NAO) and an observer from BIS. Secretariat support is provided by the Consumer Focus Secretariat.
- 5 The Committee met six times (including one teleconference) in 2009-10 and considered internal audit reports on:
 - Strategic control - substantial assurance given
 - Preliminary review of network infrastructure changes - reasonable assurance given
 - IT review of the network controls arrangements - reasonable assurance given
 - Budgetary control: reasonable assurance given
 - National Social Marketing Centre (NSMC): substantial assurance given
 - Recruitment: substantial assurance given
 - Integration arrangements: reasonable assurance given
 - Main financial systems: reasonable assurance given
- 6 Tribal, in their Internal Audit Annual Report 2009 – 10 have given xxx (tba) assurance on the design, adequacy and effectiveness of the system of internal control. The Committee has reviewed this work and has assured the Board that adequate progress is being made on systems and control following the merger of predecessor bodies.
- 7 The Committee had to provide a strong steer during the early part of the year to ensure that controls and reporting mechanisms were on track. The appointment over this period of a new Chief Executive, Finance and Operations Director and Head of Finance has been welcomed.
- 8 Consumer Focus faces a number of strategic uncertainties as this time, principally the changing consumer body landscape; likely impacts of public sector cuts and the pending appointment of a Consumer Advocate / new Chair.
- 9 In 2009-10 the Consumer Focus risk register changed from a project based to a strategic risk register. Over the year there has been an increase in high scoring strategic risks and the trend is continuing. Most of these risks are significantly driven by the external environment.

- 10 The Committee is satisfied with the quality of internal and external audit. The Committee seeks rigour and challenge from the auditors and welcomes the open and constructive dialogue which takes place. The Committee believes that through this work it is able to take a fair and measured view of the quality of financial and other systems of control within Consumer Focus.
- 11 2009/10 has been Consumer Focus's first full year of operation. The Committee has provided oversight and direction in testing and reviewing the reliability and integrity of audit assurances and the assessment and management of strategic risks. The Committee considers that it has directed the internal audit function towards appropriate risks. It has challenged the executive to improve internal processes and acknowledges the developing nature of policies and procedures. The Committee has worked constructively with all concerned and is satisfied that management within Consumer Focus is committed to maintaining an appropriate level of internal control, further improving processes and procedures and making prudent use of resources.
- 12 The Committee has decided to review its Terms of Reference to ensure they continue to be appropriate now that the Committee has been operational for 2 years.
- 13 In October 2008 Committee members attended training for Audit Committees, delivered by the National School of Government. The Committee has now decided to review its own performance and will undertake NAO facilitated training for Audit Committee Self Assessment this summer.