

To:	Legal Services Board	
Date of Meeting:	25 March 2015	Item: Paper (15) 32

Title:	Report of the 13 May 2015 Audit and Risk Assurance Committee meeting	
Author:	Adewale Kadiri, Corporate Governance Manager adewale.kadiri@legalservicesboard.org.uk	
Introduced by:	Terry Babbs, Chair, Audit and Risk Assurance Committee	
Status:	Official	

Summary:
The Audit and Risk Assurance Committee (ARAC) met on 13 May 2015. This paper provides a report on the key issues considered. The draft minutes will be circulated under separate cover to Board members, once finalised.

Recommendation(s)
The Board is invited to <u>note</u> and <u>comment</u> on the key points arising from the Audit and Risk Assurance Committee meeting held on 13 May 2015

Risks and mitigations
Financial: N/A
Legal: N/A
Reputational: N/A
Resource: N/A

Consultation	Yes	No	Who / why?
Board Members:	✓		ARAC Chair
Consumer Panel:		✓	N/A
Others:	N/A		

Freedom of Information Act 2000 (Fol)		
Para ref	Fol exemption and summary	Expires

LEGAL SERVICES BOARD

To:	Legal Services Board	
Date of Meeting:	27 May 2015	Item: Paper (15) 32

Report of the 13 May Audit and Risk Assurance Committee meeting

1. The Audit and Risk Assurance Committee (ARAC) met on 13 May 2015. This paper summarises the key issues considered.
2. The draft minutes will be circulated under separate cover to Board Members, once finalised.
3. In summary, the Committee
 - a) Held a brief private meeting with the auditors;
 - b) Received notification that following the Kingsway fire incident, a review of the LSB's business continuity plans is to be carried out;
 - c) Received and commented on the draft ARAC annual report for 2014/15;
 - d) Noted and commented on the annual report on expenses 2014/15;
 - e) Received the finalised version of the Head of Internal Audit Annual Report and Opinion 2014/15, in relation to which changes had been made to the LSB's Governance Statement;
 - f) Discussed the contents of the NAO completion report 2014/15 and management letter. A summary of the auditors' findings was received, and it was confirmed that the draft letter of representation would be signed once outstanding audit work around had been completed. The auditors also received assurance from the Committee Chair with regard to the adequacy of management processes to identify and respond to the risk of fraud, and any knowledge of actual or suspected fraud;
 - g) Received and endorsed an almost final version of the LSB's Annual Report and Accounts 2014/15. It was confirmed that the Accounting Officer would sign the report on 28 May, following final checks by the auditors, and it is intended that the report would be laid before Parliament on 9 June;
 - h) Reviewed the LSB corporate risk register;
 - i) Discussed the introduction of the inherent risk management process. It was agreed that this approach would initially be piloted on the three red rated risks on the register as well as those risks with a rating of 12, and that there would be further discussion of the process at the Committee's October meeting;
 - j) Conducted initial reviews of draft policies on the Bribery Act and the handling of price sensitive information. The Committee's comments on the anti-bribery policy included that a suitable electronic training course should be rolled out to all colleagues, and more helpful examples of

what would constitute unlawful practice should be included. With regard to price sensitive information, it was recommended that account should be taken of guidance issued by the economic regulators

- k) Asked that further work be done to strengthen the action plan that had been devised to help enhance the Committee's effectiveness.

Recommendation

3. The Board is invited to note and comment on the key points arising from the Audit and Risk Assurance Committee meeting held on 13 May 2015.