

To:	Legal Services Board	
Date of Meeting:	23 March 2016	Item: Paper (16) 19

Title:	Report of the 10 March 2016 Audit and Risk Assurance Committee meeting	
Author/introduced by:	Adewale Kadiri, Corporate Governance Manager adewale.kadiri@legalservicesboard.org.uk Terry Babbs, Chair, Audit and Risk Assurance Committee	
Status:	Official	

Summary:
The Audit and Risk Assurance Committee (ARAC) met on 10 March 2016. This paper provides a report on the key issues considered. The minutes of the meeting have not yet been formally approved by the Committee, and will be circulated to Board members in due course.

Recommendation(s)
The Board is invited to note and comment on the key points arising from the Audit and Risk Assurance Committee meeting held on 10 March 2016

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

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Report of the 10 March 2016 Audit and Risk Assurance Committee meeting

1. The Audit and Risk Assurance Committee (ARAC) met on 10 March 2016. The minutes of the meeting have not yet been agreed by the Committee, but once this is done, they will be circulated electronically to Board members.
2. In summary, the Committee
 - a) Held a brief private meeting with the auditors;
 - b) Received an update on the internal audit programme. The two planned reviews have either been completed or are shortly to get underway. Questions were raised as to whether an organisation of the LSB's size required 10 days' of internal audit time, and it was agreed that this will be reviewed, taking account of practices at other similar organisations and what is needed in order to obtain a Head of Internal Audit opinion;
 - c) Reviewed the LSB's Corporate Risk Register, noting the change to the way in which the Senior Leadership Team now carries out its own monthly reviews of the register. The Committee also noted two additional risks which may or may not ultimately be added to the register;
 - d) Considered the LSB's Risk Management Strategy. In response to questions posed by the Committee, the Executive is to give further consideration to how long term trends in the sector are to be addressed in the risk register. The Strategy will be brought to the Board in April, at which point a discussion about the Board's tolerance for risk will also be needed before the Strategy can be recommended. The Committee would have an opportunity to comment on this paper in advance of the Board discussion;
 - e) Were notified of the ICO's response to the LSB's self-referral of a potential data breach incident that took place in 2011 but came to light in August 2015. The ICO decided to take no further action and the Committee were assured of the actions that the Executive have taken to minimise the risk of a recurrence;
 - f) Received the NAO planning report for the 2015/16 external audit, noting the additional financial statement risk relating to the recognition of the recovered costs from the QASA litigation;

- g) Noted the high level outline of and timetable for the production of the Annual Report and Accounts 2015/16. The Committee noted the changes to the format and the shorter timetable;
- h) Received an update on their effectiveness through their action plan and matrix. The Committee suggested some changes to the content and layout of the effectiveness matrix to [provide more clarity as to how well they are meeting their Terms of Reference.

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 10 March 2016.