

<b>To:</b>	Legal Services Board	<b>Agenda Item: 12</b>
<b>Date of Meeting:</b>	26 October 2017	<b>Item:</b> Paper (17) 72

<b>Title:</b>	Audit and Risk Assurance Committee (ARAC) - Report of the 2 October 2017 meeting
<b>Author/introduced by:</b>	Terry Babbs, Chair, Audit and Risk Assurance Committee Julie Myers, Corporate Director
<b>Status:</b>	Official

<b>Summary:</b>
The Audit and Risk Assurance Committee (ARAC) met on 2 October 2017. This paper summarises items discussed.

<b>Recommendation(s)</b>
The Board is invited to <b>note</b> the report of the ARAC meeting.

<b>Risks and mitigations</b>
<b>Financial:</b> N/A
<b>Legal:</b> N/A
<b>Reputational:</b> N/A
<b>Resource:</b> N/A

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

<b>Freedom of Information Act 2000 (Fol)</b>		
Para ref	Fol exemption and summary	Expires

## LEGAL SERVICES BOARD

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### Report of the 2 October 2017 Audit and Risk Assurance Committee

1. The Audit and Risk Assurance Committee (ARAC) met on 2 October 2017. Items discussed are summarised below.
2. Members of the Committee and the professional advisor met as a Board budget sub-group to consider the LSB's draft budget for 2017/18. The ARAC scrutinised the proposal, in particular, the extent to which it allowed for necessary research to be undertaken. The ARAC **endorsed** the LSB's draft budget proposal for 2018/19 and this will be brought to the Board for review, alongside the draft Business Plan for 2018/19 in November 2017.
3. The Committee:
  - a. held a brief private meeting with the auditors;
  - b. welcomed Alison Wedge, Head of the ALB Governance and Claims Management Regulation Division at the Ministry of Justice (MoJ) as an observer;
  - c. noted an update from the internal auditor on work to develop the internal audit plan for 2017/18 and confirmed their view that internal audit was not an appropriate substitute for independent external input into Board evaluation;
  - d. noted the positive feedback from NAO on the process followed for the 2016/17 external audit and noted that planning for the 2017/18 audit would be commencing shortly. Within this item, the Committee also noted resources available from NAO to assist Audit Committees including that on cyber security;
  - e. discussed and endorsed the annual review of the Board's risk management strategy, subject to some further drafting amendments and pending further review of reputational impact definitions;
  - f. reviewed and approved a revised corporate risk register following its biannual 'zero-based review. Individual risks were scrutinised in detail and advice provided to the executive on areas for improvement and further analysis;
  - g. discussed and agreed a proposal to introduce assurance mapping into the LSB including a pilot to be focused on two areas of the LSB's

- work. The executive were pressed to escalate the timetable for the pilot;
- h. noted a progress report on the implementation of changes to the Board's Publication Scheme;
  - i. reviewed and endorsed proposals for changes to the Board's Governance Manual, to be considered by the Board in November 2017;
  - j. noted the plans in place to prepare for the implementation of the General Data Protection regulation and reviewed two reported data handling incidents;
  - k. noted the Q1 performance report as presented to the Board in July 2017;
  - l. noted that LSB would shortly be subject to a routine HMRC inspection;
  - m. agreed to hold a 'deep dive' into LSB's approach to cyber security at the March 2018 ARAC meeting.

