

To:	Legal Services Board	
Date of Meeting:	26 March 2014	Item: Paper (14) 16

Title:	Report of the 13 March 2014 Audit and Risk Committee meeting	
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Status:	Unclassified	

Summary:
The Audit and Risk Committee (ARC) met on 13 March 2014. 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 note and comment on the key points arising from the Audit and Risk Committee meeting held on 13 March 2014

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

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

Freedom of Information Act 2000 (Fol)		
Para ref	Fol exemption and summary	Expires
Annex A: Para 15 - all bullet points, 22, 23	Section 36(2)(b)(i) – information likely to inhibit the free and frank provision of advice	
Para 27 including all bullet points	Section 22 – information intended for future publication	

LEGAL SERVICES BOARD

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Report of the 13 March Audit and Risk Committee meeting

1. The Audit and Risk Committee (ARC) met on 13 March 2014. This paper provides a report on 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 to consider:
 - i. The role of the Committee adviser. The outcome of this discussion was that Philip Lindsell's contract would be extended for one year only
 - ii. LSB's budget and business plan for 2014/15. The overall figure was endorsed, subject to more detail being provided on individual headings
 - b) Received KPMG's internal audit reports of their reviews of LSB's financial systems, and corporate governance and risk management, both of which had been assessed as 'good'. They also noted the satisfactory draft Head of Internal Audit Opinion;
 - c) Noted and commented on the LSB Corporate Risk Register;
 - d) Noted and approved proposed changes to the LSB Publication Scheme, but suggested that information on contracts be included in the scheme. A copy of the paper that was considered by the Committee is attached at **Annex A**. Key points that emerged from the Committee's discussion are:
 - i. Agreement with the decision not to add papers relating to Gateway Group strategy sessions to the scheme
 - ii. Recommendation that the decision not to publish Board papers at the time of the meeting is to be considered in due course by the new Chairman
 - iii. Recommendation that information on contracts should be made available through the publication scheme;
 - e) Reviewed changes and additions to the
 - i. Internet, email, computer and telecommunications policy,

- ii. information security policy, including an introduction to the new Government Security Classifications scheme
 - iii. internal whistleblowing policy, and
 - iv. reporting and investigation scheme: fraud and corruption allegations made by someone not employed by the LSB;
- f) Received the NAO external audit planning report for 2013/14, and held a lengthy discussion with the NAO about the treatment within the accounts of the LSB's levy income. The outcome of this was that the NAO would revert to the Executive with a view on their likely opinion were the accounting treatment to remain unchanged, and the Executive undertook to make as much progress on this issue as possible prior to this Board meeting.
- g) Received and commented on the first early draft version of documents of the sections that make up the Parts 1 and 2 of the Annual Report and Accounts for 2013/14, noting the need for more of an emphasis on outcomes in later versions;
- h) Received the updated Committee effectiveness action plan, and agreed that this would be refreshed once a new Committee Chair is in place and has had the opportunity to consider the approach that he or she wishes to take.

Recommendation

3. The Board is invited to:

note and comment on the key points arising from the Audit and Risk Committee meeting held on 13 March 2014.