

<b>To:</b>	Legal Services Board	
<b>Date of Meeting:</b>	26 November 2014	<b>Item:</b> Paper (14) 67

<b>Title:</b>	Report of the 5 November 2014 Audit and Risk Committee meeting	
<b>Author / Introduced by:</b>	Adewale Kadiri, Corporate Governance Manager Adewale.kadiri@legalservicesboard.org.uk / 020 7271 0070/ Terry Babbs, Chair, Audit and Risk Committee	
<b>Status:</b>	Unclassified	

<b>Summary:</b>
The Audit and Risk Committee (ARC) met on 5 November 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.

<b>Recommendation(s)</b>
The Board is invited to note and comment on the key points arising from the Audit and Risk Committee meeting held on 5 November 2014

<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>	✓		ARC members
<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

<b>To:</b>	Legal Services Board		
<b>Date of Meeting:</b>	27 November 2014	<b>Item:</b>	Paper (14) 67

### **Report of the 5 November Audit and Risk Committee meeting**

1. The Audit and Risk Committee (ARC) met on 5 November 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) Considered, in private session proposals for the LSB Budget for 2015/16
  - b) Held a brief private meeting with the Auditors
  - c) Received an oral update from the NAO on lessons learnt from the 2013/14 audit. It was agreed that the process had proceeded smoothly from both the LSB and auditors' points of view
  - d) Received the 2014/15 internal audit annual plan. Although the plan had already been agreed by the Accounting Officer, it was agreed that in view of the recent IT upgrade and the imminent arrival of the new Chief Executive, consideration would be given to bringing forward reviews of corporate governance and business continuity risk
  - e) Considered proposals for a new approach to assessing the Committee's effectiveness. The Committee agreed with the idea of basing this assessment on each of the heads of its terms of reference, but it was agreed that further work would be done to better align the consideration of its processes and outcomes. The input of KPMG, NAO and the external adviser will be considered in taking further proposals to the Committee
  - f) Reviewed the LSB Risk Management Strategy, noting that this had been the subject of a fundamental review in 2013/14. It was agreed that the Board would be asked to consider whether the LSB's tolerance for strategic risk should be temporarily moved from high to low in the period between Chris Kenny's departure and Richard Moriarty's arrival. It was also noted that there is a case for considering risk appetite again in May following the General Election
  - g) Reviewed the Corporate Risk Register. No movement in any of the scores was recommended. The increase in the number of staff leaving the organisation was noted, but the Committee was assured that all necessary steps were being taken to limit any adverse operational impact that this might have

- h) Considered recommendations for the review of the LSB Governance Manual. No major changes were recommended to any of the policies, but the Executive were asked to address the mismatch between the LSB's statutory obligations with regard to the presentation of the OLC's annual reports and accounts, and what currently happens in practice. The Committee also noted the arrangements for temporarily vesting Accounting Officer responsibilities following Chris Kenny's departure.

### **Recommendation**

4. The Board is invited to:

note and comment on the key points arising from the Audit and Risk Committee meeting held on 5 November 2014.