

<b>To:</b>	Board
<b>Date of Meeting:</b>	28 March 2012
<b>Item:</b>	Paper (12) 23

<b>Title:</b>	Minutes of the Audit and Risk Committee – 29 February 2012
<b>Status:</b>	Protect

**Summary:**

The Committee:

1. Met in private session and agreed an extension of the external adviser's appointment up to May 2013. The Committee also agreed to the continuation of KPMG LLP as the LSB's internal auditors for a period of a further three years, from 2012/13 to 2014/15, subject to the Board's approval. **In line with the matters reserved to the Board, the Board is therefore invited to agree the retention of the services of KPMG LLP for a period of three years from 1 April 2012 to 31 March 2015.**
2. Noted that corporate insurance cover was now in place and that liability limits would be checked (**see Paper (12) 21 paragraph 6**).
3. Reviewed the budget for 2012/13 and agreed to delay final endorsement until consideration of business plan consultation responses had taken place (**see Paper (12) 19**).
4. Noted an internal audit report on coverage against the internal audit charter for the three years to 31 March 2012; a follow up internal audit report on the LSB's corporate governance and risk management frameworks; and a verbal update on an IT systems and information assurance audit.
5. Adopted the fully refreshed Corporate Risk Register, following a detailed review of those risks scored as 'red' and recommending its submission to the Board for agreement (**see Paper (12) 24**).
6. Noted a paper about the terms of reference for the LSB's executive groups, revisions to the LSB Scheme of delegations for onward approval by the Board (**see Paper (12) 15**) and a timetable for future reviews of LSB policies.
7. Noted the External Auditor's Audit Planning Report 2011/12 and the NAO *Letter of Understanding*.
8. Noted proposals for the production of the Annual Report and Accounts 2011/12, together with the plan for the preparation of a *Governance Statement*, to replace the *Statement on Internal Control* for the year 2011/12.
9. Noted the progress report on actions for improvement in the Committee's effectiveness and performance.
10. Noted a summary report on the operation of the levy in 2011.
11. The potential implications of the HMT internal audit transformation programme.

<b>Risks and mitigations</b>	
<b>Financial:</b>	N/A
<b>FoIA:</b>	Annex A: paragraph 6, second and third sentences of paragraph 8 and paragraph 14, bullet points 4-10 – s36
<b>Legal:</b>	N/A
<b>Reputational:</b>	N/A
<b>Resource:</b>	N/A

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

<b>Recommendation:</b>
<p>The Board is invited to:</p> <ul style="list-style-type: none"> <li>• agree the retention of the services of KPMG LLP for a period of three years from 1 April 2012 to 31 March 2015</li> <li>• note the draft minutes of the Audit and Risk Committee on 29 February 2012 attached at <b>Annex A</b>.</li> </ul>