

To:	Legal Services Board	
Date of Meeting:	18 March 2013	Item: Paper (13) 18

Title:	Report of the 11 March Audit and Risk Committee meeting	
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	Steve Green, Chair, Audit and Risk Committee	
Status:	Unclassified	

Summary:
The Audit and Risk Committee (ARC) met on 11 March 2013. 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: <ul style="list-style-type: none"> note and comment on the key points arising from the Audit and Risk Committee meeting held on 11 March 2013 consider whether it wishes to put in place a prohibition on first class travel though an amendment of the LSB's expenses policy (similar to that in place for MoJ civil servants) – Annex A refers.

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
	None	

LEGAL SERVICES BOARD

To:	Legal Services Board		
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Report of the 11 March Audit and Risk Committee meeting

1. The Audit and Risk Committee (ARC) met on 11 March 2013. 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 terms of a summary of business, the Committee:
 - a) Met in private session to consider the issues and timing around the requirements for an external adviser to the Committee, in the context of Board Members' succession. The Committee decided not to make an immediate change, but to consider the situation again as soon as appointments were made to replace NED colleagues leaving the Board in March 2014.
 - b) Considered and agreed the executive's recommendations in relation to the draft budget for 2013/14 of £4,458k (£4,498k 2012/13) for onward consideration by the Board - Paper (13) 15 on the Board's agenda refers.
 - c) Noted a verbal update from KPMG, the Board's internal auditors, on the new Government Internal Audit (GIA) Standards, which come into force on 1 April 2013 and received assurances regarding KPMG's compliance with them.
 - d) Noted and commented on two internal audit reports received in the last quarter: Statutory decision making (overall report rating – acceptable, with two performance improvement opportunities); and Human Resources (overall report rating – good, with no performance improvement opportunities). The Committee also discussed and noted the draft Head of Internal Audit Annual Opinion. The Accounting Officer welcomed the speed of its production and clarity of drafting.
 - e) Adopted the updated Corporate Risk Register, following a detailed review of the register, with a particular focus on red risks as well as those that were newly identified – for onward consideration by the Board – Paper (13) 19 refers.
 - f) Noted the executive's plans in relation to finalising the LSB's information risk and assurance policies, including the LSB Internet, Email, Computer and

Telecommunications Policy; Data Protection Policy; LSB Information and Retention Policy and Information Security Policy. Developments were noted in relation to latest guidance from the Information Commissioner's Office about the use of 'bring your own devices' and an LSB social media policy.

- g) Noted the contents of the NAO Planning Report for its 2012/13 audit, noting in particular significant risks, fraud, NAO's audit approach and NAO and LSB's specific responsibilities.
- h) Noted the timetable for the production of the Annual Report and Accounts 2012/13, including the elements of the draft Report available so far and the issues in relation to the production of the 2012/13 Governance Statement. The Committee agreed the text and format of the Financial Statements, subject to end year data being inserted.
- i) Latest progress in relation to the 2012/13 ARC effectiveness action plan.
- j) Agreed to recommend to the Board the prohibition of all first class travel (subject to one exemption, around supporting the needs of some disabled staff in carrying out their duties) through an amendment of the LSB's expenses policy for consideration by the Board. **Annex A** sets out the issues in more detail.

Recommendation

- 4. The Board is invited to:
 - note and comment on the key points arising from the Audit and Risk Committee meeting held on 11 March 2013
 - consider whether it wishes to put in place a prohibition on first class travel through an amendment of the LSB's expenses policy (similar to that in place for MoJ civil servants) – **Annex A** refers.