

<b>To:</b>	Legal Services Board	
<b>Date of Meeting:</b>	24 October 2018	<b>Item:</b> Paper (18) 53

<b>Title:</b>	Audit and Risk Assurance Committee (ARAC) - Report of the 2 October 2018 meeting
<b>Introduced by:</b> <b>Author:</b>	Terry Babbs, Chair, Audit and Risk Assurance Committee Holly Perry, Head of Corporate Services
<b>Status:</b>	Official

<b>Summary:</b>
<p>The Audit and Risk Assurance Committee (ARAC) met on 2 October 2018.</p> <p>This paper summarises items discussed and the actions that have been progressed since. The draft minutes of the meeting are attached at <b>Annex A</b> – at the time of writing, these had been cleared with the Chair of ARAC and the Accounting Officer, but not the members of the Committee.</p>

<b>Recommendation</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		

Freedom of Information Act 2000 (Fol)		
Para ref	Fol exemption and summary	Expires
Para 2; Para 4, bullet (g) point c; Para 4, bullet (h);	Section 36(2)(b): information likely to inhibit the free and frank provision of advice and the exchange of views for the purposes of deliberation	N/A

Para 3		
Para 4, bullet (i); Para 4, bullet k, l, m	Section 43: information relates to the commercial interests of any person/ organisation	
Annex A	Section 22: information intended for future publication	

**LEGAL SERVICES BOARD**

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**Report of the 2 October 2018 Audit and Risk Assurance Committee**

*Meeting of ARAC sitting as a Finance Committee*

1. The Audit and Risk Assurance Committee (ARAC) met on 2 October 2018. Items discussed are summarised below. The draft minutes are attached at **Annex A**.

2. [REDACTED]

- [REDACTED]
- [REDACTED]

3. [REDACTED]

*ARAC meeting*

4. The Committee:  
a. held a brief private meeting with the auditors;

- b. welcomed Ella Firman, National Audit Office, who had taken over from Ali Morgan as the lead auditor for the LSB;
- c. noted the update on the LSB assurance mapping work which had been circulated out of committee on 27 June 2018;
- d. noted that there had been no incidents of fraud, including cyber fraud, since the last meeting;
- e. noted an update from the internal auditor on work to develop the internal audit plan for 2019/20 – a revised plan, taking on board comments raised in discussion, would be presented to the Committee in December 2018 by correspondence;
- f. noted the positive feedback from NAO on the process followed for the 2017/18 external audit and noted that planning for the 2019/20 audit would be commencing shortly. The interim Finance Director would be undertaking a full review of the new accounting standards shortly, assessing their impact for the LSB;
- g. discussed and endorsed: (a) the work so far carried out by the executive on risk appetite – which would be reported to the Board in November; (b) the latest version of the corporate risk register, subject to a number of comments being incorporated; (c) [REDACTED]  
[REDACTED] (d) the annual review of the Board’s risk management strategy, subject to some further drafting amendments and pending formulation of a new risk register based on the broad categories of risk set out in the strategy, for presentation to the Board in November;
- h. discussed the deep dive [REDACTED] noting that the executive were developing guidance on deep dives – the Committee agreed that the paper had been helpful in illuminating key points, and that pressure should continue to be applied in the key areas [REDACTED]  
[REDACTED];
- i. [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]
- j. reviewed and endorsed proposals for changes to the Board’s Governance Manual, to be considered by the Board in November 2018, subject to drafting changes to be submitted to the executive out of committee;

k. [Redacted]

[Redacted]

[Redacted]

[Redacted]

l. [Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

m. [Redacted]

[Redacted]

HP  
15 October 2018