

# **Minutes of the nineteenth meeting of the**

## **Office for Legal Complaints Audit and Risk Committee**

**Monday 20 January 2014**

**09.30am – 11.00am**

### **Baskerville House, Birmingham**

#### **Present:**

Karen Silcock, Chair  
Tony Foster, member  
Professor Mary Seneviratne, member

#### **In attendance:**

Adam Sampson, Chief Ombudsman  
Rob Hezel – Chief Operating Officer  
Paul Partridge, Head of Finance  
Claire Forbes, KPMG  
Julie Myers - LSB  
Alex Games, NAO

#### **Committee Secretary:**

Janet Edwards          Assistant to the Policy and Communications Team

#### **Preliminary issues:**

The quorum requirements for the Committee meeting were met; no conflicts of interest were declared.

#### **Item 1 – Welcome:**

1. The Chair welcomed those in attendance and apologised for the delayed start.

#### **Item 2 – Minutes of previous meeting:**

2. The minutes of the meeting of 21 October 2013 were approved for publication.

#### **Item 3 – Matters arising & action points:**

3. Both outstanding actions are still awaiting responses from our sponsor team and will be picked up at the next meeting.

#### **Item 4 – Risk Review:**

4. The Head of Finance presented the updated 'Risk Register'.

Concerns were expressed that the implementation of an independent disaster and recovery solution was unlikely to take place before the end of the year due to the implementation of the new case management system.

The Chair suggested that because of the risk to the business in the event of a major failure consideration should be given to making interim arrangements. Head of Finance explained that costs were already being looked into.

The Chair also raised an issue regarding the loss of access to the HR system during November. Head of Finance confirmed it was a control failure on the part of the host supplier which required corrupted databases to be re-installed. The Chair felt it required investigation, a full explanation and an assurance as to how the supplier would ensure that it wouldn't happen again.

**ACTION:**

Head of Finance to continue looking at the cost of an interim disaster and recovery solution and report back at the April meeting.

Head of Finance to follow up the HR issue with the host supplier.

**Item 5 – Proposal for review and update of policies:**

5. Head of Finance stated that he was not aware of any policies being significantly out of date, although one policy had been highlighted to review whether a change in approach was desirable.

The Chair suggested looking at linking policies where appropriate to reduce numbers. This will be picked up at a future meeting

**Item 6 – Internal Audit Aggregated Report:**

6. The Head of Finance presented a summary of internal audit findings as of January 2014.

There were four items not yet remediated  
There were no questions about the overdue items.

**Item 7 –Internal Audit update:**

7. KPMG provided members with an internal audit update.

KPMG reported that one audit in respect of Finance – Accounts Receivable Controls had been completed, identifying a number of elements of good practice.

Some discussion took place around areas identified for improvement including the use of pre-signed cheques, credit notes posted as a result of corrections and the policy for chasing debt.

**Action:**

Head of Finance to look into the possibility of using a commercial bank account and take to OLC for approval as soon as possible.

Head of Finance to look at setting up an interim process to log all cheques and commence an audit process to account for all cheque numbers.

**Item 8 – External Audit Report:**

8. The NAO gave an oral update.

NAO are satisfied that we are chasing the approvals process for our payments. They will require a letter from the Treasury.

**ACTION:**

Head of Finance will contact Legal Services Board to follow up.

**Item 10 – Any other business:**

HR controls audit - It was reported that following the HR controls audit the HR manager has removed himself from write access to the HR system to improve internal control.

Self Assessment – Chief Operating officer suggested this should take place between 20 January 2014 and 31 January 2014.

**Action:**

Chief operating Officer will pick this up with KMPG

The Chair concluded the meeting by thanking Professor Mary Seneviratne for her contribution during her term as a member of the Audit and Risk Committee

Page 3 of 3

Janet Edwards - Committee Secretary