The Minutes of the 69th Meeting of the Audit and Risk Assurance Committee of the Office for Legal Complaints

Monday 9 February 2026

Members present:

Harindra Punchihewa, Chair

Alison Sansome

Georgina Philippou

In attendance:

Phil Cain, Chief Ombudsman

David Peckham, Joint Interim Chief Executive

Steve Pearson, Joint Interim Chief Executive

Laura Stroppolo, Head of Programme Management and Assurance

Blessing Simango, Head of Finance, Procurement, and ICT

Elisabeth Davies. OLC Chair – observing.

Emma Kernohan, Deloitte

Emily Kingham, National Audit Office

Ryan Hill, National Audit Office

Sarah Hutchinson, Government Internal Audit Agency

Jonathan Smithson, Government Internal Audit Agency

James Shaylor, Ministry of Justice ALB Centre of Excellence – observing.

Suganya Suriyakumaran, Regulatory Policy Manager, Legal Services Board – observing (items 4 onwards)

Aaron Rock, Enterprise Risk Manager (item 3)

Nawal Henry, Health and Safety and Facilities Manager (item 10)

Paul Conway, Performance and BI Manager (item 11)

Apologies

Richard Orpin, Legal Services Board - observing.

Minutes: Kay Kershaw, Board Governance Manager

Item 1 – Welcome, apologies, and declarations of interest

1. The Chair welcomed attendees to the meeting.
2. Apologies were noted.
3. The meeting was quorate with a lay majority present.

4. There were no declarations of interest reported.

5. In line with the Committee's Terms of Reference, the Committee held a private meeting with Internal Audit and External Auditors, prior to this meeting. The ARAC Chair reported that no matters of concern were raised during the discussion, and both audit providers had confirmed positive and effective working relationships with the Executive and with each other. The Committee **noted** the assurance provided and was content that there were no issues requiring escalation.

Item 2 – Previous minutes, previous actions, and matters arising.

6. The minutes of the ARAC meeting held on 6 October 2025 were **approved** as a true and accurate record of the meeting, subject to the amendment of some minor typographical errors.

7. ARAC **noted** the update on previous actions.

8. ARAC **ratified** a unanimous decision taken out of committee in October 2025 to approve the updated Financial Framework, subject to minor amendments, which had since been made.

Item 3 – Risk assurance review

9. The Head of Programme Management and Assurance presented a risk assurance report, setting out the position on strategic issues and risks, business unit risks and internal audit actions at the end of quarter three 2025/26. The following key points were drawn to ARAC's attention:

- All strategic risks were operating within tolerance, while all four strategic issues were currently outside tolerance, reflecting sustained and accelerating growth in new customer complaints, driven by wider demand pressures.
- The leadership resilience risk score had reduced to reflect increased stability following recent senior appointments.
- The strategic risk 'Failure to meet business plan improvements in customer experience' had been escalated to a strategic issue, in line with discussions at

December's Board meeting. The customer experience strategic risk had also been reclassified as a strategic issue.

- Further to discussions at January's Board meeting, the strategic issue relating to demand had been reworded to reflect that demand pressures were sector-led, rather than organisation-specific. The classification of this strategic issue would be considered further following the outcome of the 2026/27 budget submission, and as part of the year-end strategic risk review.
- Further to discussions with ARAC in quarter two, a new strategic issue relating to key person dependency had been introduced. Mitigations were to be developed through engagement with business unit risk owners and HR, supported by improved workforce data from the new HR system.
- The accommodation risk remained under review, pending clarification of the Government Property Agencies (GPA) accommodation strategy. In the interim, LeO had been advised by GPA that its Birmingham office was to remain at its current location where the lease had been extended to 2029.
- The budget variance remained within tolerance but remained under close review.
- The risk management framework had been updated to incorporate cyber security risk considerations and enhanced articulation of risk appetite.
- The internal audit plan remained on track. The internal audit, on recruitment and vetting, had received a moderate assurance rating.

10. ARAC discussed data shared at the January Board meeting indicating a potential increase in mental health-related staff absences, with assurances sought on whether this represented a pre-risk issue, particularly in the context of increasing demand pressures and the forthcoming Legal Ombudsman Scheme Transformation review, monitoring arrangements, and escalation thresholds within the risk management framework.

11. The Executive confirmed that staff mental health was not currently classified as a strategic risk and was being managed at business unit level, with further consideration of escalation to be undertaken as part of the year-end strategic risk assessment.

12. Staff absence, including mental health-related absence, together with associated mitigations and staff support measures, was subject to regular scrutiny by RemCo. While recognising that not all mental health-related absences were work-related, RemCo noted the importance of LeO providing appropriate support to staff and welcomed a recent increase in trained mental health first aiders.

13. Workload management had formed a core element of the LEAN Review, with system and process changes intended to mitigate excessive operational workloads and support staff wellbeing over time. It was acknowledged that workload pressures affecting corporate roles still needed to be considered.

14. ARAC noted that the strategic issue relating to demand extended beyond failures in tier-one complaint handling and reflected wider changes in consumer expectations across the ombudsman sector. Benchmarking against other ombudsman schemes was underway to better understand wider societal and sectoral impacts on demand and staff wellbeing. The findings would inform the Transformation review and would be reported to the Board and key stakeholders. ARAC members supported this collaborative approach and highlighted the potential value of centrally funded cross-government research into societal factors affecting consumer behaviour and demand, recognising the impact on LeO' staff and public services more widely.

15. Having queried whether the recent updates to the risk management framework, including the formal inclusion of cyber security, would affect internal audit work in 2026/27, it was confirmed that the changes had strengthened the risk framework by addressing a previously absent risk and this was not expected to impact the overall approach to risk management or work undertaken by internal audit in 2026/27.

16. The Committee discussed the strategic issues that lay outside tolerance, noting that demand was a key underlying driver, emphasising the need for appropriate mitigating actions and questioning whether existing tolerance levels remained appropriate.

17. In response, the Executive advised that work was underway to address the impact of the sustained demand pressures through a three-pillar approach. This comprised the 2026/27 Budget Acceptance Criteria, intended to deliver short-term organisational stability; a Scheme Transformation Review, with implementation of its recommendations aimed at addressing longer-term strategic challenges within the OLC's next three-year Strategy period; and a review of the leadership structure focused on maximising day-to-day operational effectiveness in the short term. Further detail on this would be presented for consideration at February's Board meeting and Strategy workshop.

18. It was noted that, until full organisational transformation was achieved, sustained demand pressures meant that certain strategic risks and issues were likely to remain outside tolerance. While adjusting tolerance levels would not be appropriate the organisation would need to accept a period during which some strategic risks and issues remained outside tolerance.

19. In response to the suggestion that demand-driven strategic risks and issues should be grouped together to help focus attention on root causes rather than symptoms, the Executive confirmed that the proposed 2026/27 strategic risks and issues, to be presented to ARAC in May, would reflect this more clearly, supported by enhanced visual presentation in future risk reporting.

20. ARAC **noted** the risk assurance report and thanked the Executive for a clear and well-presented report.

Item 4 – Internal audit update

21. The Committee received an update on internal audit activity in quarter two and a presentation on GIAA's new proportionate assurance approach for smaller arm's-length bodies.

22. In discussion, the following key points were made:

- Three of the four planned internal audits had been completed, with the final audit of payroll in fieldwork and on track for completion by the end of the month.
- Two service level agreements were not currently on track. These related to the timeliness of responses to draft audit reports and post audit questionnaire return rates. The Executive was asked to ensure compliance with these requirements going forward.
- The Casework Quality audit received a moderate assurance rating, with three low and two medium recommendations. The findings highlighted that an appropriate framework and methodology were in place with opportunities identified to strengthen the use of data and improve the clarity of information shared with operational teams to support understanding of casework quality outcomes.

- The Recruitment and Vetting audit also received moderate assurance rating with five low and three medium recommendations. This was a follow-up to a previous audit that had received a limited assurance opinion. Significant improvements had been seen since the earlier review, including updated recruitment policies, clearer documentation, and established governance arrangements now in place. However, areas for improvement remained, particularly in respect of maintaining training records for staff involved in recruitment processes, business continuity arrangements for the recruitment lead, and mechanisms to capture and analyse candidate feedback to capture lessons learned.
- In response to ARAC's feedback, the Executive confirmed that efforts would be made to accelerate delivery of recruitment-related audit actions, particularly medium-priority actions, when resource allowed.
- The Committee noted a proposed proportionate assurance approach that was being piloted across ALBs by GIAA. This approach introduced a three-year cyclical review of core risk control elements (with one-third reviewed annually) and would replace multiple audits with a single consolidated review aimed at reducing organisational burden. The Committee noted that under this approach, assurance would be capped at 'moderate.'
- GIAA confirmed that this ALB proportionate approach remained a proposal and was not currently a mandated requirement, and so the OLC/LeO could choose to proceed with a traditional internal audit plan in 2026/27, but the proportionate approach was likely to be revisited in future years.
- In considering the implications of this proposed assurance approach, the Committee reflected the need to maintain sufficient assurance over specific risk areas, including those outside core controls and transformation activity, and the value of retaining thematic audits; the limitations of a capped 'moderate' assurance rating, and how this would be interpreted by the Board and external stakeholders; the operation of the three-year cycle, particularly how progress against recommendations and changes in assurance levels would be monitored between review periods; the cost implications of the new model compared to the current audit plan, including potential hybrid options; the practical and operational impact on the organisation and executive functions, particularly in terms of the

financial and risk implications; and assurance would be provided on matters outside of core controls.

- The Committee agreed that further detailed information was required on the points set out below before the OLC Board could make an informed decision on the audit approach, and requested that GIAA and the Executive consider these further outside the meeting to enable the Executive to develop a recommended approach for Board consideration:
    - The cost model, including indicative fees for the proportionate approach and any additional thematic reviews.
    - How assurance ratings and recommendation follow-up would operate across the three-year cycle, including treatment of improvements or deteriorations between review periods.
    - The extent to which other ALBs have accepted the new assurance model.
    - Emerging lessons learned from the pilot of the proportionate approach.
    - The Ministry of Justice (MoJ) and LSB's views on acceptance of the capped 'moderate' assurance rating.

  ACTION: GIAA to provide further information on the proportionate assurance approach to the Executive, including cost implications, levels of adoption across ALBs; handling of assurance ratings over the three-year period; lessons learned from the pilot and views on the acceptance of the capped 'moderate' assurance rating by MoJ and LSB.

  ACTION: The Executive to consider the proportionate assurance approach in detail and bring forward recommendations, with analysis of options, for future consideration by ARAC and the Board.

23. ARAC **noted** the update from GIAA.

Item 5 – External audit update

24. The Committee received a verbal update from external auditors on the 2025/26 audit planning report on the 2025/26 financial statements audit. The following key points were drawn to ARAC's attention:

- There were no significant changes in approach to the Financial Statements audit compared to previous years.

- Key risks included the management override of controls, which would be addressed through testing of financial reporting controls and detailed journal analysis, with no issues identified to date.
- Key areas of audit focus included leases, other operating expenses, and IT systems change resulting in a change in financial reporting.
- Leases had been downgraded from a significant risk to an area of audit focus to reflect the reduced complexity and absence of issues identified in the 2024/25 audit with similar testing procedures to be undertaken as part of the 2025/26 audit.
- Audit work to assess the completeness and accuracy of data migration between the old and new financial reporting systems. Initial work had not identified the need for additional specialist IT involvement, although review of reconciliations remained ongoing.
- Materiality had increased from 2% to 3% of gross expenditure in line with updated NAO guidance, with the error reporting threshold set at £11000.
- The audit timeline remained on track and was consistent with previous years, with no concerns raised at this stage.

25. ARAC welcomed the audit work to assess the completeness and accuracy of data migration between the old and new financial reporting systems as this had not been within the scope of planned internal audit work for 2025/26.

26. The Committee discussed the proposed use of AI within the external audit, noting that this would be the first year of potential use for the OLC/LeO and that its use was still subject to formal agreement by the Executive. It was confirmed that any use would be limited and proportionate, focused on basic tasks such as data interrogation and document analysis, and that all outputs would remain subject to full auditor review and professional judgement.

27. The Committee sought assurance on transparency in the context of how AI usage would be disclosed in audit reporting. Auditors confirmed that this was still being developed, and further clarity would be provided once arrangements had been finalised.

ACTION: External Auditors, Deloitte and NAO, to confirm how their respective AI use would be disclosed and made transparent within audit reports once arrangements had been finalised.

28. ARAC was advised that LeO had engaged with Deloitte regarding the proposed use of AI within the financial statements audit, and had submitted queries covering AI governance, adherence to internal AI policies, GDPR compliance, and the specific areas in which AI would be used. It was agreed that responses from Deloitte would be shared with ARAC once received.

ACTION: The Head of Finance, Procurement, and ICT to provide ARAC with the response to queries covering AI governance, adherence to internal AI policies, GDPR compliance, and the specific areas in which AI would be used within the 2025/26 Financial Statements audit.

29. The Committee discussed the potential efficiency benefits, noting that while AI may support time savings, any impact on audit fees remained uncertain at this stage and would need to be assessed following implementation.

30. ARAC members formally **confirmed** that they had no knowledge of any fraud or potential fraud that had taken place during the financial year 2025/26.

31. ARAC **noted** the update from External Auditors and the assurance provided regarding audit team stability and continuity.

Item 6 – Annual report and accounts 2024/25: Timetable and planning

32. A report outlining the plans in place and the timeline for delivering the 2025/26 annual report and accounts was presented by the Head of Programme Management and Assurance and the Head of Finance, ICT and Procurement. The paper was taken as read and following points were drawn to ARAC's attention:

- Planning and preparations for the 2025/26 annual report and accounts had commenced, informed by lessons learned from previous years.
- The 2025/26 process would focus on strengthening assurance and streamlining the annual report and accounts to deliver a clearer, more concise, document aligned with the requirements of the Financial Reporting Manual (FReM). Resilience would be strengthened across key corporate functions to mitigate the risk of single points of failure; continuity planning and data validation processes would be enhanced; and a centralised evidence repository would be developed to improve consistency and mitigate the risk of duplicating work.

- An initial meeting had taken place with external auditors in December 2025 to confirm the annual report and accounts timetable and an indicative date for laying the annual report and accounts in Parliament had been shared with the MoJ.
- Collaboration and regular communication with key stakeholders would be prioritised to ensure alignment. This included more structured engagement with the MoJ though the introduction of formal review points following the submission of draft documents.
- The first draft of the annual report and accounts would be presented to the Board at its meeting in April, with the final version presented in June for formal approval. Additional engagement would take place between these meetings.
- The planning phase of the financial statements audit was nearing completion, with one outstanding issue relating to the Legal Ombudsman's obligations in respect of historic and current pension anomalies. This matter had been referred to an expert accounting firm for validation, with a report expected by mid-February. Once received, the report would be shared with the Board before being provided to the external auditors and the MoJ. A communications timetable had been established to ensure that all affected current and former employees would be informed promptly once the validated pension calculations were available. All associated payments would be made by the end of March.

33. In response to a question, ARAC was informed that sufficient resources were in place to deliver against the agreed annual report and accounts timetable.

34. ARAC reflected positively on the effective partnership between LeO and the external auditors, which had underpinned a positive financial statements audit experience in 2024/25. It was noted that strong communication and collaboration would continue to be a priority for the 2025/26 audit, supported by proactive engagement to ensure the early resolution of any issues.

35. ARAC **noted** the update on the 2025/26 annual report and accounts.

Item 7 – Financial governance and assurance

36. The Head of Finance, Procurement and ICT presented a report on financial governance, outlining the financial position on 31 December 2025 and drawing ARAC's attention to the following key points:

- The ministerial delay in approving the 2025/26 budget had created significant challenges in delivering the financial plan, including delays to recruitment, IT development expenditure, and asset procurement, which in turn delayed depreciation and affected the income and expenditure position.
- At the end of quarter three, there had been a variance of approximately 7% against budget. Following sustained mitigating action, the outturn forecast had returned to within tolerance by the end of December, with a variance of approximately 1%. Mitigating actions remained in place to ensure year-end expenditure stayed within tolerance.
- Ninety-nine percent supplier invoices continued to be paid within agreed terms, maintaining performance across the last three quarters. This sustained performance was attributed to effective collaboration between the finance team and budget holders, supported by established weekly payment runs.
- Aged debt levels had stabilised, with debts over 60 days being contained. While the closure of regulated firms presented an ongoing challenge, debt collection activity continued and remained a priority.
- Financial controls remained robust with regular financial review meetings with budget holders supporting the monitoring of expenditure and budget variances. These were complemented by consolidated financial reviews by the Executive Team to identify any slippage and implement mitigating actions. Due to the proximity to year end, Executive oversight had been increased, with more frequent reporting to support timely decision making.

37. A question was raised regarding case fee income and the potential impact of increased demand leading to reduced case closures and, consequently, lower case fee income. Clarification was sought on whether this had been modelled within medium- and long-term financial planning, and whether any reduction in case fee income would have a material impact on the organisation's financial health.

38. In response, ARAC was advised that the levy operated as a balancing mechanism to offset fluctuations in case fee income, and that adjustments had been reflected in the 2026/27 budget. It was acknowledged that longer-term modelling beyond the next financial year was challenging due to ongoing transformation activity and uncertainty regarding future case fee structures. Further modelling would therefore be undertaken once transformation proposals were finalised and incorporated into the next strategic planning cycle.

39. The Executive **agreed** to consider further a suggestion that any unspent 2025/26 budget, subject to MoJ approval and existing procedures, could be used to secure temporary expert resource to enable earlier implementation of recommendations arising from the recruitment and vetting audit.

ACTION: The Executive to consider whether any unspent 2025/26 budget, subject to MoJ approval and existing procedures, could be used to secure temporary expert resource to enable earlier implementation of recommendations arising from the recruitment and vetting audit.

40. ARAC **noted** the update on financial governance.

Item 8 - Attestations and single tenders report

41. ARAC received the attestations and single tender report for quarter three, presented by the Head of Finance, IT and Procurement. The paper was taken as read.

42. ARAC **noted** that three single tender justifications had been approved within the reporting period, each relating to circumstances where a competitive procurement exercise had not been feasible, proportionate, or in the best interests of the organisation. Two related to specialist expertise requirements and one procured via Crown Commercial Services Framework.

43. ARAC sought to understand the volume of single tenders within the context of all tenders approved during the reporting period and was advised that approximately ten major contracts had been progressed in the same period, and that the single tenders reported related to lower-value requirements, mostly below £10,000 per annum. These had been disclosed for transparency, as formal reporting was not required.

44. The Committee discussed the level of justification provided for each single tender and requested that future reports included a fuller narrative explaining why a full tender process would not be expected to achieve a better outcome.

45. In response, the Head of Finance, IT and Procurement **agreed** to discuss the additional level of information required with ARAC member Georgina Philippou outside the meeting, to ensure that future reports incorporated the appropriate level of justification for single tenders.

ACTION: The Head of Finance, IT and Procurement to liaise with Georgina Philippou to clarify the additional detail required and ensure that future attestations and single tender reports included the agreed level of justification.

46. ARAC **noted** the attestations and single tenders report.

Item 9 – Information rights and security incidents

47. The Joint interim Chief Executive presented the quarter three information rights and security incidents report. The paper was taken as read.

48. Clarification was sought regarding the categorisation of unauthorised disclosures, noting that the report included a column marked ‘not a breach.’ It was confirmed that incidents were categorised either as breaches, assessed for potential referral to the Information Commissioner, or as near misses, with this two-column format reflecting standard reporting practice. It was also confirmed that some unauthorised disclosures did not meet the threshold for a breach.

49. ARAC discussed the continued trend of statutory response targets for subject access and freedom of information requests not being met, despite a reduction in the number of requests received during the quarter and sought clarification on whether sufficient resourcing was in place to support this work. In response, ARAC was advised that resourcing was constrained, with fewer than two full-time equivalent staff responsible for this work, in addition to data protection impact assessments and wider project activity.

50. Work was underway to increase automation, including the introduction of a software system to support document identification and collation which was expected to improve the timeliness of responses to subject access and freedom in information requests. The timescales for realising the benefits of automation were not yet confirmed; however, updates would be provided to ARAC once the automated systems had been implemented.

51. In the meantime, the current red RAG rating for subject access and freedom on information request performance remained appropriate, reflecting the level of non-compliance with statutory deadlines and the critical importance of improving timeliness.

52. It was confirmed that the timescale for responding to subject access and freedom on information requests received part-way through a quarterly reporting period were reflected in the subsequent quarter's report.

53. It was noted that the impact of staff sickness on the ability to complete the eight freedom of information requests in progress at the time of the report would not be known until the statutory deadline had been reached.

54. ARAC **noted** the Information rights and security incidents report.

Item 10 – Annual health and safety and compliance report

55. ARAC received the annual health and safety and compliance report, introduced by the Head of Programme Management and Assurance, with contributions from the Health and Safety and Facilities Manager. Since issuing this report, a mid-year progress update had been submitted to the MoJ on the actions arising from its occupational health and safety and fire safety review launched in May 2025.

56. It was noted that five actions had been assessed to be partially compliant, all of which were reported to be on track to become fully compliant within the agreed deadlines. There were no areas related to non-compliance. The actions required to achieve full compliance primarily related to strengthening documentation, decision-making records, and the regularity of review processes, as well as improving consultation mechanisms and adapting practices to hybrid working which would be supported by the establishment of a new Health and Safety Forum.

57. ARAC welcomed LeO's plans to hold a further health and safety event for staff, noting that previous events had been effective in raising awareness and engagement. It was also noted that the forthcoming event would introduce a newly established Health and Safety Forum.

58. ARAC sought clarification on the guidance provided to staff on working healthily and safely from home. It was confirmed that health and safety expectations were covered during core induction, including guidance on maintaining safe working practices in both home and office environments. Additional written guidance on remote working, lone working and health and safety was also in place, all of which were reviewed annually, approved by RemCo, and were required to be read by staff.

59. ARAC **noted** the annual health and safety compliance report and the progress that had been made.

Item 11 – Annual data assurance report

60. The Committee received the annual data assurance report, introduced by one of the Joint Interim Chief Executives, with support from the Performance and Business Intelligence Manager. The paper was taken as read. The Committee was advised that the majority of LeO's data was now automated through the data warehouse and Power BI, consistent with progress reported in the previous year.

61. ARAC **noted** that the three principal areas of data-related risk remained unchanged and related to manual data processes in HR, Finance and Quality. These risks stemmed from system integration issues, all of which were being actively managed. The Committee was informed that the HR-related risk was likely to take longer to resolve due to the ongoing procurement of a new HR system.

62. A further risk was highlighted concerning key-person dependency within the business intelligence function. LeO continued to experience challenges in recruiting additional resilience to support the Senior Developer, with two recruitment campaigns being unsuccessful, and a further one ongoing. In the interim, the Senior Developer continued to provide cover.

63. Having questioned whether standard operating procedures within the BI function were sufficiently documented to enable a new starter to assume responsibilities with minimal support and disruption to business operations. ARAC was advised that the documentation was not yet at the desired standard and that this had been recognised as a risk. Work to strengthen documentation was already underway, with the Senior Developer and BI lead actively progressing improvements. Additional mitigations had also been introduced, including training an internal staff member as a SQL developer to build resilience and strengthen continuity of knowledge within the team.

64. ARAC welcomed the introduction of a peer review process that had added an additional layer of scrutiny over both the data and accompanying narrative within the strategic scorecard, noting that work to automate the data flows into the scorecard was ongoing and was expected to further enhance assurance and the robustness of information reported.

65. ARAC **noted** the annual data assurance report.

Item 12 – Update on the 2025 ARAC effectiveness review

66. The ARAC Chair reported that ARAC members had met in private on 17 December 2025 to discuss the findings of the 2025 ARAC self-effectiveness review and consider any further actions required to enhance the Committee's future effectiveness. The following key points from the meeting were reported:

- The self-effectiveness review had received positive feedback overall.
- In response to suggestions raised, ARAC's Terms of Reference (ToR) had been updated. The revised ToR were subsequently approved by the Board on 17 December 2025.
- ARAC members discussed the merits of holding one ARAC meeting each year in person. It had subsequently been agreed that the 2026 in person meeting would take place in June. The ARAC Chair acknowledged that travelling to this meeting might be challenging for some external attendees and therefore the effectiveness of this approach would be reviewed following June's meeting.
- ARAC members also discussed the approach to deep dives, and agreed that, where a need was identified, ARAC could request up to a maximum of two deep dives each year. Any deep dives requested by ARAC would focus on areas of heightened risk, with the aim of providing added value and assurance. It was noted that there may be occasions when it would be valuable for the Board to undertake deep dives as well. The ARAC Chair invited Committee members to propose potential topics for future deep dives.

67. A discussion took place on the approach to deep dives, considered in the context of GIAA's proportional internal audit model, the potential scope to incorporate thematic reviews, and the resource and timing implications for LeO of undertaking deep dive activity particularly without a forward schedule to avoid clashes with other organisational priorities.

68. The Executive proposed pausing deep dive work until the internal audit approach had been finalised. This would allow time to develop a revised assurance framework proposal, informed by a clearer understanding of the assurance that ARAC and the Board may require under the new internal audit model and the OLC's 2027/30 Strategy, as well as the resources needed to support that assurance.

69. ARAC **agreed** to the Executive's proposal to pause deep dive activity, noting that the Executive had committed to developing a revised assurance framework proposal for the Board's future consideration.

ACTION: The Chief Ombudsman and Head of Programme Management Assurance to develop an assurance framework proposal for the Board's future consideration.

70. ARAC **noted** the update on the 2025 ARAC effectiveness review and the actions that had been implemented, which now concluded this effectiveness review.

Item 13 – Escalations to the Board and feedback on the effectiveness of the meeting

71. The Committee noted that there were no substantive items requiring escalation to the Board, apart from the proposed internal audit approach, where a decision on the internal audit model, including whether to adopt a proportionate/hybrid approach, would require Board consideration and agreement.

Item 14 – Any other business

72. Considering that June's ARAC meeting was to be held in person, the Board Governance Manager confirmed that contact would be made with external attendees in advance of June's face-to-face meeting to confirm attendance and arrange building access requirements.

73. As this was the last ARAC meeting attended by the OLC Chair before the end of their term of office, the ARAC Chair extended the Committee's thanks for their support and commitment to strengthening ARAC's effectiveness.