

**Minutes of the twelfth meeting of the
Office for Legal Complaints Audit and Risk Committee
Monday 16 April 2012
09.30am – 11.15am
Perrotts room, 5th Floor, Baskerville House, Birmingham**

Present:

Tony Foster, Chair
Professor Mary Seneviratne, member

In attendance:

Andy Taylor, Head of Compliance
Adam Sampson, Chief Ombudsman
Rob Hezel – Director of Finance and Business Services
Madeline Dugmore, NAO
John Ward, KPMG – Via conference facility

Observing:

Chris Kenny, Chief Executive, Legal Services Board

Committee Secretary:

Steve Glynn

Apologies:

Sajid Rafiq, NAO
Annabel Ellin, KPMG
Paul Partridge, Head of Finance
Karen Silcock, member

Preliminary issues:

The quorum requirements for the Committee meeting were not met; any formal decisions would be referred to the OLC Board Meeting 21 May 2012 for ratification. No conflicts of interest were declared.

Item 1 – Welcome and apologies:

1. The Chair welcomed those in attendance and confirmed that apologies had been received from Sajid Rafiq – NAO, Annabel Ellin – KPMG, Paul Partridge – Head of Finance and Karen Silcock – member.

Item 2 – Minutes of previous meeting:

2. The minutes of the meeting of 23 January 2012, were approved for submission to the OLC.

Item 3 – Matters arising & action points:

3. The Committee Secretary presented the outstanding action points and progress reports from previous Audit & Risk Committee meetings (Annex B). The committee noted that a number of outstanding action points had been completed since the last committee meeting, or were included within the agenda. The Head of Compliance presented a verbal update of outstanding actions on arrival at the meeting.

Item 4 – Chair’s oral update:

- 4(i) The Acting Chair confirmed that his position as Chair had now formally been ratified following Mr Brian Woods-Scawen’s decision not to seek re-appointment to the OLC on the grounds of ill health. The Chair and Committee wished to officially place on record its thanks and appreciation for the excellent work, diligence and professionalism of Mr Woods-Scawen during his time as Chair of the committee.
- 4 (ii) The Chair confirmed that two new lay members had been recruited to the Board of the OLC, Ms. Karen Silcock, and Ms. Maureen Vevers. It was noted that Ms. Silcock will join the Audit and Risk Committee, as a lay member

ACTION

The Secretary to forward a copy of the papers for today’s meeting to Ms Silcock for her information.

Item 5 – Review of Corporate Risk Register:

5. The Chief Ombudsman provided an overview of the Corporate Risk Register and a number of individual risks and associated scoring were discussed by the Committee.

Item 6 – Review of ‘draft,’ Governance Statement:

6. The Director of Finance and Business Services presented a ‘Governance Statement Proposal,’ highlighting the methodology and time scales which would be utilised in the preparation of the ‘Governance Statement.’ It was noted that the Governance Statement was 80 - 90% complete and would be circulated to the Committee prior to the 27 April 2012.

ACTION

The Head of Finance and Business Services to circulate the completed 'Governance Statement,' to the Committee for information / comment by 27 April 2012.

Item 7 – Review of Data Security Breaches:

7. The Head of Compliance provided an overview of data security breaches as notified to the Legal Ombudsman 'Compliance Team.' It was noted that the Legal Ombudsman's external printing partners were in the process of seeking external independent accreditation to ISO27001 – Information Security Management, and had twice been independently audited as part of the process.

ACTION

- The Head of Compliance to consider a means by which the potential seriousness of breaches could be quantified and to update the committee of the progress of the ISO27001 accreditation, once notified.

Item 8 – Review of Aggregated Internal Audit Action Report:

8. The Head of Finance and Business Services presented a progress report relating to the findings of internal audit and progress against recommendations.

ACTION (S)

The Head of Finance and Business Services to record when recommendations had been fully completed or an update of proposed timescales within the summary findings.

The Head of Finance and Business Services to consider simplification of the report format to enable ease of understanding / comprehension.

Items 9 / 10 – Review of A&RC Annual Report:

9. The Chair presented the Audit and Risk Committee Annual Report, and it was agreed that he would personally sign it off in his capacity as Chair.

ACTION

The Head of Compliance to amend the report to include an overall statement of opinion from the Committee and include a specific paragraph in relation to risk.

10. It was noted that a review of the timetable of A&RC meetings and agenda items had been appended to the report for information purposes.

Item 11 – External Audit Reports:

11. Madeline Dugmore – NAO, presented an audit progress note following the interim audit visit conducted during the weeks commencing 13 and 20 February 2012 and thanked the Head of Finance and Business Services and his team for their assistance and cooperation during the audit. It was noted that the final report would be issued in due course and that a further verbal report would be presented at the Committee meeting 14 May 2012.

It was noted the NAO had received confirmation from the Cabinet Office that the OLC was not a Non-Departmental Government Body (NDPB).

Item 12 – Internal Audit Reports:

12. KPMG presented an 'Internal Audit Progress report,' and including a review of: Risk Management, Financial Systems, HR and Payroll, and Information Security. In addition, a draft 'Annual Report and Opinion 2011/12 document,' and a draft 'Internal Audit: Summary Strategy 23012-14 and Annual Plan 2012/13,' were circulated for information.

The Head of Finance and Business Services formally confirmed that an agreement had been reached with KPMG to continue to provide internal auditing services to the OLC for the next twelve month period.

Item 13 – Any Other Business:

12. It was noted that Madeline Dugmore – NAO, would be standing aside from her direct role with the OLC. The Committee thanked her for her excellent work, diligence and professionalism and looked forward to a continued fruitful working relationship with her successor.

Steve Glynn - Committee Secretary
16 April 2012.