

**Minutes of the Forty Second Meeting of the  
Office for Legal Complaints Audit and Risk Assurance Committee  
Monday 1 July 2019  
10.00 – 12.00  
Edward House, Birmingham**

**Present:**

Shrinivas Honap, ARAC Chair

Rebecca Hilsenrath

Annette Lovell

**In Attendance:**

Rebecca Marsh, CEO & Chief Ombudsman

Brendan Arnold, Director of Corporate Services

Emma Cartwright, Head of Finance

Nikki Greenway, SIRO and Head of Information, Technology and Governance (item 9)

Jack Sawbridge, Senior Performance Analyst (item 10)

Marcus Passant, Head of HR (item 11)

David Eagles, Partner, BDO

Nuwan Indika, External Audit, BDO

Ella Firman, NAO (via telephone)

Shelagh Dale, NAO (via telephone)

Chris Davies, Government Internal Audit Agency (GIAA)

Ed Bowie, MoJ

**Apologies:**

Neil Buckley, CEO Legal Services Board

Steven Corbishley, NAO

Alison Wedge, Deputy Director, ALB Governance, MoJ

David Bartlett, MoJ

Mark Andrews, Government Internal Audit Agency (GIAA)

**Board Secretary:**

Michelle Hitchman & Teresa Mulrennan

### **Item 1 – Welcome, apologies and preliminary matters**

1. The Chair welcomed those in attendance and introductions took place round the table. It was noted that Teresa Mulrennan and Michelle Hitchman were present to take the minutes in Key Kershaw's absence.
2. Apologies were noted.
3. The meeting was quorate.
4. Annette Lovell declared a conflict of interest in regard to any discussions regarding the Financial Ombudsman (FOS).
5. There were no other conflict of interests declared.
6. The Committee **noted** the ARAC forward plan that had been circulated for information prior to the meeting. There were no comments or additions requested.

### **Item 2 - Previous Minutes**

7. The Committee **approved** the minutes from the previous meeting held on 15 May 2019 as an accurate record.

### **Item 3 – Matters arising and outstanding actions from previous meeting**

8. The Chair reviewed the actions, including the remaining outstanding action due for completion in August.
9. The Committee noted the actions update.

### **Item 4 - External Audit Update**

10. The Chair suggested it would be better to discuss this report first prior to the annual report and accounts.
11. David Eagles noted that Nuwan Indika would present the paper summarising the key matters arising from the interim audit and invited attendees to interject with questions at any point. Thanks were extended to the Head of Finance for the assistance given by the Finance Team throughout the process.
12. Nuwan presented the Audit Report, noting that there were no concerns to report.
13. It was confirmed that the Audit is substantially complete and that they anticipate a clean bill of health for the audit. They were comfortable with the deadlines around completion for the relevant inclusion into OLC's Annual Report and Accounts.
14. The Chair requested confirmation that the transfer costs of £115k which were invoiced to FoS are actually shown in their accounts. The Head of Finance confirmed that the full amount has been invoiced so this matter is in hand.
15. Nuwan confirmed that the auditors were satisfied that the transfer of cases to new case management system were completed correctly. The Chair sought clarification if the copy of the reconciliation for the transfer of files was available. The Head of

Finance confirmed that there was a detailed paper on this and that this could be lodged in the minutes.

16. The Chair requested for more detailed work to understand the process with fees leviable. The Head of Finance was tasked to provide more details outside of Committee.
17. It was noted that the external auditors had made a number of last minute amendments to the documents. The Chair invited comments.
18. A question was asked about the changes in accountancy standards IFRS9 and IFRS15, the auditors confirmed that no changes were required to the OLC's financial statements, but had sought amendments to the disclosures
19. The Committee **noted** the External Audit Report.

#### **Item 5 – Annual Report & Accounts**

20. The Chair invited Committee Members to make any comments on the report.
21. The Chair noted that the ARAC Audit Report was written by his predecessor, and does not explicitly state the risk relating to LeO's relationship with the LSB but that this would be included in future reports. Committee Members agreed and were comfortable with this.
22. The Committee approved the Annual Report and Accounts
23. The Parliamentary and Policy Officer updated attendees on the timescales involved and noted that the report would need to be signed off by OLC Board Members such that it could be forwarded to NAO next Wednesday 10 July and with the printers by Monday 15 July. Therefore an email would be circulated immediately to Board members for approval.

**ACTION: Parliamentary and Policy Officer to email Board Members for approval**

24. David Eagles confirmed that the letter of representation was drafted and ready for the CEO to sign accordingly.
25. The Committee **noted** the update on the Annual Report and Accounts

#### **Item 6 – Internal Audit Update**

21. Chris Davis, presented the Internal Audit Progress report to Committee which confirmed that matters were in a satisfactory state for the time of year. He noted that Q1 audits were still progressing and now in Q2 a number of scoping meetings had been arranged.
22. A brief discussion took place regarding the Cyber Security audit.
23. The Chair sought clarification on what areas the OLC are responsible for and what fall within the remit of MoJ. The Chair noted that he wanted to feel comfortable that this was articulated correctly in the report.

24. Chris Davis confirmed that a colleague was best placed to answer this and agreed to get the relevant information and report back outside of the Committee.

**ACTION: Chris Davis to action as above**

25. The Chair noted that OCL had a reputational responsibility to protect data and he was of the opinion that this was performed quite well but that any gaps would need to be addressed with priority.

26. The Committee **noted** the update on Internal Audit.

### **Item 7 – Update on Internal Audit Actions**

27. The DCS presented the Audit Actions update report, with focus on the ICO Audit Report and subsequent actions.

28. The DCS outlined the background to the voluntary audit which took place in February this year. The organisation did not appreciate how comprehensive and rigorous the audit would be and were of the opinion it would be more thematic rather than specific. Nevertheless the organisation is in the position of having accepted and agreed the resulting action plan which is being progressed in time for the return visit. This is anticipated to be in March 2020.

29. The Chair noted that the Committee are committed to learning and will monitor the action plan accordingly.

30. The DCS noted that LeO is now in a better place to improve GDPR compliancy compared to other organisations within the public sector

31. There was a short discussion reflecting the updated ICO audit approach and the benefits which flow from there more robust methodologies.

32. The DCS reflected that whilst the subsequent dialogues was challenging the organisation has to get to a better place and has now been provided with a clear route to follow and achieve this.

33. The Chair recommended the follow up audit being brought forward to February 2020 in order to discuss it at the ARAC meeting and to feed back into planning for the following year. He noted that he was less concerned about the rating received but more concerned with the resourcing of actions at this stage.

**ACTION: Board Secretary to add to ARAC forward plan.**

**ACTION: DCS to request that the ICO bring forward the next ICO Audit to February 2020.**

34. The Chair stated it is critical that we have a clear management action plan written and noted his concerns around resourcing it, particularly around operational resource and where specific data security/information rights expertise is required. It was agreed that the Resourced Action Plan would be shared with Committee Members as an off agenda note.

**ACTION: DCS to provide ARAC Chair with written note outside of Committee**

35. The DCS noted that additional technical support was being sought.

36. The Committee asked when the urgent items will be completed and also if there were any quick wins. The DCS confirmed urgent issues were being addressed with priority.
37. The Chair expressed concern regarding the internal audit actions where some of the completion dates had been amended without prior agreement from the Committee. He emphasised that this practice was not acceptable to him and asked that if the timing of audit actions changed this should be notified to the Chair. This was agreed.
38. Chris Davis added that his organisation had undertaken some work in relation to the impact of action plans on customers and the relationship between completed actions and customer satisfaction. He offered to disseminate information with ARAC if the Committee thought it would be helpful.
39. The Chair made a suggestion for consideration by the Executive that performance against action plans could be incorporated into the PDR process. He noted that this approach had worked well in other organisations.
40. The Committee **noted** the update on Internal Audit actions

#### **Item 8 – Strategic Risk Register**

41. The Chair invited comments from the Committee. No comments were made.
42. The DCS said that the Registers would be refined and more focused in time for the October meeting.
43. The Chair noted that the relationship with the LSB should be included as an important risk.
44. David Eagles suggested that the risks including timescales and impacts could be depicted as a graphical assessment to emphasise year end risk.
45. The Chair indicated that at the next ARAC meeting he wanted a detailed plan against each risk and that management should consolidate risks where possible differencing between cause, consequence and mitigation.  
**ACTION: DCS to action as above and update the Risk Register accordingly**  
**ACTION: Board Secretary to add to ARAC Forward Plan.**
46. The Committee **noted** the Strategic Risk Register.

#### **Item 9 – Information Rights & Security Incident Report**

47. The Head of ITG presented the Information and Security Incident report outlining that the main issue continues to be human error, sending emails to incorrect recipients. This was also identified by the ICO audit and is being addressed with staff via direct conversations and regular reminders in the News in Brief to emphasise the importance and consequences.
48. A brief discussion occurred which answered the clarification sought on the process involved to check the accuracy of current information. It was noted that a degree of

proportionality was needed as a check could not be made for every single time contact is made.

49. The Chair suggested a checklist could be drafted as evidence and perhaps a sample could be undertaken to establish where the main issues occur and if things can be done differently. He suggested that this matter should be discussed in more detail at the next ARAC meeting and in the meantime requested an off agenda note to detail the process and current issues.

**ACTION: Head of ITG to provide briefing note as above outside of Committee**

50. A further suggestion was made to perhaps introduce a 3 month zero tolerance to reiterate the importance of staff accountability.
51. The CO noted that this issue was embedded in the new Quality and Feedback model and all staff will be monitored to embed good practice in everyday business as usual. Once fully rolled out this model will have a positive impact on the number of data breaches.
52. Following an enquiry from Committee the details of the specific incident highlighted in the report were outlined in more detail.
53. The Committee **noted** the update on Information Rights and Security Incidents

#### **Item 10 – Data Assurance Report**

54. The Senior Performance Analyst presented the Data Assurance Report. The Chair noted that it was unclear from the report what the overall level of data quality is as a confidence percentage and asked that consideration be given to make this possible.
55. The Chair asked if adequate resources were available to undertake all the work required and if additional work could be completed with more resource.
56. The Senior Performance Analyst noted that his team were working alongside the Executive Team to determine priorities. The resource is broadly appropriate but it would be a stretch to get the entire data dictionary mapped.
57. The CO added that work was being completed in relation to risk so reports that have a statutory obligation are completed as priority.
58. The Chair noted this was a good report, the direction and framework were clear, and the problem has been clearly defined.
59. The Committee **noted** the update on Data Assurance.

#### **Item 11 – Health & Safety Compliance Report**

60. The Head of HR presented the Health and Safety Compliance Report and noted that overall the organisation is a low risk organisation.
61. The Chair noted the number of days absent due to work related stress.

- 62. The Head of HR noted that this data related to a small number of staff only and management were actively managing performance matters and addressing issues with the RemCo Committee
- 63. The Committee **noted** the update on Health and Safety Compliance Report.

#### **Item 12 – Attestations and Single Tender Reports**

- 64. The Head of Finance noted a single tender regarding the procurement of legal advice required due to a specific field of expertise.
- 65. The Committee **noted** the update on Attestations and Single Tender Reports

#### **Item 13 – Any Other Business**

- 66. David Eagles confirmed that of the 7609 journals completed, 629 were completed manually which represented 8%.
- 67. There was no other business discussed.