

AUDIT AND RISK ASSURANCE COMMITTEE
("the Committee")
MINUTES

Meeting held on **2 October 2018**
10 am to 10:20am | One Kemble Street, London WC2B 4AN

- Present:** Terry Babbs Chair
(Members) Marina Gibbs
Michael Smyth
Catharine Seddon
- (Adviser) John Ward
- In attendance:** Neil Buckley Chief Executive and Accounting Officer
Holly Perry Head of Corporate Services
Rusere Shoniwa Interim Director of Finance
Steph North Corporate Governance Manager (minutes)
- Apologies:** None
- Observers:** Dr Helen Phillips, LSB Chair

Item 1

AUDIT AND RISK ASSURANCE FINANCE COMMITTEE MEETING

1. Members of the Committee, with the Advisor John Ward in attendance, met with executives Neil Buckley, Holly Perry and Rusere Shoniwa as a Board budget sub-group to consider the LSB's budget proposal for 2019/20.
2. Under the Terms of Reference the Committee considers and scrutinises the LSB budget on behalf of the Board.
3. Following an introduction by the Accounting Officer, the sub-group noted that the proposed budget had not yet been agreed by the Ministry of Justice (MoJ) and would not be until much closer to the start of the new financial year. The figure represented a step change from the downward trajectory of recent years, and was not in line with the MoJ's expectation of a decreasing budget.
4. The Committee considered the proposed budget for 2019/20 and noted:
 - A number of significant contingencies could arise in the next financial year [REDACTED]
[REDACTED]
[REDACTED] [FOIA exempt s36(2)(b)]
 - [REDACTED]
[REDACTED] [FOIA exempt s36(2)(c)]

- The historical underspend of past financial years would not continue in 2018/19 and beyond, as the organisation was now operating to the full staff complement and had other pressures [redacted]. **[FoIA exempt s43(2)]** The expectation was that accommodation costs would remain stable;
- There was a concern that the executive would be unable to fulfil its current work plan, staffing complement and introduce planned new areas of work on a reduced budget; it was questioned whether this could be achieved even on the current budget once pipeline projects [redacted] were factored into costs. [redacted]
[redacted] **[FoIA exempt s43(2)]**
- **ACTION:** the executive to redraft the budget proposal to provide full assurance to the Committee that the proposed budget would cover the existing work programme and new pressures, [redacted]
[redacted] **[FoIA exempt s43(2)]** the redrafted budget proposal would need to allow flexibility for future spending requirements, or higher than anticipated costs for projects already in the pipeline.
- **ACTION:** the executive to seek early engagement and discussion with the MoJ ahead of seeking formal budget approval. Historically, budget approval had been received towards the very end of the financial year, which produced a high level of uncertainty and a high level of risk to planned work were the proposed budget not agreed.
- **ACTION:** the revised budget proposal to be reviewed by the Committee as soon as practicable by correspondence, before being presented to the full Board at its 29 November 2018 meeting.

SN 8 October 2018

Signed as an accurate record of the meeting

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Date

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