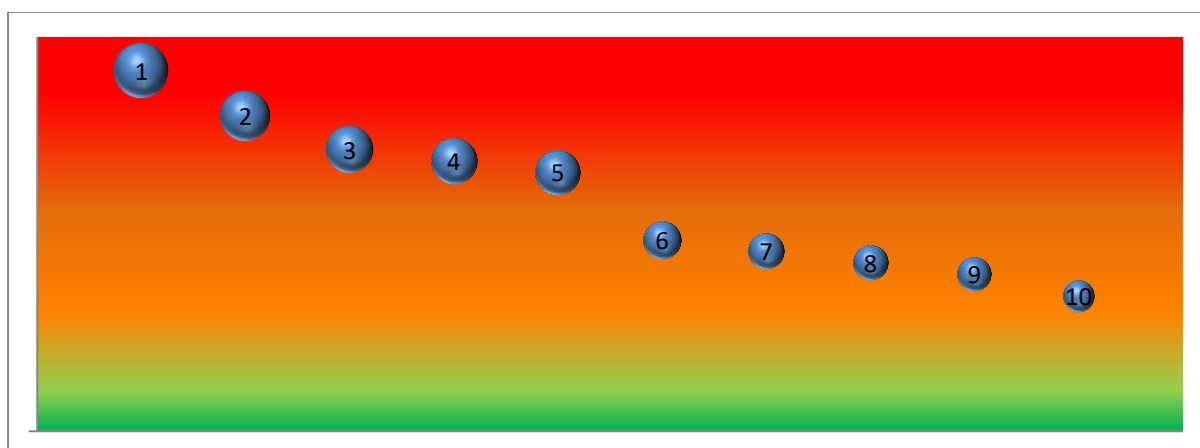


Office Risk Report – Quarter 1 2019

The Office has a risk management process in operation with a risk management committee (RMC) comprising the three directors of audit overseeing the process. The RMC meets every quarter and assesses progress in managing the risks recorded on the Office's risk register and emerging risks.

As part of the risk management process within the Office, the RMC publishes the corporate risk register every quarter setting out the top 10 risks which are shown on a risk 'heat map'. These are the 'residual' risks taking account of mitigating controls. Each risk has a summary explanation in the attached table. The RMC's overall assessment of progress in managing the risks rated as 'high' is given in the 'conclusions' section.



	Rank	Risk
HIGH	1	Higher staff turnover impacting on capacity
	2	Non-compliance with regulatory (corporate) requirements
	3	Resources not aligned with strategic objectives
MEDIUM	4	Delays in filling complement
	5	Disclosures not responded to appropriately
	6	Unlawful data release
	7	Downtime due to external cyber attack
	8	Dilution of culture due to higher turnover
	9	Stakeholders may view targets as not meeting their needs
	10	Client capacity negatively impacts ability to facilitate audits

Office Risk Report – Quarter 1 2019

RMC conclusions

The RMC reviewed progress being made in managing risks as outlined in the risk treatment actions. It also considered emerging and reported risks. There were no risks reported on the risk reporting system.

The RMC's overall conclusion at March 2019 is that two risks remain as 'high'. Three risks that have been reduced to medium following consideration by the RMC of progress made in addressing these risks –

- Disclosures not responded to appropriately – the RMC concluded that the residual risk has reduced to medium due to training delivered and launch of the Speak Up policy.
- Delays in filling complement – the RMC concluded that the risk had reduced as a result of recruitment activity and panels that have been established
- Resources not aligned with strategic objectives – the RMC concluded that this risk had reduced due to the increase in resources assigned to reporting.