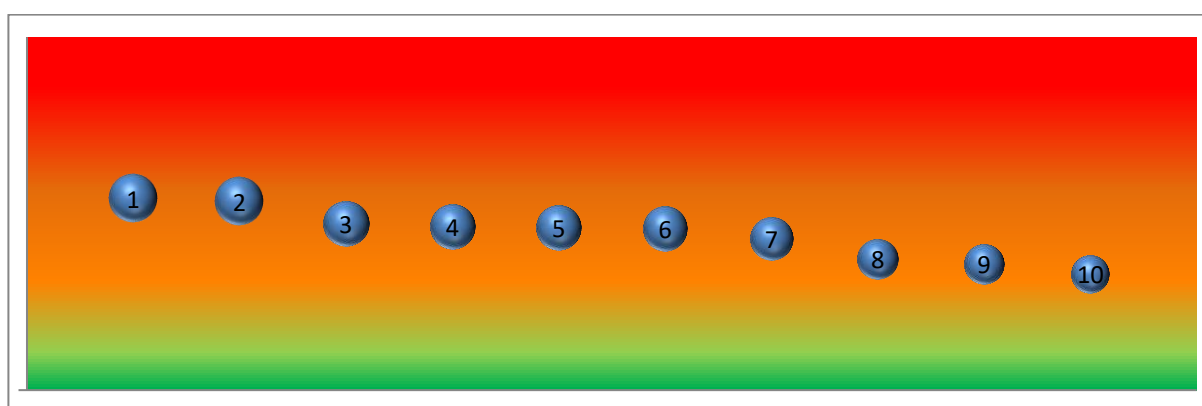


## Office Risk Report – February 2023

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 on the internet 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
1	Implications for the Office of relevant provisions in pending legislation
2	Current staff capacity may not be maximised
3	Disclosures made to/about the Office are not responded to appropriately
4	Inappropriate data retention and release
5	Client capacity may negatively impact on their ability to facilitate audits and examinations
6	Failure to meet external obligations with regard to climate action
7	Ineffective ICT systems leading to inability to effectively operate or manage our business
8	Stakeholders may view certification targets and level of reporting output as inadequate
9	Health and safety of staff due to blended working and more complex needs
10	Poor communication with clients leads to loss of confidence in the Office

## **RMC conclusions**

The RMC does not consider there to be any high-rated residual risks at this time. The RMC reviewed progress being made in managing risks as outlined in the risk treatment actions and considered emerging and reported risks. There were no risks reported on the risk reporting system.

The Committee's overall conclusion in February 2023 is that it continues to be the case that the top two residual risks facing the Office relate to the implications of relevant provisions in pending legislation and to maximising staff capacity. Given the need to finalise revisions to relevant Office policies and procedures to reflect new legislation, the risk that disclosures made to/about the Office are not responded to appropriately is now ranked third.

The risks relating to failure to meet our external obligations in the climate change area and the potential impact of poor communication with clients have been moved up the rankings.