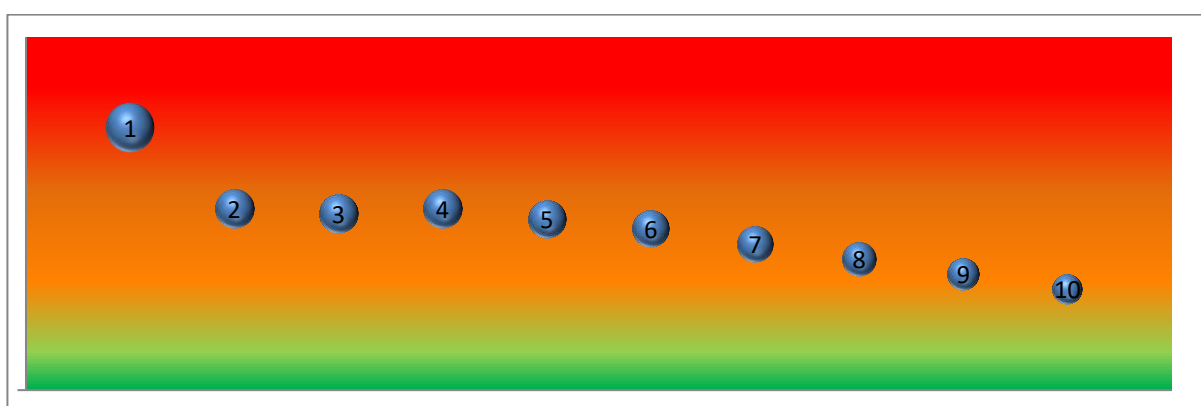


Office Risk Report – May 2021

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	Change to blended working environment not adequately managed
	2	Client capacity may negatively impact on their ability to facilitate audits
	3	Health and safety of staff due to prolonged working from home and more complex needs
MEDIUM	4	Unreasonable complainant conduct may negatively impact on staff and management
	5	Staff capacity may not be maximised due to processes
	6	Inappropriate data retention and release
	7	External stakeholders may view audit certification targets as not meeting their needs
	8	Ineffective ICT systems leading to inability to effectively operate or manage our business
	9	Disclosures made to the Office are not responded to appropriately
	10	Non-compliance with regulatory (corporate) requirements

RMC conclusions

The RMC reviewed progress being made in managing risks as outlined in the risk treatment actions. It also considered emerging risks. It noted that there were no risks reported on the Office's risk reporting system.

The RMC's overall conclusion in May 2021 is that the risk previously noted as *dilution of Office culture due to change in working environment* has evolved to a *change to a blended working environment is not adequately managed*. The RMC also now consider this to be a high level risk for the Office. The risk that *staff capacity may not be maximised due to processes and level of inexperienced staff* has been amended to remove the inexperienced staff and reduced to a medium risk as the staff turnover to date is 3%.

The RMC consider that *unreasonable complainant conduct may negatively impact on staff and management* to be a new risk recorded at medium impact level. The RMC also updated the risk regarding *unlawful data release to inappropriate data retention and release*. The previous top ten risk that *poor communication with clients leads to loss of confidence in the Office and/or failure to deliver its planned outputs in a timely manner* is no longer considered by the RMC to be in the top ten risks for the Office.