



## AUDIT COMMITTEE

### Risk register - headlines – April 2022

#### Background

The Faculty Office maintains a risk register containing a record of present potential risks to it and the functions that it performs. It is reviewed roughly quarterly and changes made. The document contains mitigations and risks are given a numerical value according to both likelihood and severity before and after the mitigation.

#### Changes over the past quarter

Boards – there is a need to recruit for the Audit, Advisory and Qualifications Boards as I understand it – risk level unchanged and the boards a quorate – but there is a need in particular to get replacement “lay” members onto the Qualifications Board. There is one candidate who has been found informally and for whom a skills audit will be required. Generally, we are proposing to place a single advert for all of the boards in a reputable civil society/third sector publication (A.01)

Faculty Office management and strategy – a meeting was held between the Master and senior officers in March at which the strategic priorities of the Master for the next couple of years were devised. The Registrar is writing these up and they will form a "business plan" which can be consulted on. – risk level unchanged (A.02)

Finance – structural deficit is being paid down - see financial update for further information. – risk level unchanged (C.05)

Legal Services Board intervention into Faculty Office governance – Governance Manual in place and on the Faculty Office website and Action Plan with the LSB on track – risk level unchanged (D.02, F.10)

Inspections – a meeting with the Inspectors and Master arranged for 9th May 2022. Inspections have been underway and a new list has been prepared on a risk basis – risk level unchanged (D.05, F.03)

Cyber-attack - both the Bar Council and the Bar Standards Board have been targeted recently in a ransom attack and such reports are uncommon. We have contacted our independent consultant to ask how prepared he thinks we are. He has replied with some general comments and with some initial information about the possible costs of hiring Cyber security experts to test our systems and then make recommendations. A copy of this correspondence is appended – **the probability of the risk has gone up** (E.05)

Financial insolvency – The proposed Agreement with LBMW will contain termination provision triggered by insolvency. Agreement with the Equity Partners since April. The Master has approved it in principle. October 2022 target for bringing into force – risk level unchanged (E.06)

Covid-19 – the inherent risk of Covid-19 to the operations of the Faculty Office has been downgraded – **risk level has gone down** (E.10 and E12)

Impact on remote working etc. on traditional financial controls - Faculty Office voluntary audit arranged for later in 2022 – risk level unchanged (E.13)

#### April 2022