

To: The Audit Sub-Committee

From: The Director

Subject: Internal Audit 2022 – Progress Report on Implementation of Recommendations

1. Introduction and Purpose

- 1.1 As the Sub-Committee is aware two internal audits were carried out last year – Overall Financial Controls and Risk Management. The audit on Risk Management identified 5 recommendations (4 x low and 1 x medium).
- 1.2 At the last Audit & Risk Sub-Committee, I reported that 4 of the 5 recommendations had been implemented. The purpose of this report is to provide the Sub-Committee with an update on the remaining recommendation.

2. Risk Management - Audit Recommendations

- 2.1 The table below sets out the remaining recommendation and our progress with it.

| IA Recommendation | Rating | Our Current Position |
|---|--------|--|
| We recommend that the Co-operative consider developing their risk appetite to determine this per the categories of risk. Once developed, we recommend that the Co-operative’s quarterly reports provided to the Audit Sub-Committee is updated to highlight risks that are above the risk appetite. | Medium | Revised Risk Management Policy with Risk Appetite Model attached as an Appendix presented to Committee for approval at November meeting. Policy and Appendix approved. |

3. Summary

- 3.1 The Sub-Committee is asked to note that the remaining recommendation from the Risk Management Audit last year, was implemented in November 2022.