

Risk Appetite Statement

Risk Areas	Description	Overview (Impact)	Risk Appetite			Strategies
			Low	Medium	High	
01. Operational Risks	Risk related to operational disruptions affecting the efficiency and smooth functioning of key activities such as AMC meetings, COPA meetings representation, internal auditor training, special investigation and departmental finance & administration.	<p>Department of Management Audit is willing to tolerate medium operational risk such as logistical challenges, provided they do not severely impact of the department’s core functions or disrupt the continuity of guidance and oversight.</p> <p>Potential Impact</p> <p>1. Audit & Management Committee meetings Meeting delays or inefficiencies in organizing meetings providing necessary guidance to ministries, departments etc. and could affect the overall quality of oversight but, must not prevent core governance function.</p> <p>2. Committee on Public Accounts Risk of inefficiencies or disruptions in the process of participating in COPA meetings, including resource constraints, lack of preparedness, or logistical challenges. Inefficiencies or disruptions could delay</p>		✓		<p>1. Audit & Management Committee meetings</p> <ul style="list-style-type: none"> Contingency Planning: Develop backup plans for rescheduling AMC meetings, including options for remote or hybrid formats to avoid disruption. Resource Allocation: Allocate dedicated staff to handle logistical arrangements, ensuring efficient and timely organization of meetings. Feedback Mechanism: Implement feedback loops post-meetings to identify inefficiencies and make adjustments, maintaining the quality of oversight. <p>2. Committee on Public Accounts</p> <ul style="list-style-type: none"> Resource Allocation: Ensure adequate staffing and resources are allocated for COPA participation. Preparation Protocols: Develop and follow standard preparation protocols, including pre-meeting briefings and review of required documents.

		<p>decision-making, compromise the quality of guidance provided, or result in incomplete representation of critical matters.</p> <p>3. Internal Auditor Training Training sessions may delays or rescheduling but the quality of training should not be compromised</p> <p>4. Special Investigation Delays in investigations are acceptable as long as critical cases are prioritized and integrity is maintained.</p> <p>5. Finance & Administration Minor administrative delays are acceptable but core financial controls must remain intact.</p>		<ul style="list-style-type: none"> • Technology Support: Use technology for efficient scheduling, document sharing, and coordination with stakeholders. • Contingency Planning: Establish contingency plans for unexpected disruptions, such as alternative representatives or virtual participation options. <p>3. Internal Auditor Training</p> <ul style="list-style-type: none"> • Flexible Scheduling: Use adaptive training schedules and alternative delivery methods (e.g., e-learning) to accommodate potential delays without compromising training quality. • Training Quality Assurance: Perform regular quality assessments on training sessions, ensuring that standards remain high despite any rescheduling. • Resource Pooling: Leverage available resources across departments to deliver training even when disruptions occur, maintaining continuity. <p>4. Special Investigations</p> <ul style="list-style-type: none"> • Prioritization Protocol: Develop a system to prioritize high-risk or critical cases, ensuring timely attention to cases that impact integrity and operational priorities. • Temporary Staffing Solutions: Create a pool of backup personnel who can be deployed as needed to handle investigation demands. • Regular Review of Investigation Timelines: Conduct periodic reviews of investigation timelines to detect delays early and address them proactively. <p>5. Finance & Administration</p> <ul style="list-style-type: none"> • Process Automation: Implement automated processes for routine finance and administrative
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<p>02. Compliance & Legal Risks</p>	<p>A risk related to non-compliance with legal and regulatory requirements, and potential breaches of governance standards in core departments activities.</p>	<p>The Department of Management Audit has a low tolerance for compliance and legal risks, requiring strict adherence to laws, Treasury regulations and internal governance standards.</p> <p><u>Potential Impact</u></p> <p>1. Audit & Management Committee Meeting Noncompliance in guidance could undermine the department’s role in government oversight</p>	<p>✓</p>		<p>1. Audit & Management Committee meetings</p> <ul style="list-style-type: none"> • Standard Operating Procedures (SOPs): Develop and adhere to SOPs that ensure AMC meeting guidance aligns with compliance and regulatory standards. • Regular Training on Compliance Standards: Conduct regular training for staff involved in AMC meetings to ensure they are up-to-date on Treasury regulations. • Pre-meeting Compliance Checks: Implement checks before AMC meetings to verify adherence to governance standards, minimizing risk of non-compliance.

		<p>2. Committee on Public Accounts</p> <p>Risk of non-adherence to regulatory or legal requirements during the organization of COPA meetings and providing guidance to ministries and departments.</p> <p>3. Internal Auditor Training</p> <p>Lack of adherence to legal frameworks in training could affect the quality of governance across ministries, departments etc.</p> <p>4. Special Investigation</p> <p>Non-compliance during investigations may lead to legal consequences and undermine audit integrity.</p>			<p>2. Committee on Public Accounts (COPA Participation)</p> <ul style="list-style-type: none"> • Regulatory Training: Regularly train staff on relevant laws and regulations. • Compliance Checklists: Develop and use compliance checklists for all COPA meeting processes. • Periodic Audits: Conduct internal audits to ensure adherence to compliance standards. <p>3. Internal Auditor Training</p> <ul style="list-style-type: none"> • Incorporate Legal Requirements into Training Modules: Ensure training programs cover all relevant legal frameworks, maintaining governance quality across ministries. • Monitor Training Compliance: Regularly monitor training programs to verify adherence to regulations, adjusting content as needed. • External Compliance Reviews: Engage in periodic external reviews to validate compliance and identify potential gaps in training governance. <p>4. Special Investigation</p> <ul style="list-style-type: none"> • Strict Compliance Protocols: Develop and enforce strict protocols to ensure investigations adhere to legal standards, avoiding any action that might lead to non-compliance. • Ongoing Legal Oversight: Engage legal advisors to review investigation processes regularly, ensuring all steps are legally sound. • Ethics and Compliance Training for Investigators: Ensure all investigators receive compliance training, focusing on legal and ethical responsibilities during investigations.
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<p>03. Reputational Risk</p>	<p>Risk related to negative perceptions of the Department of Management Audit (DMA) due to failures in delivering core functions.</p>	<p>The DMA has a very low tolerance for reputational risk and seeks to maintain a strong public image through transparency, accountability and high standards of governance in all its activities</p> <p><u>Potential Impact</u></p> <p>1. Audit & Management Committee Meeting Ineffective participation of poor guidance could erode confidence in the department's oversight capabilities.</p>	<p>✓</p>		<p>1. Audit & Management Committee Meeting</p> <ul style="list-style-type: none"> • Consistent Quality in Guidance: Ensure high standards of guidance in AMC meetings by developing a quality control process, including peer review and feedback. • Stakeholder Communication: Regularly communicate the department's role and contributions to stakeholders, enhancing transparency and public trust. • Immediate Issue Resolution: Quickly address and correct any identified issues in guidance provided at AMC meetings, preserving DMA's reputation for oversight excellence.

		<p>2. Committee of Public Accounts</p> <p>Errors or delays in guidance during COPA meetings could lead to loss of trust from stakeholders and diminished authority.</p> <p>3. Internal Audit Training</p> <p>Perceptions of inadequate training may reflect poorly on the department’s role in ensuring robust internal audit entities.</p> <p>4. Special Investigation</p> <p>Delays on improper conduct in investigations could damage the DMA’s reputation for integrity and impartiality.</p>			<p>2. Committee of Public Accounts</p> <ul style="list-style-type: none"> • Transparency: Maintain clear and transparent communication with stakeholders. • Quality Assurance: Implement rigorous review processes for all materials and inputs related to COPA meetings. • Feedback Mechanisms: Collect feedback post-meetings to identify and address reputational risks promptly. <p>3. Internal Audit Training</p> <ul style="list-style-type: none"> • Rigorous Training Standards: Establish high standards for training quality, emphasizing the importance of robust internal audit practices to reinforce the department's role in governance. • Continuous Improvement: Collect feedback after each training session to ensure satisfaction and quality, making adjustments as needed. • Public Reporting on Training Initiatives: Share periodic reports on training initiatives to highlight the department’s commitment to fostering a strong internal audit function. <p>4. Special Investigation</p> <ul style="list-style-type: none"> • Prioritize Transparency and Fairness: Develop a transparency protocol for special investigations, emphasizing timely and impartial investigation processes. • Stakeholder Updates: Provide regular updates to relevant stakeholders for high-profile investigations to reassure them of the department’s dedication to integrity. • Ethics and Compliance Training: Ensure that investigators receive thorough training in ethics and
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<p>04. Strategic Risk</p>	<p>Risk relation to decisions or changes in department strategy that could affect long-term objectives, such as aligning with national audit policies, fulfilling the department's mandate and ensuring the effectiveness of AMC meetings, internal auditor training, special investigation, finance and administration.</p>	<p>The Department of Management Audit (DMA) is willing to accept medium strategic risk in pursuit of long term objectives, such as modernizing audit process or improving governance frame work. However, decisions that could significantly jeopardize core department functions of long term goals are not acceptable.</p> <p><u>Potential Impact</u></p> <p>1. Audit & Management Committee Meeting Changes in the departments strategy for AMC participation could influence the effectiveness of its oversight role across ministry, department etc.</p>		<p>✓</p>	<p>1. Audit & Management Committee Meeting</p> <ul style="list-style-type: none"> • Alignment with National Policies: Ensure all strategic changes in AMC meeting protocols align with national audit policies, strengthening the oversight role across ministries. • Pilot Programs for New Strategies: Test any major strategic changes in AMC processes through pilot programs to assess their impact on effectiveness before full implementation. • Stakeholder Engagement: Engage stakeholders in discussions on proposed strategy shifts, gaining support and ensuring continued effectiveness of the

		<p>2. Committee on Public Accounts Strategic misalignment could lead to reduced effectiveness in achieving departmental objectives.</p> <p>3. Internal Auditor Training shifts in training strategy could impact the quality and reach of audit governance</p> <p>4. Special Investigations strategic changes in investigation process may affect the department's ability to prioritize or conduct critical investigation</p>			<p>oversight role.</p> <p>2. Committee on Public Accounts</p> <ul style="list-style-type: none"> • Strategic Reviews: Conduct periodic reviews to ensure activities align with departmental and Treasury goals. • Stakeholder Collaboration: Enhance collaboration with stakeholders to align COPA meeting objectives with broader strategic priorities. • Performance Metrics: Develop and monitor metrics to track the strategic impact of COPA meeting contributions. <p>3. Internal Auditor Training</p> <ul style="list-style-type: none"> • Flexible Training Models: Adopt flexible training models that can be adjusted as strategies evolve, allowing for a consistent reach and quality in audit governance. • Benchmarking for Quality: Continuously benchmark training programs against best practices to maintain high standards, even as strategy changes. • Long-term Training Goals: Set clear, long-term training goals that align with evolving governance needs, supporting sustainable improvements in audit practices. <p>4. Special Investigations</p> <ul style="list-style-type: none"> • Prioritization Framework for Investigations: Implement a strategic prioritization framework for investigations, ensuring that the department can focus on high-impact cases even as strategy changes. • Resource Allocation Flexibility: Maintain a flexible resource allocation model to adapt to strategic shifts without compromising investigative integrity. • Evaluation and Adjustment: Regularly evaluate the effectiveness of any new investigation strategies
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<p>05. Political and Geopolitical Risk</p>	<p>Risk arising from changes in political landscapes or geopolitical conditions that may affect the Department of Management Audit.</p> <p>Department of Management Audit’s ability to perform its core functions.</p>	<p>The DMA has a low tolerance for political and geopolitical risk. The department prioritizes maintaining neutrality and operating within a stable governance framework. Any significant political or geopolitical influences that could disrupt core activities are seen as highly undesirable.</p> <p>Potential Impact</p> <p>1. Audit & Management Committee Meeting Political interference or changes in government priorities may disrupt the department’s role in providing guidance and oversight during AMC meetings</p>	✓		<p>1. Audit & Management Committee Meeting</p> <ul style="list-style-type: none"> • Reinforce Neutral Standards: Ensure AMC meeting protocols emphasize impartiality and transparency, reducing susceptibility to political influence. • Adaptive Agenda Setting: Create adaptable meeting agendas to align with current government priorities while maintaining core oversight functions. • Stakeholder Alignment: Communicate regularly with key stakeholders to clarify the department’s commitment to its core role, fostering

		<p>2. Committee on Public Accounts Political changes could lead to delays or challenges in coordinating meetings and providing consistent guidance.</p> <p>3. Internal Auditor Training Geopolitical changes or political instability may affect funding availability of resources or access to experts for training programs</p> <p>4. Special Investigations Political pressure could impede impartiality or result in delays undermining the integrity or investigations</p>			<p>understanding of its mandate and minimizing political interference.</p> <p>3. Committee on Public Accounts</p> <ul style="list-style-type: none"> • Political Monitoring: Regularly monitor political and geopolitical developments to anticipate potential impacts. • Contingency Planning: Develop contingency plans to address disruptions caused by external political factors. • Stakeholder Engagement: Maintain open communication with key stakeholders to navigate geopolitical challenges effectively. <p>3. Internal Auditor Training</p> <ul style="list-style-type: none"> • Diversify Funding Sources: Seek partnerships with neutral entities or international organizations for funding and expertise, reducing dependency on politically influenced resources. • Contingency Planning for Resource Fluctuations: Develop contingency plans to manage potential resource or funding limitations due to political shifts, ensuring continuity in training. • Remote and Local Expertise Pool: Establish a pool of local and remote experts to ensure training programs continue even if geopolitical factors limit access to specific resources. <p>4. Special Investigations</p> <ul style="list-style-type: none"> • Protocol for Impartial Investigations: Institute strict protocols that emphasize impartiality in investigations, ensuring integrity regardless of external pressures. • Political Risk Shielding Measures: Shield investigation processes from political pressures by involving independent observers or external
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