

## ASSESSMENT DETAILS

### ESCALATION CONTACT:

|                          |                     |
|--------------------------|---------------------|
| <b>Team Lead:</b>        | <b>Contact No.:</b> |
| <b>Affected Parties:</b> |                     |

## ACTIVITY OR SERVICE DETAILS

|   |              |
|---|--------------|
| <b>Purpose:</b>   | <b>Date:</b> |
| <p><b>Benefit:</b> Enhances transparency and accountability in financial operations.   Ensures accurate financial records and reporting.   Facilitates informed decision-making through detailed analysis.   Improves compliance with regulatory standards.   Reduces risks of errors and fraud in financial transactions.   Supports budgeting and financial planning processes.</p> |              |

## HAZARDS

| HAZARD                | RISK   | RISK BENEFIT   | MEASURE  | RISK TO               | RISK LEVEL   |
|-----------------------|--|--|--|-----------------------|--|
| Conflicts of interest | Loss of trust, legal implications, reputational damage               | Develops trust by ensuring impartiality in professional services.              | Implement a clear conflict-of-interest policy requiring disclosure of all potential conflicts. Set up an independent oversight committee to review and mitigate disclosed conflicts. Provide annual refresher training on ethical practices. <b>(ALL)</b>                                | Clients, organization | Before Measure: <b>Med</b><br>After Measure: <b>Low</b>  |
| Cyberattacks          | Loss of sensitive data, operational disruptions, financial penalties | Enhances operational efficiency and safeguards digital assets against attacks. | Utilize layered security, including firewalls, intrusion prevention systems, and endpoint protection. Regularly back up data in secure, offsite locations. Develop and test incident response plans semi-annually. Train employees on spotting and reporting cyber threats. <b>(ALL)</b> | Organization, clients | Before Measure: <b>High</b><br>After Measure: <b>Low</b> |

| HAZARD                           | RISK   | RISK BENEFIT   | MEASURE  | RISK TO               | RISK LEVEL   |
|----------------------------------|--|--|--|-----------------------|--|
| Data breaches                    | Unauthorized data access, financial loss, reputational damage                          | Protects sensitive data while allowing the use of advanced technology for client services. | Implement end-to-end encryption for all data storage and transmission. Use firewalls, multi-factor authentication, and intrusion detection systems. Train employees on cybersecurity protocols and conduct biannual penetration tests and phishing simulations. Establish a real-time incident response team. <b>(ALL)</b> | Clients, organization | Before Measure: <b>High</b><br>After Measure: <b>Low</b> |
| Fraudulent financial reporting   | Misrepresentation of financial data, regulatory penalties, loss of stakeholder trust   | Enables transparent financial reporting while reducing fraud risks.                        | Enforce segregation of duties for data entry, approval, and reporting. Deploy AI tools to detect irregularities and introduce monthly reconciliation processes. Conduct surprise audits and implement whistleblower channels for reporting suspected fraud. <b>(ALL)</b>   | Clients, organization | Before Measure: <b>High</b><br>After Measure: <b>Low</b> |
| Inaccurate financial data entry  | Erroneous financial reports, decision-making based on faulty data, reputational damage | Improves reliability of financial data, leading to better decision-making.                 | Automate data entry processes with built-in error checks and validation rules. Conduct regular double-checks by supervisors and provide ongoing training to employees on accurate entry practices. Utilize dashboard systems to flag discrepancies in real time. <b>(ALL)</b>  | Organization          | Before Measure: <b>Med</b><br>After Measure: <b>Low</b>  |
| Inaccurate financial forecasting | Poor resource allocation, missed opportunities, financial losses                       | Facilitates agile strategic planning and resource allocation.                              | Utilize advanced analytical tools and historical data to enhance the precision of financial forecasts. Incorporate scenario planning and sensitivity analysis to account for market volatility and unforeseen economic shifts. <b>(ALL)</b>  | Organization, clients | Before Measure: <b>High</b><br>After Measure: <b>Low</b> |

| HAZARD                                      | RISK  | RISK BENEFIT   | MEASURE   | RISK TO                 | RISK LEVEL   |
|---|---|--|---|-------------------------|--|
| Inadequate assessment of client credit risk | Client defaults, financial losses, operational challenges                                     | Reduces the likelihood of financial losses due to client defaults.               | Develop a comprehensive credit risk assessment framework that includes financial analysis, credit scoring, and ongoing monitoring of client creditworthiness. Utilize external credit reports and internal data to inform assessments. <b>(ALL)</b>                                   | Clients, organization   | Before Measure:<br><b>High</b><br>After Measure:<br><b>Low</b> |
| Inadequate client onboarding procedures     | Inefficient client onboarding, potential for identity fraud, data errors, regulatory breaches | Supports business growth by ensuring efficient and compliant client onboarding.  | Develop a multi-step onboarding process, including identity verification, anti-money laundering checks, risk profiling, and data validation. Maintain a secure database for records, perform regular audits, and use automated software for screening high-risk clients. <b>(ALL)</b> | Clients, employees      | Before Measure:<br><b>High</b><br>After Measure:<br><b>Low</b> |
| Inadequate disaster recovery planning       | Service interruptions, data loss, reputational harm   | Minimizes service disruptions during unexpected events, preserving client trust. | Create a comprehensive disaster recovery plan, including IT redundancy, communication protocols, and priority restoration lists. Perform quarterly drills and ensure all data is backed up daily to secure cloud storage. <b>(ALL)</b>  | Organization, clients   | Before Measure:<br><b>High</b><br>After Measure:<br><b>Low</b> |
| Inadequate employee training                | Errors in financial reporting, non-compliance with regulations, reduced productivity          | Strengthens workforce capabilities and enhances overall performance.             | Develop a robust training program with modules updated semi-annually. Include hands-on practice, certifications, and assessments. Monitor employee performance and tailor additional training for gaps identified during periodic evaluations. <b>(ALL)</b>                           | Employees, organization | Before Measure:<br><b>High</b><br>After Measure:<br><b>Low</b> |

| HAZARD                                     | RISK  | RISK BENEFIT   | MEASURE   | RISK TO                 | RISK LEVEL   |
|--|---|--|---|-------------------------|--|
| Inadequate financial literacy among staff  | Errors in data analysis, non-compliance, poor decision-making | Develops a culture of continuous improvement and adaptability.         | Develop and deliver comprehensive financial literacy programs tailored to various roles within the organization. Encourage continuous learning through workshops, e-learning modules, and certification opportunities. <b>(ALL)</b>                               | Employees, organization | Before Measure: <b>High</b><br>After Measure: <b>Low</b> |
| Inadequate fraud detection mechanisms      | Financial losses, regulatory fines, reputational damage       | Allows for a more trusting and less restrictive workplace culture.     | Deploy advanced fraud detection systems that utilize machine learning algorithms to identify suspicious activities. Train employees to recognize fraud indicators and establish clear reporting channels for potential fraud cases. <b>(ALL)</b>                  | Clients, organization   | Before Measure: <b>High</b><br>After Measure: <b>Low</b> |
| Inadequate handling of client funds        | Client mistrust, regulatory fines, operational risks          | Enhances client trust and supports long-term relationships.            | Establish clear policies for the segregation and management of client funds. Conduct regular reconciliations and audits to ensure compliance with legal and ethical standards, and provide transparency to clients regarding fund handling. <b>(ALL)</b>          | Clients, organization   | Before Measure: <b>High</b><br>After Measure: <b>Low</b> |
| Inadequate internal audits                 | Undetected fraud, operational inefficiencies, compliance gaps | Allows for a more dynamic and less bureaucratic operational structure. | Develop a comprehensive internal audit program that evaluates financial controls, risk management processes, and compliance with policies. Schedule regular audits and ensure findings are addressed promptly to strengthen the control environment. <b>(ALL)</b> | Organization            | Before Measure: <b>Med</b><br>After Measure: <b>Low</b>  |
| Inadequate management of financial records | Data loss, non-compliance, inefficiencies                     | Improves operational efficiency and supports regulatory compliance.    | Implement a centralized electronic document management system with secure access controls. Establish retention policies in line with legal requirements and conduct regular audits to ensure records are accurate and up-to-date. <b>(ALL)</b>                    | Organization            | Before Measure: <b>Med</b><br>After Measure: <b>Low</b>  |

| HAZARD   | RISK   | RISK BENEFIT   | MEASURE   | RISK TO                 | RISK LEVEL   |
|--|--|--|---|-------------------------|--|
| Inadequate monitoring of financial transactions        | Fraudulent activities, errors, regulatory penalties                            | Allows for efficient processing of transactions without excessive oversight. | Implement real-time transaction monitoring systems that flag anomalies based on predefined criteria. Conduct periodic reviews of monitoring protocols to adapt to emerging financial threats and regulatory requirements. <b>(ALL)</b>  | Clients, organization   | Before Measure:<br><b>High</b><br>After Measure:<br><b>Low</b> |
| Inadequate segregation of duties                       | Increased fraud risk, errors in financial reporting, regulatory non-compliance | Allows for streamlined operations and quicker decision-making processes.     | Implement a robust internal control system that assigns distinct responsibilities for transaction authorization, record-keeping, and asset custody. Regularly review and update role assignments to prevent conflicts of interest and ensure compliance with regulatory standards. <b>(ALL)</b> | Organization            | Before Measure:<br><b>High</b><br>After Measure:<br><b>Low</b> |
| Inadequate succession planning for key financial roles | Operational disruptions, reduced organizational efficiency, loss of expertise  | Promotes a dynamic organizational structure adaptable to change.             | Identify critical financial positions and develop succession plans that include talent identification, training, and mentorship programs. Regularly review and update plans to align with organizational changes and growth. <b>(ALL)</b>   | Organization            | Before Measure:<br><b>High</b><br>After Measure:<br><b>Low</b> |
| Insider trading  | Legal consequences, reputational damage, loss of trust                         | Builds a culture of integrity and compliance within the organization.        | Create clear policies requiring disclosure of all trading activities. Monitor employee trading through compliance tools integrated with transaction data. Provide annual ethics training and enforce consequences for breaches, including legal action. <b>(ALL)</b>                            | Organization, employees | Before Measure:<br><b>Med</b><br>After Measure:<br><b>Low</b>  |
| Lack of business continuity planning                   | Service disruptions, financial losses, reputational damage                     | Encourages a lean operational model with reduced overhead.                   | Create and maintain a detailed business continuity plan outlining procedures for maintaining operations during disruptions. Conduct regular drills and update the plan based on lessons learned and changes in the business environment. <b>(ALL)</b>   | Organization, clients   | Before Measure:<br><b>Med</b><br>After Measure:<br><b>Low</b>  |

| HAZARD  | RISK  | RISK BENEFIT  | MEASURE   | RISK TO                         | RISK LEVEL   |
|---|---|---|---|---------------------------------|--|
| Market volatility   | Financial losses, reduced client confidence, decision-making challenges | Helps navigate volatile markets effectively while offering clients strategic insights.    | Utilize robust financial modeling tools to assess risks, implement diversification strategies, and use derivatives to hedge against potential losses. Provide regular updates to clients on market conditions and offer advisory services. <b>(ALL)</b>               | Clients, organization           | Before Measure: <b>High</b><br>After Measure: <b>Low</b> |
| Money laundering  | Regulatory fines, reputational harm, operational disruptions            | Expands the client base while maintaining adherence to legal obligations.                 | Use real-time monitoring software for transaction analysis. Conduct customer due diligence and enhanced due diligence for high-risk clients. Report suspicious activities promptly to regulatory authorities and maintain a clear audit trail. <b>(ALL)</b>           | Organization, regulatory bodies | Before Measure: <b>Med</b><br>After Measure: <b>Low</b>  |
| Non-compliance with international financial reporting standards | Regulatory fines, reputational harm, legal challenges                   | Enables flexibility in financial reporting to accommodate diverse stakeholder needs.      | Establish a dedicated compliance team to monitor changes in international financial reporting standards (IFRS). Provide continuous training for accounting personnel and implement internal audits to ensure adherence to global reporting requirements. <b>(ALL)</b> | Organization, regulatory bodies | Before Measure: <b>High</b><br>After Measure: <b>Low</b> |
| Outdated accounting software                                    | Compliance risks, inefficiencies, security vulnerabilities              | Reduces costs associated with frequent software upgrades and extensive training sessions. | Conduct periodic assessments of accounting software to ensure compatibility with current financial regulations and organizational needs. Allocate budget for regular updates and staff training to maximize software efficiency and data security. <b>(ALL)</b>       | Organization                    | Before Measure: <b>Med</b><br>After Measure: <b>Low</b>  |

| HAZARD                        | RISK   | RISK BENEFIT   | MEASURE   | RISK TO                 | RISK LEVEL   |
|-------------------------------|--|--|---|-------------------------|--|
| Regulatory non-compliance     | Fines, legal issues, suspension of operations                        | Enhances adaptability to regulatory changes, ensuring ongoing compliance.      | Assign a compliance officer to monitor regulatory updates. Implement automated tools to track compliance metrics and issue alerts for non-conformities. Offer quarterly training on evolving regulations and conduct internal audits every six months. <b>(ALL)</b> | Organization, employees | Before Measure:<br><b>Med</b><br>After Measure:<br><b>Low</b>  |
| Tax evasion                   | Legal penalties, loss of client trust, reputational damage           | Encourages transparent client practices while mitigating organizational risks. | Conduct regular audits of client tax submissions. Develop automated systems for tax calculations and reconciliation. Provide clients with accurate guidance on tax laws and maintain a system for identifying and reporting irregularities. <b>(ALL)</b>            | Clients, organization   | Before Measure:<br><b>High</b><br>After Measure:<br><b>Low</b> |
| Technological failures        | Service disruptions, data loss, operational inefficiency             | Supports operational continuity while optimizing IT investments.               | Invest in redundant systems for critical software, regularly update all applications, and conduct preventative maintenance on hardware. Develop a contingency plan with alternative systems for uninterrupted operations. <b>(ALL)</b>                              | Organization, clients   | Before Measure:<br><b>High</b><br>After Measure:<br><b>Low</b> |
| Third-party data inaccuracies | Errors in financial reporting, operational delays, reputational harm | Facilitates broader data sourcing, enhancing analytical capabilities.          | Implement stringent data validation protocols for information received from third parties. Establish service level agreements (SLAs) that define data accuracy standards and conduct regular audits to ensure compliance. <b>(ALL)</b>                              | Clients, organization   | Before Measure:<br><b>Med</b><br>After Measure:<br><b>Low</b>  |

| HAZARD   | RISK  | RISK BENEFIT  | MEASURE  | RISK TO               | RISK LEVEL  |
|--|---|---|--|-----------------------|---|
| Third-party vendor risks                               | Data breaches, operational disruptions, compliance failures       | Enhances operational efficiency by leveraging specialized vendor tools. | Conduct risk assessments for all vendors before onboarding. Include detailed security and compliance clauses in contracts. Monitor vendor performance quarterly through metrics and require regular compliance certifications. <b>(ALL)</b>        | Organization          | Before Measure:<br><b>Med</b><br>After Measure:<br><b>Low</b> |
| Unreliable financial reporting due to manual processes | Errors in reporting, decision-making challenges, compliance risks | Provides flexibility in handling unique or complex transactions.        | Automate financial reporting processes to minimize human errors and enhance reliability. Implement workflow management systems that track report generation and approvals, ensuring accuracy and timeliness. <b>(ALL)</b>                          | Clients, organization | Before Measure:<br><b>Med</b><br>After Measure:<br><b>Low</b> |
| Unforeseen hazard                                      | Illness, injury, death  |   | Ongoing dynamic risk assessment conducted by all relevant personnel. Any identified potential risks should be immediately reported to the appropriate supervisor or risk manager, and corrective action should be taken as necessary. <b>(ALL)</b> | All                   | <b>N/A</b>  |

## NOTES

### Extra notes & evaluation:

Completed by

Reviewed/Approved by

Risk Assessment Date

Review Required Date