

ASSESSMENT DETAILS

ESCALATION CONTACT:

Team Lead:	Contact No.:
Affected Parties:	

ACTIVITY OR SERVICE DETAILS

Purpose:	Date:
Benefit: Enhances decision-making with expert financial insights. Ensures compliance with corporate financial regulations. Facilitates successful mergers, acquisitions, and restructuring. Improves access to funding and investment opportunities. Optimizes financial structure to maximize shareholder value. Supports business growth through efficient capital allocation.	

HAZARDS

HAZARD	RISK	RISK BENEFIT	MEASURE	RISK TO	RISK LEVEL
Complex financial instruments	Complex financial instruments	Engaging in complex instruments diversifies revenue streams and hedges existing exposures.	Ensure in-depth understanding of all financial instruments by providing advanced training for staff. Use scenario analyses and stress testing to evaluate risks and implement proper valuation and accounting techniques. (ALL)	Financial Analysts, The Organization, Investors	Before Measure: High After Measure: Med
Contractual disputes	Contractual disputes	Clear contracts foster strong partnerships and minimize disruptions from disputes.	Draft contracts with unambiguous terms, involving legal expertise to prevent loopholes. Maintain open communication with all parties during contract negotiation and execution to address issues promptly. (ALL)	Legal Team, Partners, The Organization	Before Measure: High After Measure: Med

HAZARD	RISK	RISK BENEFIT	MEASURE	RISK TO	RISK LEVEL
Counterparty risks	Counterparty risks	Collaboration with reliable partners enhances operational efficiency and reduces disputes.	Conduct detailed due diligence on counterparties to assess their financial stability and reliability. Use legally binding agreements with clear terms and implement credit support arrangements to secure obligations. (ALL)	The Organization, Partners, Investors	Before Measure: High After Measure: Med
Credit default	Credit default	Extending credit can foster client relationships and generate interest income, contributing to revenue growth.	Conduct thorough credit assessments using quantitative models and qualitative analysis to evaluate borrowers' creditworthiness. Set appropriate credit limits and maintain a balanced credit portfolio to minimize exposure to any single borrower. (ALL)	Lenders, Clients, The Organization	Before Measure: High After Measure: Med
Cybersecurity breaches	Cybersecurity breaches	Investing in cybersecurity protects sensitive data, maintaining client trust and avoiding financial losses from breaches.	Implement multi-layered security protocols, including firewalls, encryption, and intrusion detection systems. Conduct regular vulnerability assessments and employee training on cybersecurity best practices. (ALL)	IT Staff, Clients, The Organization	Before Measure: High After Measure: Med
Data breaches	Data breaches	Effective data security ensures regulatory compliance and maintains client confidence.	Use encryption, multi-factor authentication, and regular penetration testing to safeguard sensitive data. Educate employees on data protection and establish strict access controls based on job roles. (ALL)	IT Department, Clients, The Organization	Before Measure: High After Measure: Med
Data inaccuracies	Data inaccuracies	Accurate data supports informed decision-making and strategic planning.	Implement data governance frameworks that include data validation and regular audits. Train employees on accurate data entry and management practices. (ALL)	Data Analysts, Employees, The Organization	Before Measure: High After Measure: Med

HAZARD	RISK	RISK BENEFIT	MEASURE	RISK TO	RISK LEVEL
Economic downturns	Economic downturns	Resilience to economic fluctuations ensures long-term stability and investor confidence.	Develop recession-proof strategies such as cost optimization and diversification of revenue streams. Maintain cash reserves and assess economic indicators regularly to adapt business models during downturns. (ALL)	The Organization, Investors, Employees	Before Measure: High After Measure: Med
Emerging technologies	Emerging technologies	Leveraging emerging technologies enhances competitiveness and operational efficiency.	Establish a dedicated innovation team to assess and implement emerging technologies. Conduct pilot programs to test feasibility and scalability, ensuring robust change management processes to minimize disruption. (ALL)	IT Department, Innovation Team, The Organization	Before Measure: High After Measure: Med
Environmental risks	Environmental risks	Sustainable practices enhance corporate responsibility and can lead to cost savings.	Conduct environmental impact assessments and implement sustainable practices. Obtain appropriate insurance coverage to mitigate financial impacts from environmental events. (ALL)	The Organization, Local Communities, Environment	Before Measure: High After Measure: Med
Foreign exchange risk	Foreign exchange risk	Engaging in foreign markets can lead to diversification and potential revenue growth.	Implement hedging strategies using forward contracts and options to mitigate currency exposure. Monitor foreign exchange markets and adjust positions to align with risk appetite. (ALL)	International Operations, Investors, The Organization	Before Measure: High After Measure: Med
Fraudulent activities	Fraudulent activities	Effective fraud prevention safeguards assets and upholds the institution's integrity.	Deploy advanced fraud detection systems that utilize machine learning to identify suspicious activities. Establish clear internal controls and segregation of duties to prevent internal fraud. (ALL)	Employees, The Organization, Clients	Before Measure: High After Measure: Med
Inadequate risk appetite	Inadequate risk appetite	A clear risk framework balances growth with sustainability and prevents excessive risk-taking.	Define and document a clear risk appetite statement. Regularly review and align risk-taking activities with the stated appetite, ensuring oversight by senior management and governance committees. (ALL)	Senior Management, Risk Managers, The Organization	Before Measure: High After Measure: Med

HAZARD	RISK	RISK BENEFIT	MEASURE	RISK TO	RISK LEVEL
Inconsistent reporting	Inconsistent reporting	Consistent reporting builds investor confidence and aids in strategic decision-making.	Standardize reporting processes across departments using automated systems to minimize human error. Conduct periodic audits to ensure data integrity and compliance with reporting standards. (ALL)	Finance Department, Management, Investors	Before Measure: High After Measure: Med
Inflationary pressures	Inflationary pressures	Strategic pricing can enhance margins and sustain profitability.	Adjust pricing strategies to reflect inflationary trends. Monitor costs and implement efficiency measures to maintain profitability during inflationary periods. (ALL)	The Organization, Customers, Investors	Before Measure: High After Measure: Med
Interest rate fluctuations	Interest rate fluctuations	Managing interest rate risk stabilizes earnings and allows for strategic financial planning.	Use interest rate swaps and other hedging instruments to manage exposure. Regularly assess the sensitivity of assets and liabilities to interest rate changes and adjust strategies accordingly. (ALL)	The Organization, Investors, Financial Managers	Before Measure: High After Measure: Med
Legal disputes	Legal disputes	Proactive legal management prevents costly disputes and fosters a culture of compliance.	Engage legal counsel to review contracts and business practices. Implement policies that ensure compliance with applicable laws and regulations to minimize legal risks. (ALL)	Legal Team, The Organization, Clients	Before Measure: High After Measure: Med
Liquidity constraints	Liquidity constraints	Efficient liquidity management allows for capital allocation to high-return investments, optimizing financial performance.	Maintain a liquidity buffer by holding high-quality liquid assets. Implement robust cash flow forecasting to anticipate liquidity needs and establish contingency funding plans to address unexpected shortfalls. (ALL)	The Organization, Investors, Employees	Before Measure: High After Measure: Med
Market competition	Market competition	Healthy competition drives innovation and can lead to market leadership.	Conduct regular market analyses to understand competitive dynamics. Innovate products and services to maintain a competitive edge and meet evolving customer needs. (ALL)	The Organization, Competitors, Customers	Before Measure: High After Measure: Med

HAZARD	RISK	RISK BENEFIT	MEASURE	RISK TO	RISK LEVEL
Market volatility	Market volatility	Exposure to market movements can lead to higher returns during favorable conditions, enhancing profitability.	Implement a diversified investment strategy across various asset classes and geographies to spread risk. Utilize hedging instruments like options and futures to protect against adverse market movements. Regularly monitor market conditions and adjust portfolios accordingly. (ALL)	Investors, Portfolio Managers, The Organization	Before Measure: High After Measure: Med
Misaligned incentives	Misaligned incentives	Properly aligned incentives drive sustainable growth and enhance team cohesion.	Align employee and management incentives with organizational goals by linking rewards to long-term performance metrics rather than short-term gains. Regularly review incentive structures for fairness and transparency. (ALL)	Employees, Management, The Organization	Before Measure: High After Measure: Med
Operational disruptions	Operational disruptions	Preparedness for disruptions ensures operational resilience, maintaining client trust and operational efficiency.	Develop comprehensive business continuity and disaster recovery plans. Regularly test these plans and train employees to ensure readiness. Invest in redundant systems and infrastructure to minimize downtime during disruptions. (ALL)	Employees, Clients, The Organization	Before Measure: High After Measure: Med
Political instability	Political instability	Engaging in diverse markets can provide growth opportunities despite political uncertainties.	Monitor geopolitical developments and assess their potential impact on operations. Develop strategies to mitigate risks associated with political changes, such as diversifying markets. (ALL)	International Operations, The Organization, Investors	Before Measure: High After Measure: Med
Regulatory non-compliance	Regulatory non-compliance	Proactive compliance management avoids legal penalties and enhances the institution's reputation.	Establish a dedicated compliance department to monitor and implement regulatory changes. Conduct regular compliance audits and provide ongoing training to employees to ensure adherence to laws and regulations. (ALL)	Compliance Officers, Employees, The Organization	Before Measure: High After Measure: Med

HAZARD	RISK	RISK BENEFIT	MEASURE	RISK TO	RISK LEVEL
Reputational damage	Reputational damage	A strong reputation attracts clients and investors, contributing to long-term success.	Maintain transparent communication channels with stakeholders. Implement robust corporate governance practices and swiftly address any issues that could harm reputation. (ALL)	Stakeholders, Clients, The Organization	Before Measure: High After Measure: Med
Supply chain disruptions	Supply chain disruptions	A resilient supply chain ensures uninterrupted operations and service delivery.	Diversify suppliers and establish strong relationships to ensure flexibility. Develop contingency plans to address potential disruptions in the supply chain. (ALL)	Suppliers, Operations Team, The Organization	Before Measure: High After Measure: Med
Talent attrition	Talent attrition	Retaining skilled employees ensures continuity, reduces recruitment costs, and strengthens organizational culture.	Implement robust employee engagement programs, including regular feedback sessions and recognition initiatives. Offer competitive compensation, professional development opportunities, and flexible work arrangements to enhance job satisfaction and retention. (ALL)	Employees, Human Resources, The Organization	Before Measure: High After Measure: Med
Technological failures	Technological failures	Leveraging technology enhances operational efficiency and service delivery.	Invest in reliable IT infrastructure with regular maintenance schedules. Establish backup systems and conduct routine testing to ensure continuity in case of failures. (ALL)	IT Department, Employees, Clients	Before Measure: High After Measure: Med
Third-party dependencies	Third-party dependencies	Strategic third-party relationships reduce operational burden and improve scalability.	Monitor third-party performance through regular audits and feedback mechanisms. Include service level agreements (SLAs) with predefined penalties for non-compliance, ensuring reliable service delivery. (ALL)	Vendors, The Organization, Clients	Before Measure: High After Measure: Med

HAZARD	RISK	RISK BENEFIT	MEASURE	RISK TO	RISK LEVEL
Unethical practices	Unethical practices	A strong ethical framework fosters trust with stakeholders and mitigates reputational risks.	Establish a code of conduct and enforce strict adherence through regular training. Implement whistleblowing mechanisms to report unethical behavior confidentially, ensuring immediate investigation and corrective action. (ALL)	Employees, The Organization, Stakeholders	Before Measure: High After Measure: Med
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. (ALL)	All	N/A

NOTES

Extra notes & evaluation:

Completed by

Reviewed/Approved by

Risk Assessment Date

Review Required Date