

ASSESSMENT DETAILS

ESCALATION CONTACT:

| | |
|--------------------------|---------------------|
| Team Lead: | Contact No.: |
| Affected Parties: | |

ACTIVITY OR SERVICE DETAILS

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|---|--------------|
| Purpose: | Date: |
| Benefit: Aligns financial resources with individual or family goals. Encourages disciplined financial habits and goal setting. Improves preparedness for retirement and emergencies. Optimizes resource allocation through tailored strategies. Provides clarity on short-term and long-term financial priorities. Reduces financial stress through structured planning. | |

HAZARDS

| HAZARD | RISK | RISK BENEFIT | MEASURE | RISK TO | RISK LEVEL |
|--------------------|---|---|--|--|--|
| Concentration risk | Excessive exposure to a single sector, geographic area, or counterparty, potential financial losses | Focusing on high-performing sectors or clients can yield higher returns, provided that diversification strategies are in place to manage potential downsides. | Regularly analyze portfolios to identify and assess concentrations in sectors, geographies, or counterparties. Set exposure limits to prevent excessive concentration and diversify investments to spread risk. Implement stress testing to evaluate the impact of adverse scenarios on concentrated exposures. (ALL) | Organizations, clients, financial institutions | Before Measure: High After Measure: Med |

| HAZARD | RISK | RISK BENEFIT | MEASURE | RISK TO | RISK LEVEL |
|-----------------------|--|--|--|--|--|
| Credit default | Loss of principal, disrupted cash flows, increased financial stress | Facilitates business growth by extending credit, leading to increased revenue streams despite inherent risks. | Conduct in-depth credit analysis of counterparties, establish credit rating-based limits, and implement an early warning system to flag potential defaulters. Use credit insurance and derivatives such as credit default swaps to transfer risk, and monitor exposures through regular reporting. (ALL) | Clients, counterparties, organizations | Before Measure: High After Measure: Med |
| Cybersecurity threats | Data breaches, financial theft, reputational damage | Utilizing digital platforms can lead to operational efficiencies and improved customer experiences. | Deploy a multi-layered cybersecurity framework including firewalls, intrusion detection systems, and endpoint security solutions. Conduct regular penetration testing, back up critical data frequently, and create a robust incident response and recovery plan. (ALL) | Clients, organizations, employees | Before Measure: High After Measure: Med |
| Data breaches | Loss of sensitive information, reputational harm, regulatory penalties | Protecting data builds customer trust and ensures compliance with data protection laws. | Implement robust encryption methods, establish strict access controls, and conduct regular security audits. Train employees on data protection best practices and develop an incident response plan to address breaches promptly. (ALL) | Clients, organizations, stakeholders | Before Measure: High After Measure: Med |
| Emerging risks | Unanticipated disruptions, missed opportunities, reputational damage | Proactively addressing emerging risks positions the organization as a leader in innovation and resilience, potentially opening new market opportunities. | Establish a dedicated team to monitor and analyze emerging risks such as technological innovations, climate change, and geopolitical developments. Participate in industry forums and collaborate with peers to share insights. Develop flexible risk management strategies that can be adapted as new risks materialize. (ALL) | Organizations, stakeholders, clients | Before Measure: High After Measure: Med |

| HAZARD | RISK | RISK BENEFIT | MEASURE | RISK TO | RISK LEVEL |
|-----------------------|--|--|---|--|--|
| Environmental risks | Regulatory non-compliance, reputational damage, operational disruptions | Sustainable operations can lead to long-term cost savings and improved brand image. | Conduct comprehensive environmental impact assessments, comply with environmental regulations, and invest in sustainable practices. Implement environmental management systems and engage stakeholders in sustainability initiatives to reduce environmental footprint. (ALL) | Organizations, clients, stakeholders | Before Measure: High After Measure: Med |
| Foreign exchange risk | Loss of value in foreign-denominated assets, disrupted cash flows, increased costs | Engaging in international markets offers diversification and growth opportunities. | Conduct foreign currency exposure analysis, and establish natural hedges by matching currency inflows with outflows. Use derivatives such as forwards and options to lock in exchange rates, and monitor global currency trends for proactive adjustments. (ALL) | Organizations, clients, financial institutions | Before Measure: High After Measure: Med |
| Fraudulent activities | Loss of assets, reputational damage, legal consequences | Maintaining robust anti-fraud measures protects assets and upholds organizational integrity. | Implement advanced fraud detection systems utilizing machine learning algorithms, conduct regular internal and external audits, and establish clear whistleblowing policies. Educate customers about fraud prevention and collaborate with law enforcement agencies to address fraud incidents. (ALL) | Clients, organizations, stakeholders | Before Measure: High After Measure: Med |
| Health pandemics | Reduced workforce productivity, operational disruptions, reputational damage | A healthy workforce ensures productivity and business continuity. | Develop health and safety protocols aligned with public health guidelines, enable remote working capabilities, and establish communication plans for health emergencies. Provide health resources to employees and collaborate with health authorities to stay informed about emerging health threats. (ALL) | Employees, organizations, clients | Before Measure: High After Measure: Med |

| HAZARD | RISK | RISK BENEFIT | MEASURE | RISK TO | RISK LEVEL |
|----------------------------|--|--|---|---|--|
| Interest rate fluctuations | Loss of investment value, increased borrowing costs, reduced profit margins | Taking advantage of favorable interest rates can reduce borrowing costs and enhance investment returns. | Regularly analyze the sensitivity of assets and liabilities to interest rate changes, and use interest rate swaps, caps, or collars to hedge against unfavorable movements. Develop an interest rate risk management policy and align investment strategies accordingly. (ALL) | Clients, financial institutions, stakeholders | Before Measure: High After Measure: Med |
| Legal liabilities | Financial penalties, reputational damage, operational disruptions | Operating within legal frameworks builds stakeholder confidence and reduces the risk of costly litigation. | Ensure all contracts are meticulously reviewed by legal professionals, maintain comprehensive insurance coverage for potential legal claims, and adhere strictly to industry regulations. Implement regular legal compliance audits and provide ongoing training to employees on legal obligations. (ALL) | Organizations, clients, stakeholders | Before Measure: High After Measure: Med |
| Liquidity constraints | Inability to meet short-term obligations, operational disruptions, reputational damage | Optimizes asset utilization and enhances profitability by minimizing idle cash reserves. | Maintain a liquidity buffer using liquid assets, establish committed credit facilities with banks, and optimize cash flow through effective receivables and payables management. Conduct regular stress tests to simulate adverse liquidity conditions and prepare contingency funding plans. (ALL) | Financial institutions, stakeholders, clients | Before Measure: High After Measure: Med |
| Market volatility | Financial losses, reduced investment value, disrupted returns | Potential for higher returns by participating in diverse markets, leveraging growth opportunities, and achieving a balanced risk-reward profile. | Diversify investment portfolios across various asset classes and geographies to reduce exposure to any single market segment. Implement hedging strategies using financial derivatives to protect against significant market downturns, and regularly review portfolio performance against benchmarks. (ALL) | Clients, financial advisors, institutions | Before Measure: High After Measure: Med |

| HAZARD | RISK | RISK BENEFIT | MEASURE | RISK TO | RISK LEVEL |
|-----------------------|--|---|--|---|--|
| Model risk | Financial losses, inaccurate projections, regulatory penalties | Utilizing sophisticated models enables better decision-making and risk assessment, potentially leading to improved financial performance. | Develop a robust model risk management framework that includes validation of models by independent parties, regular back-testing against actual outcomes, and documentation of model assumptions and limitations. Ensure models are updated to reflect current market conditions and regulatory requirements. (ALL) | Organizations, financial institutions, stakeholders | Before Measure: High After Measure: Med |
| Natural disasters | Operational downtime, financial losses, damage to assets | Preparedness minimizes operational downtime and financial losses during unforeseen events. | Develop and regularly update disaster recovery and business continuity plans, secure appropriate insurance coverage for natural disaster risks, and conduct regular drills to ensure preparedness. Invest in infrastructure improvements to withstand natural events and establish communication channels for emergency situations. (ALL) | Organizations, clients, employees | Before Measure: High After Measure: Med |
| Political instability | Loss of market access, increased operational risk, financial losses | International diversification can lead to new market opportunities and risk mitigation. | Monitor geopolitical developments through reliable intelligence sources, diversify investments geographically to spread risk, and engage in scenario planning to assess potential impacts. Establish relationships with local authorities and stakeholders to navigate political changes effectively. (ALL) | Organizations, clients, stakeholders | Before Measure: High After Measure: Med |
| Regulatory changes | Non-compliance penalties, increased operational costs, reputational harm | Staying compliant avoids legal penalties and enhances reputation, fostering customer trust. | Establish a compliance management system to track regulatory updates, provide regular staff training, and appoint compliance officers to oversee adherence. Collaborate with industry bodies to stay informed of legislative trends and develop adaptable policies and procedures. (ALL) | Organizations, clients, regulators | Before Measure: High After Measure: Med |

| HAZARD | RISK | RISK BENEFIT | MEASURE | RISK TO | RISK LEVEL |
|--------------------------|---|--|---|--------------------------------------|--|
| Reputation damage | Loss of client trust, reduced market share, financial losses | Building a strong reputation enhances customer loyalty and can lead to increased market share. | Develop a comprehensive public relations strategy, monitor media channels for negative coverage, and establish protocols for crisis communication. Engage in corporate social responsibility initiatives to build goodwill and implement feedback mechanisms to address stakeholder concerns promptly. (ALL) | Organizations, clients, stakeholders | Before Measure: High After Measure: Med |
| Strategic risk | Failure to achieve objectives, loss of competitive position, financial losses | Pursuing ambitious strategic initiatives can lead to significant growth and competitive advantage, despite inherent uncertainties. | Engage in comprehensive strategic planning that includes market analysis, competitive positioning, and scenario planning. Establish a governance framework to oversee strategy implementation and adjust plans in response to changing market conditions or organizational performance. (ALL) | Organizations, stakeholders, clients | Before Measure: High After Measure: Med |
| Supply chain disruptions | Delays in operations, increased costs, reputational harm | A resilient supply chain ensures continuity and can provide a competitive edge. | Diversify suppliers across different regions, maintain inventory buffers for critical components, and develop contingency plans for supply chain interruptions. Utilize supply chain management software to monitor and predict potential disruptions and establish strong relationships with key suppliers. (ALL) | Organizations, clients, stakeholders | Before Measure: High After Measure: Med |

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|--------------------------|--|---|--|--|--|
| Third-party vendor risks | Operational disruptions, data security breaches, reputational harm | Leveraging specialized external services can enhance operational efficiency and provide access to advanced technologies without the need for significant internal investment. | Conduct thorough due diligence before engaging vendors, assessing their financial stability, security protocols, and compliance with regulations. Establish clear contractual obligations regarding data security and performance standards. Implement continuous monitoring and regular audits to ensure adherence to agreed-upon terms and promptly address any issues. (ALL) | Organizations, clients, vendors | Before Measure: High After Measure: Med |
| Inflationary pressures | Erosion of purchasing power, increased costs, reduced investment returns | Participating in growing economies can lead to increased revenues despite inflation risks. | Incorporate inflation-protected investments like TIPS in portfolios, regularly update pricing strategies to align with inflation trends, and renegotiate supplier contracts to mitigate cost increases. Monitor inflation data and adjust financial models accordingly. (ALL) | Clients, organizations, financial institutions | Before Measure: Med After Measure: Low |
| Operational failures | Disruptions in service delivery, increased costs, reputational harm | Streamlines operations, potentially reducing costs and improving service delivery. | Strengthen internal processes through automation, implement segregation of duties to reduce human error, and conduct regular compliance audits. Develop, document, and test business continuity plans to ensure critical operations can continue during disruptions. (ALL) | Employees, clients, stakeholders | Before Measure: Med After Measure: Low |
| Talent attrition | Loss of skilled workforce, operational inefficiencies, increased recruitment costs | Retaining skilled employees enhances organizational performance and reduces recruitment costs. | Offer competitive compensation packages, invest in employee development programs, and foster a positive workplace culture. Conduct exit interviews to understand attrition reasons and implement retention strategies based on feedback. (ALL) | Organizations, employees, stakeholders | Before Measure: Med After Measure: Low |

| HAZARD | RISK | RISK BENEFIT | MEASURE | RISK TO | RISK LEVEL |
|-------------------|------------------------|--------------|--|---------|------------|
| 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