

ASSESSMENT DETAILS

ESCALATION CONTACT:

Team Lead:	Contact No.:
Affected Parties:	

ACTIVITY OR SERVICE DETAILS

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

HAZARD	RISK	RISK BENEFIT	MEASURE	RISK TO	RISK LEVEL
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