

ASSESSMENT DETAILS

ESCALATION CONTACT:

Team Lead:	Contact No.:
Affected Parties:	

ACTIVITY OR SERVICE DETAILS

Purpose:	Date:
Benefit: Enhances operational efficiency through automated systems. Ensures compliance with treasury regulations and standards. Improves cash flow management and liquidity. Increases financial stability with structured planning. Reduces risks with effective hedging strategies. Supports strategic decision-making with financial insights.	

HAZARDS

HAZARD	RISK	RISK BENEFIT	MEASURE	RISK TO	RISK LEVEL
Cyberattacks	Unauthorized access, data breaches, financial loss	Balances security investments with operational needs, maintaining a competitive advantage without overextending budgets.	Deploy advanced cybersecurity solutions such as firewalls, intrusion detection systems, and encryption technologies. Regularly update software, conduct vulnerability assessments, and train staff on cybersecurity best practices to protect sensitive financial data from unauthorized access and breaches. (ALL)	Employees, organization, customers	Before Measure: High After Measure: Med

HAZARD	RISK	RISK BENEFIT	MEASURE	RISK TO	RISK LEVEL
Business Continuity Failures	Extended downtime, financial losses, reputational damage	Promotes resilience and adaptability, allowing the organization to maintain operations during unforeseen events while focusing resources on essential business functions.	Develop and regularly update business continuity plans, including backup systems and alternative operational workflows. Conduct regular drills and risk assessments to ensure readiness and minimize downtime during disruptions. (ALL)	Organization, employees	Before Measure: High After Measure: Low
Compliance Violations	Regulatory penalties, legal consequences, reputational harm	Encourages a culture of responsibility and accountability, allowing the organization to operate within legal frameworks while maintaining flexibility to adapt to new requirements.	Establish comprehensive compliance programs, including regular training, monitoring, and reporting mechanisms. Stay updated on regulatory changes and ensure all treasury operations adhere to relevant laws and standards to prevent violations. (ALL)	Employees, organization	Before Measure: High After Measure: Low
Concentration Risk	Overexposure to a single entity, financial losses, limited flexibility	Leads to strategic advantages and optimized returns by focusing on key areas, while diversification measures help mitigate potential negative impacts without diluting focus excessively.	Diversify investments and counterparties to avoid excessive exposure to any single entity or sector. Regularly assess concentration levels and adjust strategies to maintain a balanced and diversified portfolio, reducing the impact of adverse events. (ALL)	Organization, stakeholders	Before Measure: Med After Measure: Low

HAZARD	RISK	RISK BENEFIT	MEASURE	RISK TO	RISK LEVEL
Counterparty Default	Inability to recover funds, financial losses, reputational damage	Allows for strategic partnerships and business opportunities while maintaining safeguards to manage potential defaults without excessive conservatism.	Conduct thorough credit assessments of counterparties, set exposure limits, and require collateral or guarantees for transactions. Monitor counterparty financial health continuously and diversify counterparties to reduce the impact of potential defaults. (ALL)	Organization, stakeholders	Before Measure: High After Measure: Low
Credit Risk	Loan defaults, financial losses, reduced profitability	Allows the organization to extend credit and foster business relationships, potentially increasing revenues while managing exposure through prudent credit management practices.	Conduct thorough credit assessments, set appropriate credit limits, and diversify credit exposures. Monitor creditworthiness continuously and implement risk-based pricing to manage and mitigate credit risk effectively. (ALL)	Organization, stakeholders	Before Measure: Med After Measure: Low
Data Breaches	Loss of sensitive information, reputational damage, regulatory penalties	Encourages the adoption of innovative technologies and data-driven strategies while maintaining essential security measures to protect sensitive information.	Implement comprehensive data protection measures, including encryption, access controls, and regular security audits. Establish incident response plans and conduct employee training to prevent and address data breaches effectively. (ALL)	Employees, customers, organization	Before Measure: High After Measure: Low
Foreign Exchange Exposure	Currency devaluation, reduced competitiveness, financial losses	Enables international transactions and global expansion without incurring excessive hedging costs, fostering growth and diversification.	Implement currency hedging strategies such as forward contracts and options to manage exchange rate risks. Diversify currency holdings and regularly assess exposure levels to minimize the impact of currency fluctuations on treasury operations. (ALL)	Organization, investors	Before Measure: Med After Measure: Low

HAZARD	RISK	RISK BENEFIT	MEASURE	RISK TO	RISK LEVEL
Fraud	Fraudulent activities, loss of financial assets, reputational damage	Streamlines operations without excessive resource allocation, enabling focus on strategic initiatives while maintaining vigilance against potential threats.	Implement robust internal controls, including segregation of duties, regular audits, and real-time transaction monitoring systems. Conduct thorough background checks for all employees and provide ongoing fraud awareness training to detect and prevent fraudulent activities effectively. (ALL)	Employees, organization	Before Measure: High After Measure: Low
Geopolitical Instability	Supply chain disruptions, financial losses, reputational impact	Allows for global diversification and strategic positioning, enabling the organization to capitalize on opportunities in various regions while managing potential threats effectively.	Diversify investments and operations across multiple regions to mitigate the impact of geopolitical tensions. Monitor geopolitical developments and adjust strategies proactively to manage risks associated with instability and uncertainty. (ALL)	Organization, stakeholders	Before Measure: Med After Measure: Low
Human Error	Operational inefficiencies, financial losses, reputational damage	Fosters a culture of continuous improvement and learning, enabling the organization to enhance processes and reduce errors over time without stifling employee initiative.	Implement comprehensive training programs, establish clear standard operating procedures, and utilize automated systems to reduce manual intervention. Conduct regular performance reviews and provide feedback to minimize the likelihood of errors in treasury operations. (ALL)	Employees, organization	Before Measure: Med After Measure: Low
Inadequate Training	Increased errors, inefficiencies, compliance failures	Encourages on-the-job learning and innovation while prioritizing critical training areas to enhance overall competency without exhaustive resource allocation.	Develop comprehensive training programs, provide continuous learning opportunities, and assess training effectiveness regularly. Ensure that all staff are equipped with the necessary skills and knowledge to perform their roles effectively and adapt to evolving requirements. (ALL)	Employees, organization	Before Measure: Med After Measure: Low

HAZARD	RISK	RISK BENEFIT	MEASURE	RISK TO	RISK LEVEL
Information Silos	Inefficient communication, duplicated efforts, reduced productivity	Balances specialized expertise with overall operational efficiency through integrated systems and collaboration efforts, mitigating the negative impacts of information silos.	Implement integrated information systems, promote cross-departmental collaboration, and establish clear communication channels. Encourage data sharing and transparency to break down silos and enhance overall operational efficiency. (ALL)	Employees, organization	Before Measure: Med After Measure: Low
Interest Rate Fluctuations	Increased borrowing costs, reduced profitability	Leads to cost savings and optimized financial performance by benefiting from favorable rate movements and avoiding excessive hedging costs.	Utilize interest rate swaps, caps, and floors to hedge against unfavorable rate movements. Monitor interest rate trends and adjust debt and investment strategies accordingly to manage exposure and stabilize financial performance. (ALL)	Organization, stakeholders	Before Measure: Med After Measure: Low
Internal Control Failures	Fraud, financial mismanagement, non-compliance	Allows for operational flexibility and efficiency, enabling the organization to innovate and adapt while maintaining essential safeguards against significant failures.	Establish a strong internal control framework with clear policies, regular audits, and accountability mechanisms. Continuously monitor and update controls to address emerging risks and ensure compliance with best practices in treasury operations. (ALL)	Organization, employees	Before Measure: Med After Measure: Low

HAZARD	RISK	RISK BENEFIT	MEASURE	RISK TO	RISK LEVEL
Lack of Transparency	Reduced trust, poor decision-making, reputational damage	Empowers employees and fosters a culture of trust and accountability through effective communication and information sharing, while maintaining essential controls to protect sensitive data.	Promote open communication, establish clear reporting structures, and implement transparent decision-making processes. Ensure that all stakeholders have access to relevant information to build trust and facilitate informed decision-making. (ALL)	Employees, stakeholders, organization	Before Measure: Med After Measure: Low
Legal Risks	Regulatory penalties, legal disputes, reputational harm	Facilitates strategic initiatives and business expansion by maintaining safeguards to address potential legal challenges effectively, allowing the organization to pursue growth opportunities confidently.	Engage legal experts to review contracts and compliance, stay informed about relevant laws and regulations, and implement policies to ensure adherence. Conduct regular legal audits and provide training to minimize the likelihood of legal issues arising. (ALL)	Organization, stakeholders	Before Measure: Med After Measure: Low
Liquidity Shortages	Inability to meet financial obligations, reputational damage	Facilitates efficient capital allocation by investing excess liquidity for returns while maintaining buffers to address unexpected cash flow demands.	Maintain adequate liquidity reserves, establish credit lines, and implement cash flow forecasting to ensure sufficient funds are available for operational needs. Regularly review and adjust liquidity management policies to respond to changing financial conditions. (ALL)	Organization, stakeholders	Before Measure: High After Measure: Low

HAZARD	RISK	RISK BENEFIT	MEASURE	RISK TO	RISK LEVEL
Market Volatility	Financial losses, increased risk exposure, liquidity issues	Creates opportunities for higher returns and strategic positioning, allowing the organization to capitalize on favorable market movements while managing potential downsides.	Utilize hedging strategies, diversify investment portfolios, and implement dynamic asset allocation to manage exposure to market fluctuations. Continuously monitor market trends and adjust strategies proactively to mitigate the impact of volatility on treasury operations. (ALL)	Organization, investors	Before Measure: Med After Measure: Low
Model Risk	Inaccurate financial forecasts, poor decision-making, financial losses	Enhances decision-making capabilities through sophisticated analytical tools while maintaining controls to manage potential inaccuracies.	Validate and backtest financial models regularly, implement robust governance frameworks, and ensure transparency in model assumptions and methodologies. Continuously monitor model performance and update models to reflect changing market conditions. (ALL)	Organization, investors	Before Measure: Med After Measure: Low
Natural Disasters	Operational disruptions, loss of critical data, financial losses	Ensures preparedness without overextending resources on unlikely events, balancing safety and efficiency.	Develop comprehensive disaster recovery and business continuity plans, including backup sites and redundant systems. Conduct regular drills and risk assessments to ensure readiness and minimize the impact of natural disasters on treasury operations. (ALL)	Organization, employees	Before Measure: High After Measure: Low
Operational Disruptions	Delayed processes, financial losses, customer dissatisfaction	Enhances resilience and adaptability, allowing the organization to respond effectively to unexpected events while focusing resources on core business activities.	Develop and maintain a robust business continuity plan, including backup systems and alternative workflows. Conduct regular risk assessments and scenario planning to prepare for potential disruptions, ensuring swift recovery and minimal impact on operations. (ALL)	Employees, organization	Before Measure: High After Measure: Low

HAZARD	RISK	RISK BENEFIT	MEASURE	RISK TO	RISK LEVEL
Outsourcing Risks	Service disruptions, loss of control, compliance issues	Leverages specialized expertise and cost efficiencies provided by vendors, enabling focus on core activities while managing potential risks through diligent partner selection and oversight.	Select reputable outsourcing partners, establish clear contractual agreements, and monitor performance regularly. Implement contingency plans for service disruptions and ensure that outsourced functions comply with internal standards and regulatory requirements. (ALL)	Organization, stakeholders	Before Measure: Med After Measure: Low
Process Inefficiencies	Delayed operations, increased costs, reduced competitiveness	Enables iterative improvements and innovation, allowing the organization to adapt and optimize workflows without being hindered by the pursuit of absolute perfection.	Conduct regular process audits, implement lean management techniques, and utilize automation to streamline treasury operations. Continuously seek feedback from staff to identify and eliminate inefficiencies, enhancing overall productivity. (ALL)	Employees, organization	Before Measure: Med After Measure: Low
Regulatory Changes	Non-compliance penalties, operational disruptions	Promotes flexibility and agility, allowing the organization to quickly adapt to new rules without being hindered by constant overhauls, thus maintaining operational continuity.	Stay informed about regulatory developments through continuous monitoring and engage with regulatory bodies. Adapt policies and procedures promptly to comply with new regulations, and provide regular training to ensure staff are aware of compliance requirements. (ALL)	Organization, employees	Before Measure: Med After Measure: Low
Reputational Damage	Loss of trust, decreased customer loyalty, financial losses	Fosters trust and credibility with stakeholders through effective communication and actions, maintaining a positive organizational image.	Implement strong ethical standards, transparent communication practices, and proactive public relations strategies. Monitor media and stakeholder perceptions regularly to address potential issues promptly and maintain a positive reputation. (ALL)	Organization, stakeholders	Before Measure: Med After Measure: Low

HAZARD	RISK	RISK BENEFIT	MEASURE	RISK TO	RISK LEVEL
Settlement Risks	Delayed transactions, financial losses, reputational damage	Facilitates timely and efficient transaction processing, enabling smooth treasury operations while maintaining safeguards to address potential settlement issues promptly.	Implement efficient settlement processes, utilize reliable clearinghouses, and conduct real-time transaction monitoring. Establish contingency plans for settlement failures and regularly review settlement procedures to minimize associated risks. (ALL)	Organization, stakeholders	Before Measure: High After Measure: Low
System Failures	Operational downtime, data loss, financial disruptions	Ensures operational resilience by optimizing resources and maintaining backup systems without incurring excessive costs for total redundancy.	Establish comprehensive IT maintenance schedules, redundant systems, and failover protocols to ensure continuous operation. Conduct regular system testing and disaster recovery drills to minimize downtime and quickly restore services in the event of a failure. (ALL)	Employees, organization	Before Measure: High After Measure: Low
Technological Obsolescence	Inefficiencies, increased costs, inability to compete	Fosters innovation and cost-effective technology management, allowing the organization to adopt new solutions when beneficial without overcommitting resources prematurely.	Invest in scalable and adaptable technology solutions, conduct regular technology assessments, and stay informed about industry advancements. Plan for timely upgrades and replacements to ensure treasury systems remain current and effective. (ALL)	Employees, organization	Before Measure: Med After Measure: Low
Vendor Dependencies	Service disruptions, increased costs, reduced flexibility	Benefits from specialized services and efficiencies provided by vendors while mitigating potential disruptions through diversification and contingency planning.	Diversify vendor base, establish strong contractual agreements, and regularly evaluate vendor performance. Implement contingency plans for vendor failures and maintain alternative suppliers to reduce dependency risks. (ALL)	Organization, 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