



BUSINESS TOOL: RISK MANAGEMENT

REVIEW CHECKLIST

As operating environments change, an organisation's risk management approach must be regularly reviewed. Boards and executives need to ask themselves whether the perceived likelihood and impact of identified risks are still valid, if their organisation's existing business processes remain suitable, how effective existing controls may be, and whether there has been a shift in risk appetite.

Failing to do this could see new risks go unidentified, and resources and process ill-placed to address current market conditions. The ultimate goal is to use risk management as the foundation for driving organisational resilience in the future.

Our Risk Management Review Checklist provides Boards and Executives with the key areas they should consider when reassessing their organisation's risk management process.

By considering each of the elements below, leaders will be on their way to ensuring a holistic assessment can take place, so areas for action can be identified to enhance their organisation's risk management profile

STRATEGY AND PLANNING

- Are the assumptions underpinning your organisation's strategies, plans and forecasts still valid?

SUPPLY CHAIN

- Are you aware of your organisation's end-to-end supply chain and where the weakest link might be?
- Are there any suppliers or vendors who, due to increased workload and decreased workforce, may have challenges delivering timely and quality goods and services?
- Have you initiated increased communication across your organisation's supply chain to ensure issues are identified quickly, so efficient response strategies can be developed?
- Could your organisation's cost of supplies increase because of competitive pressures across the supply chain decreasing and demand increasing?

ORGANISATIONAL REPUTATION

- Has your organisation considered the reputational impact of an adverse response to market conditions (e.g. economic crises)?
- Have stakeholder engagement processes been evolved to accommodate the current/new operating environment (e.g. has technology been enabled)?
- Has your organisation considered any project or strategic goal achievement delays resulting from the current/new operating environment?

BDO RISK ADVISORY SERVICES

Our Risk Advisory Services Practice works with clients to proactively manage risks either by providing assurance over the management of those risks or assisting clients in designing controls to manage the risks. Our professionals have a deep understanding of industry issues and provide guidance to public and private companies alike. Our Risk Advisory Services team had assisted clients in delivering internal audit, corporate governance, internal control frameworks, compliance and third-party audits and enterprise risk management. We work together with our clients to develop tailored solutions that are forward-looking to enhance the business operations. Our practice combines the personal involvement of a trusted advisor with the resources of an expansive international network, facilitating a swift turnaround for even the most complicated matters.

WORKFORCE PLANNING

- Does your workforce structure accommodate work from home or a blended working strategy?
- Have key personnel and suitable contingencies been identified to ensure your organisation can continue to deliver services and meet objectives (i.e. right person, right place, and the right time)?
- Can your organisation still access the subject experts necessary to meet service delivery objectives, particularly those based internationally?

TECHNOLOGY

- Have changes in technology use or expediting IT plans followed appropriate governance processes and considered the potential impact on the internal control environment?
- Has the way employees and contractors access the network and applications changed? If so, has this increased the vulnerability to cyber security threat actors? Do technology modifications made to support organisational processes (e.g. approvals) for a remote workforce expose the organisation to data breaches or unauthorised disclosures/approvals?
- Does technology appropriately support productivity for a remote or blended workforce?

LEGAL AND COMPLIANCE

- Has there been any change in compliance obligations legislated or community expectations?
- Has risk between parties been clearly assigned? If delays or quality issues present themselves, who is liable?
- Has the organisation sought appropriate legal and industrial relations advice to ensure the legality of any decisions made during the current/new operating environment?

FINANCE

- Has the organisation established sound cash flow management processes, particularly when suppliers and contractors request changes to payment terms? Has the impact of long-term fiscal funding restrictions been considered?
- Has the need for an overarching reprioritisation of program and project delivery in light of changed economic circumstances been considered?
- Will tighter lending controls from traditional funding mechanisms impact the ability to raise capital?

HEALTH, SAFETY AND ENVIRONMENT

- Has the impact of remote working on employees' mental health been considered and appropriately addressed? Have site efficiencies and cost impacts of the health and safety processes that will remain indefinitely been considered?
- How will the organisation meet strict health and safety hygiene protocols?

BDO Risk Advisory Leaders

If you have any questions, comments or suggestions, please contact us.
Learn more about BDO Risk Advisory Services, please visit www.bdo.ae

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