



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 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?
- Has the organisation considered the increasing interdependency of risks and their potential aggregation?

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 organisation reviewed strategies and processes around data governance to limit potential consequence from a security breach?
- Have appropriate cyber security resilience processes been established, specifically responding to incidents?
- Does the organisation monitor third party dependencies and risks within their technology environment and recovery requirements?
- Has the organisation considered how AI could be leveraged within, or potentially impact the business? Has an AI strategy been established?
- 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?

CONTACT

To learn more about how a risk management assessment could help your organisation position itself for competitive advantage in the future, contact a member of [BDO's Advisory team](#).

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Our history gives us a thorough understanding of the local marketplace, and the knowledge required to provide real value and specialist advice to local businesses.

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Supply chain

Are you aware of your organisation's end-to-end supply chain and where the weakest link might be?

Have you reviewed your organisation's modern slavery and responsible sourcing obligations, and put in place appropriate measures to monitor?

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?

Does the organisation proactively monitor solvency risks across the supply chain for key suppliers and vendors?

Could your organisation's cost of supplies increase because of competitive pressures across the supply chain decreasing and demand increasing?

Workforce planning

Does your workforce structure accommodate a hybrid or 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) now and into the future (succession planning)?

Can your organisation still access the subject experts necessary to meet service delivery objectives, particularly those based internationally?

Organisational reputation

Has your organisation considered the reputational impact of an adverse response to market conditions (e.g. economic crises)?

Have stakeholder engagement processes 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?

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 organisation appropriately established processes to support the management of psychosocial hazards in the workforce as legislatively required?

Does the organisation oversight Health, Safety and Environment risks and appropriateness of processes?

Is the organisation required to report on sustainability risks and actions, and has an ESG strategy been established?

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?

Legal and compliance

Has there been any change in compliance obligations – legislated or community expectations (i.e. Human Rights Act)?

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?