



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?

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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.

Today, across our ten offices in Australia we have 1,741 people, including 204 Partners, providing a full range of audit, tax and advisory services.

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?

CONTACT US

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**.

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?