



Client: Sharjah Media City  
 Process: Governance  
 Period: 2023

S/N	Mega Process	Major Process	Sub process	Risk Category	Risk Id	Risk Title
1			Delegation of Authority	Compliance Risk		
2			Succession planning	Strategic Risk		
3			Organizational structure	Operational Risk		
4			Corporate Strategy development and communication	Strategic Risk		
5			Pricing Strategy	Strategic Risk		
6			Key Performance Indicators (KPIs) monitoring and reporting process	Strategic Risk		
7			Risk Management Process	Compliance Risk		

8			Business continuity management communication, training, and/ or testing	Strategic Risk		
9			Reporting and communication mechanism with the mother company (ADM)	Operational Risk		
10			Policies & Procedures	Compliance Risk		
11			Coordination and SOP mapping	Compliance Risk		
12			Implementation of Government rules & regulation at the company	Compliance Risk		
13			Overreliance on a single client	Strategic Risk		
14			Quality Control process and standards on web printing	Operational Risk		
15			Marketing & Feasibility Studies	Strategic Risk		

16			Committees and charters	Compliance Risk		
17			Whistle Blower and Fraud Prevention Plan	Compliance Risk		
18			HSE standards and monitoring process	Compliance Risk		

Risk Description	Inherent Risk Impact	Inherent Risk Likelihood	Inherent Risk (Impact + Likelihood)	Control ID
Increased errors arising from the lack of accountability , lack of segregation of duties, and inefficiencies in operations among functions due to lack of an approved and updated DOA	4	3	7	SH-FIN-06.2
Inability to ensure that Shams well prepared for expansion, loss of key employee and ready to fill a new, needed job and organizational redesign and opportunities due to lack of proactive succession planning in place	3	3	6	SH-FIN-06.3
Overriding controls, unclear reporting lines, and complications in tracking vacant positions due to the absence of a comprehensive organizational structure.	3	3	6	SH-FIN-06.4
Inadequate planning for future business opportunities, expansion and direction and inability to focus on development and gaining competitive advantage due to an absence of a comprehensive and approved strategic plan.	4	4	8	SH-FIN-06.5
Losing business opportunities and inability to offer competitive rates due to lack of a pricing strategy/guidelines and failure to assess future market conditions and trends	4	3	7	SH-FIN-06.6
Inability to properly gauge performance in terms of meeting Authority strategic and operational goals due to inability to define "SMART" (specific, measurable, achievable, realistic, and Time phased) KPIs that reflect their critical success factors and inadequate periodical monitoring process between actual results against planned ones.	4	3	7	SH-FIN-06.7
Inability to identify new risks as they emerge affecting on company development due to absence of Risk Management framework and system in place	4	3	7	SH-FIN-06.8

Inability to handle and recover from any situation that is threatening or would cause operation interruptions that would affect company's reputation and brand image due to the lack of a proper business continuity management communication and training.	4	3	7	SH-FIN-06.9
Risk in conflict of interest, and inadequate decision making due to an inadequate reporting process with the mother company.	4	4	8	SH-FIN-06.10
Risk of operation inconsistencies, and inability to carry out activities within company's risk tolerance level due to inability to communicate the approved Policies & Procedures manual to each function at company and consequently ensure its compliance	4	3	7	SH-FIN-06.11
Risk of overlapping authorities, limited interdepartmental synergy, and operation inconsistencies due to inadequate coordination and lack of standard operation procedures between departments/function	3	3	6	SH-FIN-06.12
Risk of inconsistencies in applying governmental rules & regulations and inability to carry out activities within company's entity definition (governmental or semi-governmental) approved on the Memorandum of association due to lack of proper communication and implementation of Governmental rules & regulation at company	4	3	7	SH-FIN-06.13
Risk of inability to optimize sales, and sustain company's growth due to the overreliance on a single client	4	3	7	SH-FIN-06.14
Risk of potential litigation, fines, and reputation damages from VIP clients/ or other stakeholders due to lack of proper quality control process over web printing final products and inconsistent web printing quality standards	5	2	7	SH-FIN-06.15
Risk of inadequate estimation and forecasting of new investment opportunities and inadequate investment decisions making due to lack of marketing and feasibility studies for new projects	4	3	7	SH-FIN-06.16

Risk of ineffectiveness or inefficiencies in process improvements and enhance of internal controls due to absence of formal Committees and their charters and by-laws.	4	3	7	SH-FIN-06.17
Risk of inadequate fraud prevention plans and response plans for fraud and inability to protect whistle blowers within company due to lack of formal Fraud Prevention Plan and system in place	4	2	6	SH-FIN-06.18
Risk of non compliance with UAE HSE regulations, potential injuries and inability to provide a safe and sustainable environment for all of company's staff members,	4	3	7	SH-FIN-06.19

ient/functions

Control Description	Control Type	Control Automation	Control Frequency	Control Effectiveness
Currently the delegation of authority for the company doesn't cover all aspects of delegation. The matrix is in update process and is not yet issued till February 2019.	Preventive	Manual	Transaction	5
Currently there is no control	Preventive	Manual	Transaction	5
The Organization Structure for the company has been updated on June 2022, however, it indicates that there is no segregation of duties between the departments as Quality still under production. There is no alignment between Authority and subsidiaries in some similar functions In addition, the detailed org structure by department is not released ill February 2023.	Preventive	Manual	Transaction	5
Currently there is no control	Preventive	Manual	Transaction	5
Currently there is no control	Preventive	Manual	Transaction	5
Some Departments placed KPI's in 2018 but there were now management approval or review of results	Preventive	Manual	Transaction	5
Currently there is no control	Preventive	Manual	Transaction	5

Currently there is no control	Preventive	Manual	Transaction	5
Senior Management reports to ADM on a regular basis and The Board of Directors meet with Senior Management 4 times every year to discuss and monitor all challenges.	Preventive	Manual	Transaction	5
Currently there is no control in place as most sections/departments either don't have verified and approved policies and procedures or they are still as a draft.	Preventive	Manual	Transaction	5
Currently there is no control	Preventive	Manual	Transaction	5
company has an updated MOA that shows it's a government entity	Preventive	Manual	Transaction	5
Currently there is no control	Preventive	Manual	Transaction	5
Prior to printing any material in the web printing process, Company Quality Control employees proofread all content and also continue to monitor throughout the printing process.	Preventive	Manual	Transaction	5
Currently there is no control	Preventive	Manual	Transaction	5



Currently there is no control. Only Purchasing Committee in place. There is no Executive Committee	Preventive	Manual	Transaction	5
There is a whistle Blowing system placed in 2016 and modified in 2018 to increase the awareness on Fraud	Preventive	Manual	Transaction	5
The HSE Section has multiple ISO audits during the year, and they follow ISO standards to assure that they are following best practices.	Preventive	Manual	Transaction	5

Control Rating (1-10)	Testing Strategy
5	Review the DOA manual
5	
5	covered in AP
5	Verify the process of the strategy
5	
5	
5	

[illegible]

5	
5	
5	

Test	WP Ref.
<p>Obtain the company Doa and:</p> <ol style="list-style-type: none"> <li>1. Check it is updated every two years</li> <li>2. The DoA creation and update is built on a study performed by the Finance Department to determine the adequate threshold for approvals levels</li> </ol>	
<ol style="list-style-type: none"> <li>1. check the existence of approved manual for Strategy process</li> <li>2. Check if the strategy is revisited at least once a year for upgrade and enhancement</li> <li>3. Check if the strategy is properly approved as per the company DOA</li> <li>4. Check if the strategy is announced and communicated to all employees</li> </ol>	

[illegible]








































































Client: Sharjah Media City  
 Process: Accounts payable  
 Period: 2023

S/N	Mega Process	Major Process	Sub process	Risk Category	Risk Id	Risk Title
1	Governance	Governance	Strategy & Governance	ST- Strategic Risk	SH-FIN-01	Inadequate and incomplete Policies and Procedures
2	Governance	Governance	Strategy & Governance	ST- Strategic Risk	SH-FIN-01	Inadequate and incomplete Policies and Procedures
3	Governance	Governance	Strategy & Governance	ST- Strategic Risk	SH-FIN-01	Inadequate and incomplete Policies and Procedures

4	Governance	Governance	Strategy & Governance	ST- Strategic Risk	SH-FIN-01	Inadequate and incomplete Policies and Procedures
5	Governance	Governance	Strategy & Governance	ST- Strategic Risk	SH-FIN-01	Inadequate and incomplete Policies and Procedures
6	Governance	Governance	Strategy & Governance	ST- Strategic Risk	SH-FIN-01	Inadequate and incomplete Policies and Procedures
7	Governance	Governance	Strategy & Governance	ST- Strategic Risk	SH-FIN-01	Inadequate and incomplete Policies and Procedures
8	Governance	Governance	Key Performance Indicators	ST- Strategic Risk	SH-FIN-02	Absence of key performance indicators

9	Governance	Governance	Key Performance Indicators	ST- Strategic Risk	SH-FIN-02	Absence of key performance indicators
10	Governance	Governance	Key Performance Indicators	ST- Strategic Risk	SH-FIN-02	Absence of key performance indicators
11	Governance	Governance	Key Performance Indicators	ST- Strategic Risk	SH-FIN-02	Absence of key performance indicators
12	Governance	Governance	Backup Plan	ST- Strategic Risk	SH-FIN-03	Absence of Employees' Succession Plan
13	Governance	Governance	Backup Plan	ST- Strategic Risk	SH-FIN-03	Absence of Employees' Succession Plan
14	Governance	Governance	Duties and Responsibilities	ST- Strategic Risk	SH-FIN-04	Segregation of Duties
15	Governance	Governance	Duties and Responsibilities	ST- Strategic Risk	SH-FIN-04	Segregation of Duties
16	Governance	Governance	Duties and Responsibilities	ST- Strategic Risk	SH-FIN-04	Segregation of Duties
17	Governance	Governance	Duties and Responsibilities	ST- Strategic Risk	SH-FIN-04	Segregation of Duties
18	Governance	Governance	Duties and Responsibilities	ST- Strategic Risk	SH-FIN-04	Segregation of Duties
19	Governance	Governance	Job Description	OP- Operational Risk	SH-FIN-05	Duties and Responsibilities



20	Governance	Governance	Job Description	OP-Operational Risk	SH-FIN-05	Duties and Responsibilities
21	Governance	Governance	Job Description	OP-Operational Risk	SH-FIN-05	Duties and Responsibilities
22	Governance	Governance	Job Description	OP-Operational Risk	SH-FIN-05	Duties and Responsibilities
23	Governance	Governance	Job Description	OP-Operational Risk	SH-FIN-05	Duties and Responsibilities
24	Governance	Governance	Job Description	OP-Operational Risk	SH-FIN-05	Duties and Responsibilities
25	Governance	Governance	Job Description	OP-Operational Risk	SH-FIN-05	Duties and Responsibilities
26	Governance	Governance	Job Description	OP-Operational Risk	SH-FIN-05	Duties and Responsibilities
27	Governance	Governance	Job Description	OP-Operational Risk	SH-FIN-05	Duties and Responsibilities

28	Governance	Governance	Job Description	OP- Operational Risk	SH-FIN-05	Duties and Responsibilities
29	Governance	Governance	Job Description	OP- Operational Risk	SH-FIN-05	Duties and Responsibilities
30	Governance	Governance	Organizational Chart	ST- Strategic Risk	SH-FIN-06	Unclear Reporting Lines & Hierarchy
31	Governance	Governance	Organizational Chart	ST- Strategic Risk	SH-FIN-06	Unclear Reporting Lines & Hierarchy
32	Finance	Finance & Accounting	Accounts Payable	FIN- Financial Risk	SH-FIN-08	Late payment to suppliers.
33	Finance	Finance & Accounting	Accounts Payable	FIN- Financial Risk	SH-FIN-08	Late payment to suppliers.
34	Finance	Finance & Accounting	Accounts Payable	FIN- Financial Risk	SH-FIN-08	Late payment to suppliers.
35	Finance	Finance & Accounting	Accounts Payable	FIN- Financial Risk	SH-FIN-08	Late payment to suppliers.
36	Finance	Finance & Accounting	Accounts Payable	FIN- Financial Risk	SH-FIN-08	Late payment to suppliers.

37	Finance	Finance & Accounting	Accounts Payable	FIN- Financial Risk	SH-FIN-08	Late payment to suppliers.
38	Finance	Finance & Accounting	Accounts Payable	FIN- Financial Risk	SH-FIN-08	Late payment to suppliers.
39	Finance	Finance & Accounting	Accounts Payable	FIN- Financial Risk	SH-FIN-08	Late payment to suppliers.
40	Finance	Finance & Accounting	Accounts Payable	FIN- Financial Risk	SH-FIN-08	Late payment to suppliers.
41	Finance	Finance & Accounting	Accounts Payable	FIN- Financial Risk	SH-FIN-08	Late payment to suppliers.
42	Finance	Finance & Accounting	Accounts Payable	FIN- Financial Risk	SH-FIN-08	Late payment to suppliers.
43	Finance	Finance & Accounting	Accounts Payable	FIN- Financial Risk	SH-FIN-08	Late payment to suppliers.
44	Finance	Finance & Accounting	Accounts Payable	FIN- Financial Risk	SH-FIN-08	Late payment to suppliers.
45	Finance	Finance & Accounting	Accounts Payable	FIN- Financial Risk	SH-FIN-08	Late payment to suppliers.
46	Finance	Finance & Accounting	Accounts Payable	FIN- Financial Risk	SH-FIN-08	Late payment to suppliers.

47	Finance	Finance & Accounting	Accounts Payable	FIN- Financial Risk	SH-FIN-09	Inadequate Allocation of Advance Payments
48	Finance	Finance & Accounting	Accounts Payable	FIN- Financial Risk	SH-FIN-09	Inadequate Allocation of Advance Payments
49	Finance	Finance & Accounting	Accounts Payable	FIN- Financial Risk	SH-FIN-09	Inadequate Allocation of Advance Payments
50	Finance	Finance & Accounting	Accounts Payable	FIN- Financial Risk	SH-FIN-09	Inadequate Allocation of Advance Payments
51	Finance	Finance & Accounting	Accounts Payable	FIN- Financial Risk	SH-FIN-09	Inadequate Allocation of Advance Payments
52	Finance	Finance & Accounting	Accounts Payable	FIN- Financial Risk	SH-FIN-10	Unclear Roles and Responsibilities for Approvals Levels for Payments
53	Finance	Finance & Accounting	Accounts Payable	FIN- Financial Risk	SH-FIN-10	Unclear Roles and Responsibilities for Approvals Levels for Payments

54	Finance	Finance & Accounting	Accounts Payable	FIN- Financial Risk	SH-FIN-10	Unclear Roles and Responsibilities for Approvals Levels for Payments
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Risk Description	Inherent Risk Impact	Inherent Risk Likelihood	Inherent Risk (Impact + Likelihood)	Control ID
Inconsistencies in the department's operations which may result in inefficiencies and conflicts among duties of department employees. .	3	4	7	SH-FIN-01.1
Inconsistencies in the department's operations which may result in inefficiencies and conflicts among duties of department employees. .	3	4	7	SH-FIN-01.1
Inconsistencies in the department's operations which may result in inefficiencies and conflicts among duties of department employees. .	3	4	7	SH-FIN-01.1

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Inconsistencies in the department's operations which may result in inefficiencies and conflicts among duties of department employees. .	3	4	7	SH-FIN-01.1
Inability to assess the performance of employees working in the Finance department may result in delays or inappropriate decision making from the Senior Management.	3	3	6	SH-FIN-02.1

Inability to assess the performance of employees working in the Finance department may result in delays or inappropriate decision making from the Senior Management.	3	3	6	SH-FIN-02.1
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Inability to assess the performance of employees working in the Finance department may result in delays or inappropriate decision making from the Senior Management.	3	3	6	SH-FIN-02.1
Inappropriate delegation of authority levels results in over-centralization of finance activities and hence delays in receiving approvals.	4	3	7	SH-FIN-03.1
Inappropriate delegation of authority levels results in over-centralization of finance activities and hence delays in receiving approvals.	4	3	7	SH-FIN-03.1
Inappropriate segregation of duties may result in malicious and fraudulent transactions.	4	2	6	SH-FIN-04.1
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Inappropriate segregation of duties may result in malicious and fraudulent transactions.	4	2	6	SH-FIN-04.1
Inappropriate segregation of duties may result in malicious and fraudulent transactions.	4	2	6	SH-FIN-04.1
Inappropriate segregation of duties may result in malicious and fraudulent transactions.	4	2	6	SH-FIN-04.1
Confusion among employees regarding their functional duties and responsibilities may result in inefficient performance and possible employee dissatisfaction.	3	3	6	SH-FIN-05.1





Confusion among employees regarding their functional duties and responsibilities may result in inefficient performance and possible employee dissatisfaction.	3	3	6	SH-FIN-05.1
Confusion among employees regarding their functional duties and responsibilities may result in inefficient performance and possible employee dissatisfaction.	3	3	6	SH-FIN-05.1
Unclear reporting lines and hierarchy which may lead to duplication of efforts and inefficiencies in operations.	3	2	5	SH-FIN-06.1
Unclear reporting lines and hierarchy which may lead to duplication of efforts and inefficiencies in operations.	3	2	5	SH-FIN-06.1
Late payments to suppliers may result in poor relations and withdrawal of credit terms, making it difficult to procure required materials and services, in addition to the impact on company image.	4	4	8	SH-FIN-08.1
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Late payments to suppliers may result in poor relations and withdrawal of credit terms, making it difficult to procure required materials and services, in addition to the impact on company image.	4	4	8	SH-FIN-08.1

Advances made to suppliers may not be reflected in a separate account, they might be reflected as negative balances in the account payable listing , which might not reflect the proper outstanding amounts which will understate company liabilities	3	3	6	SH-FIN-09.1
Advances made to suppliers may not be reflected in a separate account, they might be reflected as negative balances in the account payable listing , which might not reflect the proper outstanding amounts which will understate company liabilities	3	3	6	SH-FIN-09.1
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Advances made to suppliers may not be reflected in a separate account, they might be reflected as negative balances in the account payable listing , which might not reflect the proper outstanding amounts which will understate company liabilities	3	3	6	SH-FIN-09.1
Authorized individuals are required to know their roles in the process (i.e. what they are exactly authorizing). Therefore, they should have first-hand knowledge of the transactions being approved, and understand the how deep they should go in verifying supporting documents to ensure validity and appropriateness of transactions.	4	3	7	SH-FIN-10.1
Authorized individuals are required to know their roles in the process (i.e. what they are exactly authorizing). Therefore, they should have first-hand knowledge of the transactions being approved, and understand the how deep they should go in verifying supporting documents to ensure validity and appropriateness of transactions.	4	3	7	SH-FIN-10.1

Authorized individuals are required to know their roles in the process (i.e. what they are exactly authorizing). Therefore, they should have first-hand knowledge of the transactions being approved, and understand the how deep they should go in verifying supporting documents to ensure validity and appropriateness of transactions.	4	3	7	SH-FIN-10.1
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Control Description	Control Type	Control Automation	Control Frequency	Control Effectiveness
<p>Policies and procedures were updated in 2018, but is still under review and needs to be approved.</p> <p>The manual contains the details regarding all the financial procedures like:</p> <ul style="list-style-type: none"> <li>- Budget,</li> <li>- Revenue, and Accounts Receivable,</li> <li>- Accounts Payable,</li> <li>- Payroll,</li> <li>- Fixed Assets,</li> <li>- Financial Closing and Reporting,</li> <li>- Cash Management,</li> <li>- Inventory.</li> </ul>	Preventive	Manual	Transaction	7
<p>Policies and procedures were updated in 2018, but is still under review and needs to be approved.</p> <p>The manual contains the details regarding all the financial procedures like:</p> <ul style="list-style-type: none"> <li>- Budget,</li> <li>- Revenue, and Accounts Receivable,</li> <li>- Accounts Payable,</li> <li>- Payroll,</li> <li>- Fixed Assets,</li> <li>- Financial Closing and Reporting,</li> <li>- Cash Management,</li> <li>- Inventory.</li> </ul>	Preventive	Manual	Transaction	7
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<p>Policies and procedures were updated in 2018, but is still under review and needs to be approved.</p> <p>The manual contains the details regarding all the financial procedures like:</p> <ul style="list-style-type: none"> <li>- Budget,</li> <li>- Revenue, and Accounts Receivable,</li> <li>- Accounts Payable,</li> <li>- Payroll,</li> <li>- Fixed Assets,</li> <li>- Financial Closing and Reporting,</li> <li>- Cash Management,</li> <li>- Inventory.</li> </ul>	Preventive	Manual	Transaction	7
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<p>Policies and procedures were updated in 2018, but is still under review and needs to be approved.</p> <p>The manual contains the details regarding all the financial procedures like:</p> <ul style="list-style-type: none"> <li>- Budget,</li> <li>- Revenue, and Accounts Receivable,</li> <li>- Accounts Payable,</li> <li>- Payroll,</li> <li>- Fixed Assets,</li> <li>- Financial Closing and Reporting,</li> <li>- Cash Management,</li> <li>- Inventory.</li> </ul>	Preventive	Manual	Transaction	7
<p>Policies and procedures were updated in 2018, but is still under review and needs to be approved.</p> <p>The manual contains the details regarding all the financial procedures like:</p> <ul style="list-style-type: none"> <li>- Budget,</li> <li>- Revenue, and Accounts Receivable,</li> <li>- Accounts Payable,</li> <li>- Payroll,</li> <li>- Fixed Assets,</li> <li>- Financial Closing and Reporting,</li> <li>- Cash Management,</li> <li>- Inventory.</li> </ul>	Preventive	Manual	Transaction	7
<p>Individual and departmental KPIs are currently being drafted and need to separate them from individual KPI and to be aligned with Departmental Strategic Objectives.</p>	Preventive	Manual	Annually	7

Individual and departmental KPIs are currently being drafted and need to separate them from individual KPI and to be aligned with Departmental Strategic Objectives.	Preventive	Manual	Annually	7
Individual and departmental KPIs are currently being drafted and need to separate them from individual KPI and to be aligned with Departmental Strategic Objectives.	Preventive	Manual	Annually	7
Individual and departmental KPIs are currently being drafted and need to separate them from individual KPI and to be aligned with Departmental Strategic Objectives.	Preventive	Manual	Annually	7
UPP has not succession plan in place.	Preventive	Manual	Transaction	7
UPP has not succession plan in place.	Preventive	Manual		7
Each employee within the department has limited access rights on the system."	Preventive	Manual		3
Each employee within the department has limited access rights on the system."	Preventive	Manual		3
Each employee within the department has limited access rights on the system."	Preventive	Manual		3
Each employee within the department has limited access rights on the system."	Preventive	Manual		3
Each employee within the department has limited access rights on the system."	Preventive	Manual		3
Job Descriptions are not in place for all roles and none are approved to defines the roles and responsibilities of each individual within the Finance Department.	Preventive	Manual		4





Job Descriptions are not in place for all roles and none are approved to defines the roles and responsibilities of each individual within the Finance Department.	Preventive	Manual	Transaction	4
Job Descriptions are not in place for all roles and none are approved to defines the roles and responsibilities of each individual within the Finance Department.	Preventive	Manual	Transaction	4
Organizational chart is in place and was last updated on May 30, 2018	Preventive	Manual	Transaction	5
Organizational chart is in place and was last updated on May 30, 2018	Preventive	Manual	Transaction	5
Finance department performs on periodic basis Vendors aging analysis to process long outstanding payments.	Detective	Manual	Transaction	4
Finance department performs on periodic basis Vendors aging analysis to process long outstanding payments.	Detective	Manual	Transaction	4
Finance department performs on periodic basis Vendors aging analysis to process long outstanding payments.	Detective	Manual	Transaction	4
Finance department performs on periodic basis Vendors aging analysis to process long outstanding payments.	Detective	Manual	Transaction	4
Finance department performs on periodic basis Vendors aging analysis to process long outstanding payments.	Detective	Manual	Transaction	4



Finance department performs on periodic basis Vendors aging analysis to identify advances paid to vendors	Detective	Manual	Transaction	6
Finance department performs on periodic basis Vendors aging analysis to identify advances paid to vendors	Detective	Manual	Transaction	6
Finance department performs on periodic basis Vendors aging analysis to identify advances paid to vendors	Detective	Manual	Transaction	6
Finance department performs on periodic basis Vendors aging analysis to identify advances paid to vendors	Detective	Manual	Transaction	6
Finance department performs on periodic basis Vendors aging analysis to identify advances paid to vendors	Detective	Manual	Transaction	6
The Department don't define the controls in each level of approvals in the company	Preventive	Manual	Transaction	6
The Department don't define the controls in each level of approvals in the company	Preventive	Manual	Transaction	6

The Department don't define the controls in each level of approvals in the company	Preventive	Manual	Transaction	6
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Control Rating (1-10)	Testing Strategy
7	Obtain the Finance manual and verify it
7	Obtain the Finance manual and verify it against the process on the floor
7	Obtain the Finance manual and verify it against Job description

7	Obtain the Finance manual and verify it
7	Obtain the Finance manual
7	Obtain the Finance manual and test awareness of employees
7	Obtain the Finance training plan
7	Review the approved KPIs

7	Review the approved KPIs and the department approved strategy
7	Review the approved KPIs
7	Review the approved KPIs
7	Obtain and review the succession plan
7	Obtain and review the succession plan
3	Review the process defined for computing, recording, approving and maintaining the master data for the activities within the Finance team and Check the effectiveness of segregation of duties.
3	Review the process defined for computing, recording, approving and maintaining the master data for the activities within the Finance team and Check the effectiveness of segregation of duties.
3	Review the process defined for computing, recording, approving and maintaining the master data for the activities within the Finance team and Check the effectiveness of segregation of duties.
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3	Review the process defined for computing, recording, approving and maintaining the master data for the activities within the Finance team and Check the effectiveness of segregation of duties.
4	<p>1- Obtain Org structure and all JD Templates for all positions and ensure that they are according to the approved Org. Chart.</p> <p>2-ensure that JDs are updated and approved by the (EC / CEO or Relevant Chef) as per the DoA.</p> <p>3- Ensure that the job descriptions are reviewed regularly and updated as needed to match the job requirements.</p>



4	<p>1- Obtain Org structure and all JD Templates for all positions and ensure that they are according to the approved Org. Chart.</p> <p>2-ensure that JDs are updated and approved by the (EC / CEO or Relevant Chef) as per the DoA.</p> <p>3- Ensure that the job descriptions are reviewed regularly and updated as needed to match the job requirements.</p>
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4	<p>1- Obtain Org structure and all JD Templates for all positions and ensure that they are according to the approved Org. Chart.</p> <p>2-ensure that JDs are updated and approved by the (EC / CEO or Relevant Chef) as per the DoA.</p> <p>3- Ensure that the job descriptions are reviewed regularly and updated as needed to match the job requirements.</p>
5	<p>1- Obtain Org structure and all JD Templates for all positions and ensure that they are according to the approved Org. Chart.</p> <p>2-ensure that JDs are updated and approved by the (EC / CEO or Relevant Chef) as per the DoA.</p> <p>3- Ensure that the job descriptions are reviewed regularly and updated as needed to match the job requirements.</p>
5	<p>1- Obtain Org structure and all JD Templates for all positions and ensure that they are according to the approved Org. Chart.</p> <p>2-ensure that JDs are updated and approved by the (EC / CEO or Relevant Chef) as per the DoA.</p> <p>3- Ensure that the job descriptions are reviewed regularly and updated as needed to match the job requirements.</p>
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4	
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4	
4	

[illegible]

6	Review Supplier aging report and Payment schedule vs policy
6	Review Supplier aging report and Payment schedule vs policy
6	Review Supplier aging report and Payment schedule vs policy
6	Review Supplier aging report and Payment schedule vs policy
6	Review Supplier aging report and Payment schedule vs policy
6	Perform reprocess test and interviewed authorizing approving powers in the payment cycle
6	Perform reprocess test and interviewed authorizing approving powers in the payment cycle

6	Perform reprocess test and interviewed authorizing approving powers in the payment cycle
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Test	WP Ref.
<p>1.check if the Policies and Procedures manual has been approved as per the level of authority.</p>	
<p>2. Review &amp; compare the completeness for the activities performed within the finance department &amp; ensure consistency with the existing policies &amp; procedures document;</p>	
<p>3. Roles and responsibilities of the finance personnel are defined in the manual.</p>	

4. Manual is reviewed regularly to ensure that they are updated with the current changes in the finance processes.	
5. check if forms/templates used by the departments are part of the manual	
6.Check employees' awareness of accounting policies that have been adopted by the company and how many sessions are conducted	
7.Check employees' awareness of IFRS and how many trainings are conducted	
Obtain the approved KPIs and ensure the following: 1- Ensure the approvals of the KPIs.	

Obtain the approved KPIs and ensure the following: 2- KPIs are adequate and linked to the goals and objectives of the department and are aligned with the overall strategy.	
Obtain the approved KPIs and ensure the following: 3- The KPIs have defined targets that are measurable	
Obtain the approved KPIs and ensure the following: 4- The last update on the KPIs and ensure the appropriate justifications and approvals.	
1. Check the critical roles in the Succession plan .	
2. Check existence of trained backups to cover for roles and responsibilities of key employees during annual or sick leaves.	
Obtain SoD and Check: 1. Adequacy of the SoD and coverage of all functions	
Obtain SoD and Check: 2. No singular person from having both access to assets and responsibility for maintaining the recoding and reconciliation of those assets.	
Obtain SoD and Check: 3. Check if the treasurer have access to cancel invoices,	
Obtain SoD and Check: 4. Check if the treasurer have access to post and recording of transaction	
Obtain SoD and Check: 5. Check if the treasurer have custody of both Cheques and same time perform bank reconciliation among many other functions.	
Review of the Job description and : 1- Check existence of updated Org Structure (Additions and Deletions)	



Review of the Job description and : 2. Check if Org Structure is approved according to DOA	
Review of the Job description and : 3. Match the existence of JD for all positions in the Org Structure.	
Review of the Job description and : 4- Ensure that all employees in the department have a copy of their JD	
Review of the Job description and : 5- Ensure that the JDs' are signed by the employees.	
Review of the Job description and : 6. Reconcile between the jobs on the floor and the approved Org Structure	
Review of the Job description and : 7. Ensure that the JD match the actual roles and Responsibilities of each employee in the Finance	
Review of the Job description and : 8. Identify posts in Finance Department that were not covered by JD's.	
Review of the Job description and : 9. Check how regular update is taking place.	

<p>Review of the Job description and :</p> <p>10. Check if Job Analysis are performed periodically to update the JD.</p>	
<p>Review of the Job description and :</p> <p>11. Check if JD was provided to employees during interview and immediately upon hiring</p>	
<p>Review of the Job description and :</p> <p>12. Check the planned Headcount vs the Finance actual Headcount if aligned.</p>	
<p>Review of the Job description and :</p> <p>13. Check if changes in org structure or Job Description are performed through a formal documented decision</p>	
<p>Obtain the aging report, a sample of 20 invoices and</p> <p>1. Check if a payment schedule is maintained from the beginning of the year</p>	
<p>Obtain the aging report, a sample of 20 invoices and</p> <p>2. Check if the payment schedule is distributed to all vendors</p>	
<p>Obtain the aging report, a sample of 20 invoices and</p> <p>3. Check payments were made according Payment schedule.</p>	
<p>Obtain the aging report, a sample of 20 invoices and</p> <p>4. Check if a Supplier Aging report is maintained</p>	
<p>Obtain the aging report, a sample of 20 invoices and</p> <p>5. Identify the long outstanding balances and inquire the root causes for due balances.</p>	

Obtain the aging report, a sample of 20 invoices and 6. Check the ageing analysis is reviewed on monthly basis	
Obtain the aging report, a sample of 20 invoices and 7. Check if the aging report is approved by Finance Manager.	
Obtain the aging report, a sample of 20 invoices and 8. For a sample of 5 key suppliers verify that supplier reconciliations are performed on quarterly basis.	
Obtain the aging report, a sample of 20 invoices and 9. For a sample of 5 key suppliers check that reconciliation reports are prepared for differences noted between the supplier balance in the books of account and the statement of account sent by the supplier.	
Obtain the aging report, a sample of 20 invoices and 10. Check if year end confirmation are send early enough to supplier to be received before the closure of the year.	
Obtain the aging report, a sample of 20 invoices and 11. Check if Reconciliation process is documented	
Obtain the aging report, a sample of 20 invoices and 12. Check if long outstanding balances are being monitored by the management;	
Obtain the aging report, a sample of 20 invoices and 13. Check if Annual balance confirmation is addressed in the policy	
Obtain the aging report, a sample of 20 invoices and 14. ensure that year end confirmation are managed by the AP team and that external Auditor confirmations are not used as substitute;	
Obtain the aging report, a sample of 20 invoices and 15. Check f there was a delay in recording invoices and its effect on the accuracy of the ageing report.	

<p>Obtain the aging report, a sample of 20 invoices and</p> <p>1. Obtain the full listing of Accounts payables and check for advances made within those outstanding balances</p>	
<p>Obtain the aging report, a sample of 20 invoices and</p> <p>2. Check if advances are books as an asset or imbedded in the liability of the supplier (i.e. allocated as a negative balance on the Accounts Payable Account).</p>	
<p>Obtain the aging report, a sample of 20 invoices and</p> <p>3. Check the total amount paid in advance to the supplier during the year and not merely the balance.</p>	
<p>Obtain the aging report, a sample of 20 invoices and</p> <p>4. check if advances are approved according to the DOA</p>	
<p>Obtain the aging report, a sample of 20 invoices and</p> <p>5. Check what type of security supplier provide against advance payments</p>	
<p>Obtain a sample of twenty different documents in the payment cycle (Invoice, Voucher, Check Request, Authorization for Payment, Transfer sheet...etc) and:</p> <p>1. Check if every approving powers responsibility is identified in the procedures</p>	
<p>Obtain a sample of twenty different documents in the payment cycle (Invoice, Voucher, Check Request, Authorization for Payment, Transfer sheet...etc) and:</p> <p>2. Interview the related approval powers to check their knowledge about their roles and the verification they perform</p>	

<p>Obtain a sample of twenty different documents in the payment cycle (Invoice, Voucher, Check Request, Authorization for Payment, Transfer sheet...etc) and:</p> <p>3. Identify any inconsistency in the payment cycle where they do not perform their role in payment revision.</p>	
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Client: Sharjah Media City  
 Process: General Accounting  
 Period: 2023

S/N	Mega Process	Major Process	Sub process	Risk Category	Risk Id	Risk Title
1	Finance	Finance & Accounting	Budgeting	FIN-Financial Risk	SH-FIN-07	Deficiency in Budget Development process
2	Finance	Finance & Accounting	Budgeting	FIN-Financial Risk	SH-FIN-07	Deficiency in Budget Development process
3	Finance	Finance & Accounting	Budgeting	FIN-Financial Risk	SH-FIN-07	Deficiency in Budget Development process
4	Finance	Finance & Accounting	Budgeting	FIN-Financial Risk	SH-FIN-07	Deficiency in Budget Development process
5	Finance	Finance & Accounting	Budgeting	FIN-Financial Risk	SH-FIN-07	Deficiency in Budget Development process
6	Finance	Finance & Accounting	Budgeting	FIN-Financial Risk	SH-FIN-07	Deficiency in Budget Development process



7	Finance	Finance & Accounting	Budgeting	FIN-Financial Risk	SH-FIN-07	Deficiency in Budget Development process
8	Finance	Finance & Accounting	Budgeting	FIN-Financial Risk	SH-FIN-07	Deficiency in Budget Development process
9	Finance	Finance & Accounting	Budgeting	FIN-Financial Risk	SH-FIN-07	Deficiency in Budget Development process
10	Finance	Finance & Accounting	Budgeting	FIN-Financial Risk	SH-FIN-07	Deficiency in Budget Development process
11	Finance	Finance & Accounting	Budgeting	FIN-Financial Risk	SH-FIN-07	Deficiency in Budget Development process
12	Finance	Finance & Accounting	MIS	FIN- Financial Risk	SH-FIN-14	Absence of monthly information reporting (MIS)
13	Finance	Finance & Accounting	MIS	FIN- Financial Risk	SH-FIN-14	Absence of monthly information reporting (MIS)
14	Finance	Finance & Accounting	MIS	FIN- Financial Risk	SH-FIN-14	Absence of monthly information reporting (MIS)

15	Finance	Finance & Accounting	MIS	FIN- Financial Risk	SH-FIN-14	Absence of monthly information reporting (MIS)
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Risk Description	Inherent Risk Impact	Inherent Risk Likelihood	Inherent Risk (Impact + Likelihood)	Control ID
Deficiency in Budget Development process may result in adverse implications on meeting targets.	4	4	88	SH-FIN-07.1
Deficiency in Budget Development process may result in adverse implications on meeting targets.	4	4	87	SH-FIN-07.1
Deficiency in Budget Development process may result in adverse implications on meeting targets.	4	4	79	SH-FIN-07.1
Deficiency in Budget Development process may result in adverse implications on meeting targets.	4	4	71	SH-FIN-07.1
Deficiency in Budget Development process may result in adverse implications on meeting targets.	4	4	56	SH-FIN-07.1
Deficiency in Budget Development process may result in adverse implications on meeting targets.	4	4	48	SH-FIN-07.1

Deficiency in Budget Development process may result in adverse implications on meeting targets.	4	4	40	SH-FIN-07.1
Deficiency in Budget Development process may result in adverse implications on meeting targets.	4	4	39	SH-FIN-07.1
Deficiency in Budget Development process may result in adverse implications on meeting targets.	4	4	24	SH-FIN-07.1
Deficiency in Budget Development process may result in adverse implications on meeting targets.	4	4	23	SH-FIN-07.1
Deficiency in Budget Development process may result in adverse implications on meeting targets.	4	4	22	SH-FIN-07.1
Inability to measure accomplishments of goals and success of operations; Risk of failure in taking the adequate corrective actions for financial results.	4	3	7	SH-FIN-14.1
Inability to measure accomplishments of goals and success of operations; Risk of failure in taking the adequate corrective actions for financial results.	4	3	7	SH-FIN-14.1
Inability to measure accomplishments of goals and success of operations; Risk of failure in taking the adequate corrective actions for financial results.	4	3	7	SH-FIN-14.1

Inability to measure accomplishments of goals and success of operations; Risk of failure in taking the adequate corrective actions for financial results.	4	3	7	SH-FIN-14.1
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[illegible]

The Finance department initiates budget preparation process, approved by the Finance Director/Manager and then by Top Management.	Preventive	Manual	Annually	3
The Finance department initiates budget preparation process, approved by the Finance Director/Manager and then by Top Management.	Preventive	Manual	Annually	3
The Finance department initiates budget preparation process, approved by the Finance Director/Manager and then by Top Management.	Preventive	Manual	Annually	3
The Finance department initiates budget preparation process, approved by the Finance Director/Manager and then by Top Management.	Preventive	Manual	Annually	3
The Finance department initiates budget preparation process, approved by the Finance Director/Manager and then by Top Management.	Preventive	Manual	Annually	3
A monthly MIS report is prepared by the Finance manager. MIS Report shall be reviewed by the Finance Management along with monthly financial statement and sent to Managing Director's review and approval. Managing Director shall review and approve MIS Report and Forward it to Chairman/BoD.	Detective	Manual	Monthly	5
A monthly MIS report is prepared by the Finance manager. MIS Report shall be reviewed by the Finance Management along with monthly financial statement and sent to Managing Director's review and approval. Managing Director shall review and approve MIS Report and Forward it to Chairman/BoD.	Detective	Manual	Monthly	5
A monthly MIS report is prepared by the Finance manager. MIS Report shall be reviewed by the Finance Management along with monthly financial statement and sent to Managing Director's review and approval. Managing Director shall review and approve MIS Report and Forward it to Chairman/BoD.	Detective	Manual	Monthly	5

<p>A monthly MIS report is prepared by the Finance manager. MIS Report shall be reviewed by the Finance Management along with monthly financial statement and sent to Managing Director's review and approval. Managing Director shall review and approve MIS Report and Forward it to Chairman/BoD.</p>	Detective	Manual	Monthly	5
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3	Review the 2023 Budget process and working
3	Review the 2023 Budget process and working
3	Review the 2023 Budget process and working
3	Review the 2023 Budget process and working
3	Review the 2023 Budget process and working
5	Review MIS package shared with the management
5	Review MIS package shared with the management
5	Review MIS package shared with the management

5	Review MIS package shared with the management
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Test	WP Ref.
<p>Obtain the procedure for the budget process and</p> <p>1. Check if a business plan was prepared before the start of the year.</p>	
<p>Obtain the procedure for the budget process and</p> <p>2. check if business plan is approved according to the company DOA.</p>	
<p>Obtain the procedure for the budget process and</p> <p>3. Check if the budget was built on unified goals and objectives as aligned with the Business Plan.</p>	
<p>Obtain the procedure for the budget process and</p> <p>4. Check the Budget Meetings Schedule that was placed from the start of Q2.</p>	
<p>Obtain the procedure for the budget process and</p> <p>5. Check the minutes of the meetings and the Agenda for the Budget meetings with Department Heads.</p>	
<p>Obtain the procedure for the budget process and</p> <p>6. Check if an initiation meetings with department heads before the budget process starts were conducted.</p>	

Obtain the procedure for the budget process and 7. Check if there regular meeting is held for budget review between the Finance Department and Department Heads o discuss and review budget numbers.	
Obtain the procedure for the budget process and 8. Check if there is a tracking of those meetings by the Finance Manager .	
Obtain the procedure for the budget process and 9. Check if there was evidence on performing a thorough revision of budget assumptions to technically challenge Departments' Heads on the adequacy of the budget.	
Obtain the procedure for the budget process and 10. Check if Budget is monitored and reviwed on monthly basis (i.e. documented analysisactual expenditures vs. Planned  )	
Obtain the procedure for the budget process and 11. Check if there is policy established to govern actions with non-moving projects/expenditures that were budgeted but were not implemented.	
Obtain the MIS pack and : 1. The mechanism in place to issue periodic official reports to senior Management in order to assess performance and results of operations.	
Obtain the MIS pack and : 2. Level and number of Financial Reports (MIS) shared with senior Management on a monthly basis.	
Obtain the MIS pack and : 3. Check if the Reports consider the standard ratios (e.g. ROA, RONA, Inventory and Receivables Turnover, etc.).	

Obtain the MIS pack and : 4. Check if the information in the reports meet the adequate reporting standards (i.e. vital, accurate, factual, updated and completed information).	
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Client: Sharjah Media C  
 Process: Accounts Receiv  
 Period: 2023

S/N	Mega Process	Major Process	Sub process	Risk Category	Risk Id	Risk Title
11	Finance	Finance & Accounting	Accounts Receivable	FIN- Financial Risk	SH-FIN-11	Insufficient accounts receivable ageing analysis
11	Finance	Finance & Accounting	Accounts Receivable	FIN- Financial Risk	SH-FIN-11	Insufficient accounts receivable ageing analysis

11	Finance	Finance & Accounting	Accounts Receivable	FIN- Financial Risk	SH-FIN-11	Insufficient accounts receivable ageing analysis
11	Finance	Finance & Accounting	Accounts Receivable	FIN- Financial Risk	SH-FIN-11	Insufficient accounts receivable ageing analysis
11	Finance	Finance & Accounting	Accounts Receivable	FIN- Financial Risk	SH-FIN-11	Insufficient accounts receivable ageing analysis



11	Finance	Finance & Accounting	Accounts Receivable	FIN- Financial Risk	SH-FIN-11	Insufficient accounts receivable ageing analysis
11	Finance	Finance & Accounting	Accounts Receivable	FIN- Financial Risk	SH-FIN-11	Insufficient accounts receivable ageing analysis
11	Finance	Finance & Accounting	Accounts Receivable	FIN- Financial Risk	SH-FIN-11	Insufficient accounts receivable ageing analysis

11	Finance	Finance & Accounting	Accounts Receivable	FIN- Financial Risk	SH-FIN-11	Insufficient accounts receivable ageing analysis
11	Finance	Finance & Accounting	Accounts Receivable	FIN- Financial Risk	SH-FIN-11	Insufficient accounts receivable ageing analysis
11	Finance	Finance & Accounting	Accounts Receivable	FIN- Financial Risk	SH-FIN-11	Insufficient accounts receivable ageing analysis

11	Finance	Finance & Accounting	Accounts Receivable	FIN- Financial Risk	SH-FIN-11	Insufficient accounts receivable ageing analysis
11	Finance	Finance & Accounting	Accounts Receivable	FIN- Financial Risk	SH-FIN-11	Insufficient accounts receivable ageing analysis
12	Finance	Finance & Accounting	Accounts Receivable	FIN- Financial Risk	SH-FIN-12	Inadequate establishment and monitoring of credit limits

12	Finance	Finance & Accounting	Accounts Receivable	FIN- Financial Risk	SH-FIN-12	Inadequate establishment and monitoring of credit limits
12	Finance	Finance & Accounting	Accounts Receivable	FIN- Financial Risk	SH-FIN-12	Inadequate establishment and monitoring of credit limits
12	Finance	Finance & Accounting	Accounts Receivable	FIN- Financial Risk	SH-FIN-12	Inadequate establishment and monitoring of credit limits

12	Finance	Finance & Accounting	Accounts Receivable	FIN- Financial Risk	SH-FIN-12	Inadequate establishment and monitoring of credit limits
12	Finance	Finance & Accounting	Accounts Receivable	FIN- Financial Risk	SH-FIN-12	Inadequate establishment and monitoring of credit limits
12	Finance	Finance & Accounting	Accounts Receivable	FIN- Financial Risk	SH-FIN-12	Inadequate establishment and monitoring of credit limits

12	Finance	Finance & Accounting	Accounts Receivable	FIN- Financial Risk	SH-FIN-12	Inadequate establishment and monitoring of credit limits
12	Finance	Finance & Accounting	Accounts Receivable	FIN- Financial Risk	SH-FIN-12	Inadequate establishment and monitoring of credit limits
12	Finance	Finance & Accounting	Accounts Receivable	FIN- Financial Risk	SH-FIN-12	Inadequate establishment and monitoring of credit limits

12	Finance	Finance & Accounting	Accounts Receivable	FIN- Financial Risk	SH-FIN-12	Inadequate establishment and monitoring of credit limits
12	Finance	Finance & Accounting	Accounts Receivable	FIN- Financial Risk	SH-FIN-12	Inadequate establishment and monitoring of credit limits
12	Finance	Finance & Accounting	Accounts Receivable	FIN- Financial Risk	SH-FIN-12	Inadequate establishment and monitoring of credit limits

12	Finance	Finance & Accounting	Accounts Receivable	FIN- Financial Risk	SH-FIN-12	Inadequate establishment and monitoring of credit limits
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Risk Description	Inherent Risk Impact	Inherent Risk Likelihood	Inherent Risk (Impact + Likelihood)	Control ID
<ul style="list-style-type: none"> <li>* Inefficient collection activities may occur and risk of doubtful debts increase;</li> <li>* Misleading management of debts over 120 days;</li> <li>* Improper cash management and negative impact on liquidity and Working capital;</li> <li>* Management may not be able to adequately assess the reasonableness of the allowance for doubtful accounts, adequacy of collection procedures or the accuracy of the financial statements;</li> <li>* Incorrect aging may result in premature write-off of delinquent accounts or failure to write-off.</li> </ul>	3	3	6	SH-FIN-11.1
<ul style="list-style-type: none"> <li>* Inefficient collection activities may occur and risk of doubtful debts increase;</li> <li>* Misleading management of debts over 120 days;</li> <li>* Improper cash management and negative impact on liquidity and Working capital;</li> <li>* Management may not be able to adequately assess the reasonableness of the allowance for doubtful accounts, adequacy of collection procedures or the accuracy of the financial statements;</li> <li>* Incorrect aging may result in premature write-off of delinquent accounts or failure to write-off.</li> </ul>	3	3	6	SH-FIN-11.1

<ul style="list-style-type: none"> <li>* Inefficient collection activities may occur and risk of doubtful debts increase;</li> <li>* Misleading management of debts over 120 days;</li> <li>* Improper cash management and negative impact on liquidity and Working capital;</li> <li>* Management may not be able to adequately assess the reasonableness of the allowance for doubtful accounts, adequacy of collection procedures or the accuracy of the financial statements;</li> <li>* Incorrect aging may result in premature write-off of delinquent accounts or failure to write-off.</li> </ul>	3	3	6	SH-FIN-11.1
<ul style="list-style-type: none"> <li>* Inefficient collection activities may occur and risk of doubtful debts increase;</li> <li>* Misleading management of debts over 120 days;</li> <li>* Improper cash management and negative impact on liquidity and Working capital;</li> <li>* Management may not be able to adequately assess the reasonableness of the allowance for doubtful accounts, adequacy of collection procedures or the accuracy of the financial statements;</li> <li>* Incorrect aging may result in premature write-off of delinquent accounts or failure to write-off.</li> </ul>	3	3	6	SH-FIN-11.1
<ul style="list-style-type: none"> <li>* Inefficient collection activities may occur and risk of doubtful debts increase;</li> <li>* Misleading management of debts over 120 days;</li> <li>* Improper cash management and negative impact on liquidity and Working capital;</li> <li>* Management may not be able to adequately assess the reasonableness of the allowance for doubtful accounts, adequacy of collection procedures or the accuracy of the financial statements;</li> <li>* Incorrect aging may result in premature write-off of delinquent accounts or failure to write-off.</li> </ul>	3	3	6	SH-FIN-11.1

<ul style="list-style-type: none"> <li>* Inefficient collection activities may occur and risk of doubtful debts increase;</li> <li>* Misleading management of debts over 120 days;</li> <li>* Improper cash management and negative impact on liquidity and Working capital;</li> <li>* Management may not be able to adequately assess the reasonableness of the allowance for doubtful accounts, adequacy of collection procedures or the accuracy of the financial statements;</li> <li>* Incorrect aging may result in premature write-off of delinquent accounts or failure to write-off.</li> </ul>	3	3	6	SH-FIN-11.1
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Control Description	Control Type	Control Automation	Control Frequency	Control Effectiveness
As per the Finance Policies and Procedures Manual, "On a quarterly basis Finance Department shall generate debtors ageing report with invoice-wise details, amount due and period for which amount is due (1-60 days, 61-90 days, 91-120 days, 121 – 320 days and greater than 320 days).	Detective	Manual	Monthly	7
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In Finance department there is no policy for credit limits to customers.	Preventive	Manual	Transaction	4

In Finance department there is no policy for credit limits to customers.	Preventive	Manual	Transaction	4
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Control Rating (1-10)	Testing Strategy
7	Review the Accounts receivables aging report and financing activities
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7	Review the Accounts receivables aging report and financing activities
7	Review the Accounts receivables aging report and financing activities
4	Select various customers and check for credit limit approvals and eligibility

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4	Select various customers and check for credit limit approvals and eligibility
4	Select various customers and check for credit limit approvals and eligibility

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Test	WP Ref.
<p>Obtain last three months Accounts Receivable ageing report and:</p> <p>1. Check the overdue balances of accounts receivables</p>	
<p>Obtain last three months Accounts Receivable ageing report and:</p> <p>2. Check if outstanding balances increased significantly.</p>	

<p>Obtain last three months Accounts Receivable ageing report and: 3. Check if the employees performing the analysis of aging AR.</p>	
<p>Obtain last three months Accounts Receivable ageing report and: 4. Check if there is an enhancement or deterioration in the average age of receivables</p>	
<p>Obtain last three months Accounts Receivable ageing report and: 5. In case of deterioration, check if the matter was reported to management on a timely manner.</p>	



<p>Obtain last three months Accounts Receivable ageing report and: 6. Check if the Debtors Aging report was aligned to the format of the policies and procedures (i.e. prepared by invoice wise details rather than total lump sum amount balance by customer).</p>	
<p>Obtain last three months Accounts Receivable ageing report and: 7. Check if the report show customers who breached the predetermined credit limits and outstanding balances.</p>	
<p>Obtain last three months Accounts Receivable ageing report and: 8. Check if a monthly review is in place by management to assess the adequacy of the collection process</p>	

<p>Obtain last three months Accounts Receivable ageing report and:  9. Check if the allowance for doubtful accounts are adjusted according to management review and decision on the aging report</p>	
<p>Obtain last three months Accounts Receivable ageing report and:  10. Check evidence of regular follow up</p>	
<p>Obtain last three months Accounts Receivable ageing report and:  11. Check if proper records maintained for cases filed in courts against the customers</p>	

<p>Obtain last three months Accounts Receivable ageing report and: 12. Check if those legal cases are reflected in the Accounts Receivables Ageing Report and reported to management regularly.</p>	
<p>Obtain last three months Accounts Receivable ageing report and: 13. Check if Finance increased their financing activities from the banks due to poor collections.</p>	
<p>Obtain the Credit Policy and 1. Check existence of credit limit forms</p>	

<p>Obtain the Credit Policy and</p> <p>2. Check the Credit Limits approvals in the policy</p>	
<p>Obtain the Credit Policy and</p> <p>3. Check in the obtained sample if credit limits are processed according to the policy and approved properly</p>	
<p>Obtain the Credit Policy and</p> <p>4. Check if the Application for Credit Facility are maintained in the records.</p>	

<p>Obtain the Credit Policy and</p> <p>5. Check the monitoring process of the approved credit limits and how it is reconciled vs actual credit balances of customers.</p>	
<p>Obtain the Credit Policy and</p> <p>6. Check reporting of deviations to the Management</p>	
<p>Obtain the Credit Policy and</p> <p>7. Check if a Copy of the customers Financial Statements are obtained</p>	

<p>Obtain the Credit Policy and</p> <p>8. Check if the Customer Financial Statements are verified according to the policy</p>	
<p>Obtain the Credit Policy and</p> <p>9. Check if a copy of the customer Trade License is obtained and retained properly</p>	
<p>Obtain the Credit Policy and</p> <p>10 Check if copy of powers of Attorney for authorized signatories are obtained from all customers</p>	

<p>Obtain the Credit Policy and</p> <p>11. Check if a copy of Memorandum of Association is obtained from all customers</p>	
<p>Obtain the Credit Policy and</p> <p>12. Check if Bank Credit Facility is obtained from customer (if applicable)</p>	
<p>Obtain the Credit Policy and</p> <p>13. Check if Owners and authorized signatories passport copies are obtained.</p>	

Obtain the Credit Policy and 14. Check if background check is performed to owners according to AML requirements	
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Client: Sharjah Media City  
Process: Treasury and Bank  
Period: 2023

S/N	Mega Process	Major Process	Sub process	Risk Category	Risk Id	Risk Title
1	Finance	Finance & Accounting	Cheques Management	FIN- Financial Risk	SH-FIN-15	Inappropriate Custody of Blank Cheques
2	Finance	Finance & Accounting	Cheques Management	FIN- Financial Risk	SH-FIN-15	Inappropriate Custody of Blank Cheques
3	Finance	Finance & Accounting	Cheques Management	FIN- Financial Risk	SH-FIN-15	Inappropriate Custody of Blank Cheques
4	Finance	Finance & Accounting	Cheques Management	FIN- Financial Risk	SH-FIN-15	Inappropriate Custody of Blank Cheques
5	Finance	Finance & Accounting	Cheques Management	FIN- Financial Risk	SH-FIN-15	Inappropriate Custody of Blank Cheques
6	Finance	Finance & Accounting	Treasury	FIN- Financial Risk	SH-FIN-16	Inadequate Bank Reconciliation Process
7	Finance	Finance & Accounting	Treasury	FIN- Financial Risk	SH-FIN-16	Inadequate Bank Reconciliation Process
8	Finance	Finance & Accounting	Treasury	FIN- Financial Risk	SH-FIN-16	Inadequate Bank Reconciliation Process
9	Finance	Finance & Accounting	Treasury	FIN- Financial Risk	SH-FIN-16	Inadequate Bank Reconciliation Process
10	Finance	Finance & Accounting	Cash Management	FIN- Financial Risk	SH-FIN-17	Absence of cash flow forecast

11	Finance	Finance & Accounting	Cash Management	FIN- Financial Risk	SH-FIN-17	Absence of cash flow forecast
12	Finance	Finance & Accounting	Cash Management	FIN- Financial Risk	SH-FIN-17	Absence of cash flow forecast
13	Finance	Finance & Accounting	Cash Management	FIN- Financial Risk	SH-FIN-17	Absence of cash flow forecast

City FZA  
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Risk Description	Inherent Risk Impact	Inherent Risk Likelihood	Inherent Risk (Impact + Likelihood)	Control ID
Inappropriate Custody of Blank Cheques may result in false or fraudulent transactions.	4	2	6	SH-FIN-15.1
Inappropriate Custody of Blank Cheques may result in false or fraudulent transactions.	4	2	6	SH-FIN-15.1
Inappropriate Custody of Blank Cheques may result in false or fraudulent transactions.	4	2	6	SH-FIN-15.1
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Inappropriate Custody of Blank Cheques may result in false or fraudulent transactions.	4	2	6	SH-FIN-15.1
The risk that the bank balances are not reconciled accurately with book balances may result in cash discrepancies not identified and actioned in a timely manner.	4	2	6	SH-FIN-16.1
The risk that the bank balances are not reconciled accurately with book balances may result in cash discrepancies not identified and actioned in a timely manner.	4	2	6	SH-FIN-16.1
The risk that the bank balances are not reconciled accurately with book balances may result in cash discrepancies not identified and actioned in a timely manner.	4	2	6	SH-FIN-16.1
The risk that the bank balances are not reconciled accurately with book balances may result in cash discrepancies not identified and actioned in a timely manner.	4	2	6	SH-FIN-16.1
Risk of liquidity problems that cannot be corrected on a timely basis; Increase of Financing cost and eventually adverse effect on profitability; Inability of resolve discrepancies in cash flow projections on a timely manner.	4	3	7	SH-FIN-17.1

Risk of liquidity problems that cannot be corrected on a timely basis; Increase of Financing cost and eventually adverse effect on profitability; Inability of resolve discrepancies in cash flow projections on a timely manner.	4	3	7	SH-FIN-17.1
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Control Description	Control Type	Control Automation	Control Frequency	Control Effectiveness
Cancelled cheques are maintained in a separate file which includes original cancelled cheque, two copies and the void JV.	Preventive	Manual	Daily	3
Cancelled cheques are maintained in a separate file which includes original cancelled cheque, two copies and the void JV.	Preventive	Manual	Daily	3
Cancelled cheques are maintained in a separate file which includes original cancelled cheque, two copies and the void JV.	Preventive	Manual	Daily	3
Cancelled cheques are maintained in a separate file which includes original cancelled cheque, two copies and the void JV.	Preventive	Manual	Daily	3
Cancelled cheques are maintained in a separate file which includes original cancelled cheque, two copies and the void JV.	Preventive	Manual	Daily	3
Bank balances are reconciled on a monthly basis. The reconciliation is prepared by the accountant and reviewed by the Finance Manager.	Detective	Manual	Monthly	2
Bank balances are reconciled on a monthly basis. The reconciliation is prepared by the accountant and reviewed by the Finance Manager.	Detective	Manual	Monthly	2
Bank balances are reconciled on a monthly basis. The reconciliation is prepared by the accountant and reviewed by the Finance Manager.	Detective	Manual	Monthly	2
Bank balances are reconciled on a monthly basis. The reconciliation is prepared by the accountant and reviewed by the Finance Manager.	Detective	Manual	Monthly	2
Currently the finance department does not prepare any cash flow forecast	Preventive	Manual	Monthly	8

Currently the finance department does not prepare any cash flow forecast	Preventive	Manual	Monthly	8
Currently the finance department does not prepare any cash flow forecast	Preventive	Manual	Monthly	8
Currently the finance department does not prepare any cash flow forecast	Preventive	Manual	Monthly	8

Control Rating (1-10)	Testing Strategy
3	Review logging of cheques
3	Review Cancelled and Blank Cheques list
3	Review Job Description and Procedure
3	Review access to JV posting
3	Review Cancelled and Blank Cheques list and Bank Reconciliation
2	Obtain the bank reconciliations for a period of 3 months and Procedure manual and ensure compliance with procedure:
2	Obtain the bank reconciliations for a period of 3 months and Procedure manual and ensure compliance with procedure:
2	Obtain the bank reconciliations for a period of 3 months and Procedure manual and ensure compliance with procedure:
2	Obtain the bank reconciliations for a period of 3 months and Procedure manual and ensure compliance with procedure:
8	Check the process and what is implemented on floor

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8	Check the process and what is implemented on floor
8	Check the process and what is implemented on floor



Test	WP Ref.
1. check the log to control cancelled cheques and if maintained on a timely manner.	
2. Check if cancelled cheques had official cancellation forms that carry cancellation date, Justifications of the cancellation, approvals, details, and or copies of related documentation (cancelled vouchers and invoices).	
3. check the ownership of Blank Cheque Custody and if same person is managing communication and relations with banks (sending directions to banks on transfers and cheques authorized approvers).	
4. check the ownership of Blank Cheque Custody and if same person can post entries to bank accounts	
5. check the ownership of Blank Cheque Custody and if same person perform Bank Reconciliation	
1) Verify that the bank reconciliations have been prepared and reviewed independently and on a monthly basis.	
2) Verify the mathematical accuracy of the bank reconciliations prepared.	
3) Ensure reconciliations have been prepared for all bank accounts of company.	
4) Verify that no long reconciling items appear in the bank reconciliations.	
* Obtain copy of the Treasury Procedure	

* Check approval on the policies and procedures	
* Check if the procedure carries the full process for Cash Management	
* Check if the automated system provide reports on cash movements	



Prepared by :	
Reviewed by:	Sahar Hussain
Date:	3-Dec-23

## Re

## Supplier Selection & Evaluation / Tendering

8	Ineffective selection of suppliers	Operational Risk	Ineffective selection of vendors to meet the company's procurement requirements which may result in procuring sub-standard goods and services and adverse effect on the quality of the company products.	4	3	7	Tendering & Selection Process	<p><b>Supplier Section:</b></p> <p>Supplier Selection and pre-qualification process is in draft format and under discussion with the management.</p> <p><b>Tendering Process:</b></p> <p>Procurement section conducts a comparative study based on ISO quality. In case of purchases amounting to more than AED 500,000, a tender is issued by the procurement section. The tender documents (proposals) are evaluated by the Tender Committee, the charter and minutes of meetings of tender committee are formalized.</p>	4	Continuous Review	<p>1- Obtain the list of registered suppliers in the System, select 5 samples, and do the following:</p> <ul style="list-style-type: none"> <li>- Check if the application / form has been completed and approved.</li> <li>- Check if supporting documents such as; trade license have been obtained.</li> <li>- Check the proper recording in the system - adequate segregation of duties.</li> <li>- Verify adequacy if an update occurs. check if regular process in place for timely update.</li> <li>- Check if there is a process in place to verify the vendor's financial ability and stability in market.</li> </ul>	
9	Unauthorized / fictitious vendors added to the master file.	Financial Risk	Unauthorized / fictitious vendors added to the master file may result in fraudulent transactions and financial losses.	4	3	7	Approved Vendor Master File	<p>A supplier master file is maintained manually by the procurement section. The supplier master file is approved by the CEO.</p> <p>However, the section is working with IT to maintain the supplier master file in the system.</p>	5	Active Management	<p>Select 5 vendors remove from the register and check the following :-</p> <ul style="list-style-type: none"> <li>- The justify reason for remove from suppliers register.</li> <li>- remove procedures were correct, consistent with policies and procedures</li> <li>- Ensure Added to the master file after evaluation step.</li> <li>- Check existence of Black list</li> <li>- Management approved.</li> </ul>	
10	Incomplete supplier information in the supplier master file.	Operational Risk	Incomplete supplier information in the supplier master file may lead to delays in the procurement process.	4	3	7	Supplier master file	<p>A supplier master file is maintained manually by the procurement section. The supplier master file is approved by the CEO. Further, supplier pre-qualification process in under discussion with the management.</p> <p>However, the section is working with IT to maintain the supplier master file in the system.</p>	6	Active Management	Same Test No 8	
11	Conflict of Interest	Compliance Risk	Actual or perceived conflict of interest and confidentiality may result in biased selection of vendors and fraudulent activities.	4	4	8	Conflict of Interest Form	Conflict of Interest form is signed by all employees.	3	Continuous Review	Check if The suppliers signed Conflict of Interest form	
12	Failure to administer contract provisions	Compliance Risk	Failure to administer contract provisions may result in legal implications and penalties to the company.	4	4	8	Administration & Monitoring of Contracts	A Penalty clause is already mentioned in the Purchase order/Contract and the Finance will monitor in case of any deviation. A register is maintained for monitoring the contractors and Performance on a yearly basis.	4	Continuous Review	<p>Select 4 samples of contracts , do the following:</p> <ol style="list-style-type: none"> <li>1. Check of existence of Contract Log .</li> <li>2. Check bidding process and documentation.</li> <li>3. Check the contract signed before contract start</li> <li>4. Check tracking contract expiry date</li> <li>5. Check if Legal review .</li> </ol>	
Purchase Requisitions, Purchase Orders & Receipt of Product												
13	Procuring goods and services not required by the end user.	Financial Risk	Procurement of goods and services not required by the end user may result in financial loss to the company.	4	3	7	Purchase Requisition Form	Purchase Requisition Form (PRF) is raised for each request of the concerned user department. The PRF is approved by HOD/Manager. However, the PRF does not include the estimated amount of the requested good / service.	6	Active Management	<p>Select the 40 samples of (Purchase Requisition Form) PR Form selected , obtain the related documents, and do the following:</p> <ol style="list-style-type: none"> <li>1. Check if the ( Request for quotation ) RFQ is prepared and approved by Section Head</li> <li>2. Check if RFQ contains items specification, quantity, delivery schedule, open and closing date of RFQ etc.</li> <li>3. Ensure vendors selected from approved list</li> <li>4. Check proper communication of RFQ to vendors.</li> <li>5. Check the way of receiving quotations, formal procedure is in place? Sealed quotations... Check if receiving date is recorded by Purchasing Section not later than closing date.</li> <li>6. Check proper coordination with user Section for recommendation and selection. Rates shall not be given to user Section, summary / comparison sheet is prepared for each transaction.</li> <li>7. Check proper evaluation criteria in place covering the following (technical specs, price, quality, delivery time, terms and conditions, payment terms, other relevant information)</li> <li>8- Purchase Committee meeting</li> <li>9- PO as DoA</li> </ol>	

14	Unjustified overspending may result in financial loss to the company.	Financial Risk	Unjustified overspending may result in budget overruns, adverse cash flows.	4	3	7	Linking of Purchase Requisition with Procurement Plan	Currently, Purchase requisition is not linked to the procurement plan. However, the procurement section is working with IT to automate the budget monitoring process.	8	Active Management	<p>Select 40 samples of purchase requisitions, do the following:</p> <p>1. Check if all PR form are approved as per DoA.  2. Check the PR form for clarity of clauses such as; services / goods, quantity, estimated value, budget code, etc.  3. Check proper receipt and processing of PR form by Purchasing Section.  4. Check if PR form are reconciled with the approved Purchasing plan.  5. Check if PR form are reviewed by a supervisory level during processing.  7. Check the basis behind selecting the method of purchasing, verify against draft policy. Check approval for method's selection.</p> <p>8-checking availability of funds</p>	
15	Unauthorized purchases	Financial Risk	Unauthorized purchases may result in fraudulent activities, financial and legal implications.	4	4	8	Purchase Order	<p>All Purchase orders are raised through procurement system. However, the purchase orders are manually approved by the concerned authority as per the Delegation of Authority matrix.  In the case of quotations, Procurement section conducts a comparative study based on ISO quality.</p> <p>Currently, the procurement section is working with IT department to incorporate the approval mechanism in procurement system.</p> <p>Further, currently reports are not generated to review split purchase orders.</p>	5	Active Management	<p>For the 40 samples of PR selected , obtain the related documents, and do the following:</p> <p>1. Check if the RFQ is prepared and approved by Section Head  2. Check proper communication of RFQ to vendors, review acknowledgement.  3. Check the way of receiving quotations, formal procedure is in place? Sealed quotations... Check if receiving date is recorded by Procurement Section not later than closing date.  4. Check proper coordination with user Section for recommendation and selection. Rates shall not be given to user Section. summary / comparison sheet is prepared for each transaction.  5. Check proper evaluation criteria in place covering the following (technical specs, price, quality, delivery time, terms and conditions, payment terms, other relevant information)  8. Checking the P O issue as per the DoA.</p>	
16	Receiving goods and services with incorrect specifications.	Operational Risk	Receiving goods and services with incorrect specifications or quantities may result in operational delays and financial loss.	4	3	7	Receipt of Goods	<p>Good delivery note are manual compared with the purchase order and invoice to ensure that goods received are of correct specifications.</p> <p>However, Procurement section is working with the IT department to automate the process.</p>	4	Continuous Review	<p>Select 40 samples PO or PR and check the following :-  1- Check Receiving goods and services on good condition.  2- Check Receiving time .  3- Compared the delivery note with the PO details</p>	
17	Failure to monitor and close open purchase orders	Operational Risk	Failure to monitor and close open purchase orders may result in receiving unauthorized deliveries.	4	4	8	Open Purchase Order Monitoring	The procurement section generates the open purchase order report from the system to review pending quantities and reports the details of material receipt to IT for verification.	6	Active Management	<p>Select 20 samples of P O and check the following :-  1. Check the date of close and open P o</p>	
18	Failure to fix purchase prices and terms of delivery with suppliers for extended period.	Operational Risk	Failure to fix purchase prices and terms of delivery with suppliers for extended period may result in price fluctuation and higher cost of production.	4	3	7	Contracts	Currently, Procurement Section is maintaining a contract list (Excel) and are being reviewed on a regular basis. The list includes the contract period, description, scope of work, and contact number.	5	Active Management	Contract Test and check the price	

19	Failure to procure materials in emergency situation (such as stock outs, urgent orders)	Operational Risk	Failure to procure materials / goods in emergency situations (such as stock outs, urgent orders etc. ) may result in production stoppages, loss of revenue and reputational implications.	4	3	7	Minimum Stock level	The Stores Maintains a Minimum stock level for the regular items and the Procurement Section finds alternate supplier or material during emergencies	3	Continuous Review	<p>Obtain the list of urgent purchases, and do the following:</p> <ol style="list-style-type: none"> <li>1. Check if there is any policy in place governing this practice.</li> <li>2. Check the overall adequacy of the process, identify gaps.</li> <li>3- Check the percentage of Direct purchase from total Purchases</li> </ol>	
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## Vendor Performance Evaluation

20	Failure to monitor supplier performance.	Operational Risk	Failure to monitor supplier performance may result in delayed delivery, delivering poor quality goods and services and end user dissatisfaction.	4	3	7	Supplier Performance Evaluation	Supplier evaluation process is currently in place as the Procurement Section fills in a Supplier Evaluation Report on an annual basis.	4	Continuous Review	Select a sample of 7 major suppliers, and do the following:  1. Check if an annual performance evaluation is conducted by Procurement Section in coordination with User Section on a pre-defined criteria. 2. Check if the evaluation of the Quality and Delivery of materials/services provided by the vendors performed by the User Section. 3. Check if the evaluation of the Cost and Service provided by the vendors performed by the purchasing Section. 4. Check documentation of results.	
				Average Inherent Risk		7.3	Average Control		4.9	Active Management		



## Sharjah Media City FZA (SHAMS)

### Audit Work Program

Section: Purchasing Prepared by :  
Process: Purchasing Reviewed by: Sahar Hussain  
Period 1/1/2022 to 30/11/2022 Date: 3-Dec-23

#### Business Process - Purchase Section

Sr. No.	Risk Name	Risk Category	Key Risks and Challenges	Gross Risk Assessment			Control Name	Control Description	Control Rating	Residual Rating	Test of Controls - Description	Ref
				Impact	Likelihood	Gross Risk						
General												
1	Inadequate Procurement Planning and Budgeting	Operational Risk	Inadequate planning, management and allocation of resources which may result in budget overruns and financial loss to the company.	4	4	8	Procurement Plan & Budget	The requirements of concerned departments are gathered by the procurement section. The requirements are consolidated in the form of a procurement plan. However, currently the procurement plan is not approved by the CEO.  Future Control: The procurement plan will be approved by the concerned authority as per the Delegation of Authority Matrix.	10	Active Management	1. Obtain a copy of the section Objective and annual plan and ensure that it was reviewed and approved by management. 2. Check if the plan is tracked for progress 3. Check if the plan is updated on a timely basis 4. Verify the basis for developing the plan (inputs from other Sections, timeliness, targets, potential vendors, historical rates etc. 5. Check if the plan includes the following ( approved budget for each activity, number of vendors to be registered, materials / services to be procured and timeliness, method of purchasing, etc. 6- Check analysis the plan ended of 2017	
2	Inconsistencies in the Department's operations	Operational Risk	Inconsistencies in the department's operations which may result in inefficiencies and conflicts among duties of department employees.	4	3	7	Policies & Procedures	Currently the policy and procedure manual is under review by the top management and outdated as it has been drafted since 2012.	9	Active Management	1. Obtain a copy of the last updated version of procedure and ensure the following - The policies and Procedures covers in details the processes of purchasing section - the Policies and Procedures are adequately reviewed and approved by the authorized parties	
3	Unclear employee duties and responsibilities	Operational Risk	Inability to set clear duties and responsibilities for each employee in the department which may lead to inaccurate employee performance evaluation.	4	4	8	Job Descriptions	There are comprehensive updated job descriptions for different positions within the department, which defines roles and responsibilities of each individual.	2	Continuous Review	1. Obtain a copy of the org chart and ensure the following - The Org chart is updated and approved 2. Obtain a copy of the Job Description of the employees working in the Purchasing and ensure that: - The Job Descriptions, are clearly defined specially on roles and responsibilities for each level - The approved JD's are aligned with the actual manpower (any variations need to be noted). - The Job description is updated on a timely manner - the employees carries the adequate education and experience in the field	
4	Unclear Reporting Lines & Hierarchy	Operational Risk	Unclear reporting lines and hierarchy which may lead to duplication of efforts and inefficiencies in operations between the employees and department.	3	3	6	Organizational Chart	Organizational Structure is in place and approved as per the Delegation of Authority Matrix.	3	No Major Concern		
5	Management Reporting	Strategic Risk	Inability to escalate department progress, procurement related issues and take prompt actions which may result in significant issues remaining unresolved.	4	3	7	Management Reporting Mechanism	Monthly purchasing reports are prepared and presented by Purchasing Section Head during the monthly management meeting which includes the relevant details of the procurement department. The process is initiated from Jan 2015.	3	Continuous Review	Obtain a copy of monthly reports management and review progress of action plan	
6	Key Performance Indicators (KPIs)	Operational Risk	Failure to assess the performance of employees working in the Procurement department may result in delays or inappropriate decision making from the Senior Management.	4	3	7	Key Performance Indicators (KPIs)	Departmental KPIs (based on ISO objectives), which are only cost savings ,are being monitored on a monthly basis. Moreover, other KPIs have been drafted and presented to Management and are under review from Upper Management	4	Continuous Review	1. Obtain a copy of the individuals KPI's and Ensure: - KPIs are SMART - KPI's is part of the employees' annual appraisals - Variations are addressed in official meetings with the management (on monthly basis)  2- Check corrective actions are taken after the management review	
7	Segregation of Duties	Operational Risk	Inappropriate segregation of duties among the employees involved in different purchasing activities (purchase orders, supplier section etc.) and receiving delivery of goods may result in fraudulent activities and financial loss to the company.	4	3	7	Job Descriptions & Reporting Structure.	Job Descriptions for all employees mentioning their roles and responsibilities are defined, approved and acknowledged by the concerned employee. Further, the reporting structure is clearly defined.	3	Continuous Review	Same Test 2+3	

#### Supplier Selection & Evaluation / Tendering

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9	Unauthorized / fictitious vendors added to the master file.	Financial Risk	Unauthorized / fictitious vendors added to the master file may result in fraudulent transactions and financial losses.	4	3	7	Approved Vendor Master File	<p>A supplier master file is maintained manually by the procurement section. The supplier master file is approved by the CEO.</p> <p>However, the section is working with IT to maintain the supplier master file in the system.</p>	5	Active Management	<p>Select 5 vendors remove from the register and check the following :-</p> <ul style="list-style-type: none"> <li>- The justify reason</li> </ul> <p>for remove from suppliers register.</p> <ul style="list-style-type: none"> <li>- remove procedures were correct, consistent with policies and procedures</li> <li>- Ensure Added to the master file after evaluation step.</li> <li>- Check existence of Black list</li> <li>- Management approved.</li> </ul>	
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Purchase Requisitions, Purchase Orders & Receipt of Product												
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15	Unauthorized purchases	Financial Risk	Unauthorized purchases may result in fraudulent activities, financial and legal implications.	4	4	8	Purchase Order	<p>All Purchase orders are raised through procurement system. However, the purchase orders are manually approved by the concerned authority as per the Delegation of Authority matrix.</p> <p>In the case of quotations, Procurement section conducts a comparative study based on ISO quality.</p> <p>Currently, the procurement section is working with IT department to incorporate the approval mechanism in procurement system.</p> <p>Further, currently reports are not generated to review split purchase orders.</p>	5	Active Management	<p>For the 40 samples of PR selected , obtain the related documents, and do the following:</p> <ol style="list-style-type: none"> <li>1. Check if the RFQ is prepared and approved by Section Head</li> <li>2. Check proper communication of RFQ to vendors, review acknowledgement.</li> <li>3. Check the way of receiving quotations, formal procedure is in place? Sealed quotations... Check if receiving date is recorded by Procurement Section not later than closing date.</li> <li>4. Check proper coordination with user Section for recommendation and selection. Rates shall not be given to user Section. summary / comparison sheet is prepared for each transaction.</li> <li>5. Check proper evaluation criteria in place covering the following (technical specs, price, quality, delivery time, terms and conditions, payment terms, other relevant information)</li> <li>8. Checking the P O issue as per the DoA.</li> </ol>	
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18	Failure to fix purchase prices and terms of delivery with suppliers for extended period.	Operational Risk	Failure to fix purchase prices and terms of delivery with suppliers for extended period may result in price fluctuation and higher cost of production.	4	3	7	Contracts	Currently, Procurement Section is maintaining a contract list (Excel) and are being reviewed on a regular basis. The list includes the contract period, description, scope of work, and contact number.	5	Active Management	Contract Test and check the price	

#### Direct Purchases

19	Failure to procure materials in emergency situation (such as stock outs, urgent orders)	Operational Risk	Failure to procure materials / goods in emergency situations (such as stock outs, urgent orders etc. ) may result in production stoppages, loss of revenue and reputational implications.	4	3	7	Minimum Stock level	The Stores Maintains a Minimum stock level for the regular items and the Procurement Section finds alternate supplier or material during emergencies	3	Continuous Review	<p>Obtain the list of urgent purchases, and do the following:</p> <ol style="list-style-type: none"> <li>1. Check if there is any policy in place governing this practice.</li> <li>2. Check the overall adequacy of the process, identify gaps.</li> <li>3- Check the percentage of Direct purchase from total Purchases</li> </ol>	
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#### Vendor Performance Evaluation

20	Failure to monitor supplier performance.	Operational Risk	Failure to monitor supplier performance may result in delayed delivery, delivering poor quality goods and services and end user dissatisfaction.	4	3	7	Supplier Performance Evaluation	Supplier evaluation process in currently in place as the Procurement Section fills in a Supplier Evaluation Report on a annual basis.	4	Continuous Review	<p>Select a sample of 7 major suppliers, and do the following:</p> <p>1. Check if an annual performance evaluation is conducted by Procurement Section in coordination with User Section on a pre-defined criteria.</p> <p>2. Check if the evaluation of the Quality and Delivery of materials/services provided by the vendors performed by the User Section.</p> <p>3. Check if the evaluation of the Cost and Service provided by the vendors performed by the purchasing Section.</p> <p>4. Check documentation of results.</p>	
					Average Inherent Risk	7.3		Average Control	4.9	Active Management		