

RISK CATEGORY	DEFINITIONS	SCENARIOS
Reputation	The risk that the firm/company's image/brand equity is adversely affected in the eyes of the clients, investors, shareholders, stakeholders, regulators and the general public.	Receiving/paying out counterfeit/fake currency/cash chips; levied fines due to non compliance of regulations; public reprimand by regulating bodies; bad or adverse publicity damaging the corporate image/brand equity (products/services/safety).
Customer Relationship	The risk resulting from the manner in which client relationships are handled/maintained. Key aspects of client relationship risk are service quality and suitability.	service quality standards not maintained due to lack of experience in handling customers/clients disputes/dissatisfaction; loss of belongings reported by clients;
Legal	The risk that a transaction may not be legally enforceable either because the client did not have the power to transact or because one or more of the contractual terms are unenforceable which could be because of public policy or because the provisions are overridden in an insolvency.	Clients/counterparties do not recognise deal; clients/counterparties do not agree with terms of contract/deal; documentation incomplete/ambiguous/not appropriate that may impact legal recourse
Credit/Counterparty	The risk resulting from a client's inability to meet obligation to deliver funds or financial failure of the client.	Failure to capture, monitor, report credit exposure and manage collateral positions (if any) may result in financial loss; Dealing with counterparties/clients with no credit authority; lack of appropriate infrastructure to assess counterparty risk ;
Settlement	The risk of paying out cash or issuing cheques to clients /vendors prior to receiving value.	Arrangements for clients to draw against unconfirmed remittances; failure of agent to act/confirm cash flows; failure to match payments against receipts.

Market	The risk that assets or businesses are adversely affected by movement in markets (interest rates, currencies, pricing, volatility) or change in economic conditions.	Lack of tools to produce appropriate hedging strategies; revaluation (marked to market) of foreign currency denominated bonds/loans/deposits and foreign equity/portfolio investments; forward/swap contracts; limit structure not implemented; excesses over limit not identified
Information/Information Security	The risk resulting from an inability to access, provide security over, properly utilize that resides with the company.	Information may not be accurate or received on a timely basis; financial statements are materially misstated; Information requirements and management reporting needs are not considered; ineffective retention policies- records of files not made available for review ; lack of security over privileged/sensitive information; leakage of information; information is misused.
People	The risk resulting from not having appropriate core capabilities to meet business requirements. Key aspects of people risk include the number of people, the depth of the capability, the adequacy of supervisions, the core values of the people, the environment and the sensitivity of the people to operational aspects of the businesses.	Excessive dependency on one or a few people; lack of experienced, competent people; lack of training to improve skills sets; insufficient number of people to meet business demands; collusion to act dishonestly/commit crimes. sabotage or fraud to poor training, strategic miscalculations, lax safety rules or simple mistakes such as opening a virus-infected email.
Execution	The risk resulting from a transaction that lacks appropriate authorisation or is purportedly authorised. The risk of executing transactions in a manner whereby the desired outcome or objective is not achieved.	Lack of accountability may result in potential risks and exposures to the firm; Lack of segregation of duties may result in errors or irregularities being undetected; lack of authorisation (unauthorised purchases; unauthorised payments) Failure to execute transactions in the desired manner.

Political	The risk resulting from a change in government policies or uncertainties as a result in such change(s).	Government policies which are implemented which has adverse implications on business and/or operations.
Processing	The risk resulting from an inability to properly process a transaction for technology or non-technology related reasons. The risk is evidenced by having transactions that are not processed and recorded in a timely manner or that transactions are processed and recorded incorrectly.	Inability to capture, monitor, transactions/positions accurately, completely & timely; failure to prepare reports on a timely basis; failure to consolidate exposures across markets, businesses etc.; failure to perform stress testing simulations
Regulatory	The risk resulting from a lack of compliance with regulations mandated by federal, state or local authorities.	Non compliance to accounting standards; financial statements not prepared in accordance to regulatory guidelines non compliance to incorrect reporting; transactions contravening regulations; Non payment of fees, licenses in line with agreement with regulators.
Business Continuity	The risk that the company is unable to continue operating in a certain location due to inadequate contingency plans in the event of a natural disaster or man made decision.	Business is unable to continue due to regulatory restrictions; transaction/processes cannot be executed due to systems failure; staff not familiar with contingency plans; failure to develop, test and maintain a recovery action plan.
Technology	The risk resulting from inadequacies in the company's technology infrastructure including hardware and software ( operating and applications). Technology risk occurs when there are inadequacies in the operating controls over transaction processing, inadequacies in security controls over system assets or prolonged system outages. The risk also results from inadequacies in the firm's technology strategy ( e.g. planning and anticipating the appropriate hardware and software)	Failure to capture all deals/transactions in a timely and accurate manner; failure to appropriately control recording of off-line/complex deals/transactions/entries; failure to generate accurate, timely and complete invoices/billings/reminders etc.; the unavailability or malfunction of processing system or unauthorised access will result in increased expense to the firm to investigate, resolve and /or failed management;

Physical Security	The risk resulting from improper access to movable assets ( fixed assets such as motor vehicles) cash safe/ vault or inadequate safety procedures/equipment, physical injury, terrorism, strikes, hazards, robberies. Not meeting HAZOP & HAZMAT standards.	<p>Improper access to system hardware.</p> <p>Inefficient/ineffective supervision security arrangement; malfunction of surveillance equipment; lack of proper safety equipment/ procedures , failure to hold simulations/fire drills; exposure to dangerous chemicals.</p> <p>Lack of contingency plans for evacuation; inadequate safety procedures/equipment for cash in transit runs; physical injury sustained from malfunctioning of Theme Park equipment</p>
Liquidity	The risk resulting from being unable to meet financial obligations or fund liabilities or sell assets.	Funding and liquidity management.
Environmental	The risk resulting from pollution, contamination of natural resources	Lack of monitoring of quality of water supply; pollution emanating from construction work.