

# Tax and Treasury Risk Assessments

Dallas IIA Pre-Meeting

# Agenda

- Framework
- Approach
- Results
- Benefits

# Framework

- More Detailed Assessment
- Integrate with Annual Risk Assessment
- Operational Perspective
  - Leverage with SOX 404

# Approach

- Partnership with Management
  - Assigned Liaison
  - Commencement Letter issued from both teams
- Risk Assessment Meetings
  - Organization Charts – Determine Groups
  - Pre-Read Information
  - Included all Levels of Associates
  - Assigned Facilitator/Scribe Roles

# Approach

- Facilitation Approach
  - Discussed process/function, then risks
  - Potential issues/opportunities – “parking lot”
  - Facilitation challenges
- Quick Turnaround of Information
  - Narrative/Flowchart and Risk/Control Matrix
  - Requested revisions sent back within week

# Risk/Control Matrix

<u>Risk Event</u>	<u>Controls</u>	<u>Monitoring</u>

# Results:

- Summarization into Key Risks
- Use your Creativity!

# Results: Tax and Treasury Risk Examples

- Tax Risks:
  - Tax Policy Risk
  - Talent Risk
  - Third Party Risk
  - Compliance Risk
  - Systems Risk
- Treasury Risks:
  - Liquidity Risk
  - Credit Risk
  - Market Risk
  - Talent Risk
  - Fiduciary Risk



# Results:

- High Level Risks Shared with Audit Committee
- Issued Audit Report to Management
- Presented back to the Department
- Updated the Annual Risk Assessment “Auditable Inventory” as well as the scoring

# Benefits:

- Helped associates better understand risk and why their job responsibilities as controls are important
- Gave each individual a “voice”
- Cross-communication between teams
- Build relationships

# Benefits:

- Follow-up projects / Management Requests
- Format easily updated going forward
- Challenge ourselves on “Monitoring”
- Approach used in other areas

Questions?