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

<table>
<thead>
<tr>
<th>Risk Event</th>
<th>Controls</th>
<th>Monitoring</th>
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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?