Self Assessment
Risk Management Toolkit – Summary
Objectives of Toolkit

Self Assessment Risk Management

The objectives of the Risk Toolkit are:

• Helps Risk Managers identify and mitigate the risks in their organisation’s Mobile Money service.

• Extensible to enable new risks to the added, assessed and managed as they are identified.

• Enables Mobile Money Operators to evaluate their current security controls.

• Provides business with better visibility of those areas where action is needed.
Mobile Money Toolkit Scope

Basic Services

This version of the toolkit covers risks and controls for the following functionality:

• Scheme and technology provided by a single Operator
• Customers provisioned with a stored value e-money account
• Trust account management resides with an external Bank partner
• Transactions are e-money account to e-money account
• Cash-in & Cash-out is through an Agent network
• Customer care can perform transactions on behalf of customers (e.g. reversals)

Other functions (e.g. multi-operator schemes, retail payments, etc) are out of scope for this version of the toolkit.
Workflow
Where the Toolkit fits

• Risk management aims for the correct identification and treatment of risk.
• A typical risk management process flow is illustrated in the chart opposite.
• This toolkit can be used during all stages of the risk assessment process, to aid risk mitigation and as an aid to on-going management.
Risk Register

By Stakeholder

- Risk registers are organised by the stakeholder (an individual or organisation) bearing the risk:
  - Customers
  - Agents
  - Operators (i.e. account providers)
  - Trust Bank
- For each stakeholder risks are recorded, controls assessed and actions tracked.
Controls
With Assurance Information

• When a risk is identified, to mitigate the risk, controls need to be applied.
• For each risk, the controls that apply are assigned from a master list.
• To verify a control has been implemented correctly, assurance information should be provided by the business and validated during the risk assessment.
The current **impact** and **likelihood** is assessed, based on the existing controls.
Evaluate & Action
Tolerate or Treat

• Each risk is evaluated to determine whether it:
  • Can be tolerated,
  • Needs to be treated with mitigating actions,
  • Can be transferred to another risk or
  • Should be terminated by removing a process that leads to the risk.

• If action is required, and particularly for high-severity risks, specific activities should be identified for the owners of each risk for improving the controls.
  • The aim is to reduce the severity score.
Extract Reports

Extensible

- Contains three prepared reports:
  - Report 1 extracts high & extreme risks
  - Report 2 extracts risks with outstanding actions
  - Report 3 re-groups risk by user-defined tags
- Uses standard Excel functionality without advanced macro programming.
- Additional reports can be added by local users.
Risk Assessment Assurance

Verifying Assessments

• Senior managers need to be confident that the risk assessment has correctly identified, evaluated and actioned the most key risks.
• Reports to senior manages in the organisation, business owners of risks and, if required, external parties such group or regulators are likely to be required.
• Part of a risk manager role is to monitor, on an on-going basis, key metrics from the business (Key Risk Indicators (KRIs)) that can inform whether risk are materialised.
• The specification of KRIs is currently outside the scope of this toolkit edition. However, the assurance information required to verify that controls are in place and working is the basis of a set of suitable indicators. This may be addressed in future versions of the toolkit.
When and What

Timescales and Resource

• **How Often** - a full audit is recommended on an annual basis. Individual risks with specific actions need to be monitored to ensure actions are completed.

• **How Long** - a full risk management process can be done in two to three weeks (with appropriate commitment from the business)

• **Resources** - completing the toolkit is a manual exercise through document review and interviews. Confirming that controls are implemented requires access to assurance information. Changes to systems or additional reporting may be needed to generate the required assurance information.
End