RISK REGISTER
PUSTAKA NEGERI SARAWAK

CORPORATE MANAGEMENT SECTOR: FINANCE DIVISION

RISK CATEGORY	1. RISK IDENTIFICATION			2. RISK ANALYSIS AND EVALUATION				3. RISK CONTROL		STATUS
	Activity/ Process	Risk/ Opportunity	Cause	Current Risk Control	Likelihood	Impact	Level	Recommended Action/ Additional Control	Person In Charge (Risk Owner)	
Financial	Budget preparation	Inaccurate budget estimates leading to surplus or deficit budgeting, causing misalignment between allocated funds and actual operational needs	1) Incomplete financial data, weak historical analysis, 2) last-minute changes programmes/ decisions	Review of previous year actual expenditure/ perfromance	5 (Almost Certain)	4 (Major)	**20 (HIGH)**	Strengthen data validation, involve programme owners earlier	DH, Finance (Norafiqah Nabilah Julaihi)	Ongoing
Financial	Budget preparation	Delay in budget submission to approving authority	1) Late input from divisions, unclear timeline, 2) limited staff capacity	Internal reminders through email, whatsapp group and scsmobile chat	3 (Possible)	3 (Moderate)	**9 (MEDIUM)**	Enforce deadlines, escalate delays	DH, Finance (Norafiqah Nabilah Julaihi)	Ongoing
Financial	In-year budget management	Frequent virement arising from last-minute ad hoc directives from Top Management and authorities, causing deviation from the approved budget and risks to planned programme delivery.	1) Late directives, 2) urgent new priorities, 3) weak change-control discipline	ad hoc virement proposal and approval routing through HOS meeting	5 (Almost Certain)	4 (Major)	**16 (HIGH)**	Internal virement policy with thresholds, documentation and approval workflow, chance control comiittee to review, priorities last-minute requests, dashbboard to show virement frquency, affected programmes for management visibility	DH, Finance (Norafiqah Nabilah Julaihi)	Ongoing
Financial	Budget execution	Budget overspend occurs when new programmes or activities are directed by Top Management/ Board/ Ministry after budget allocation approval	1) Strategic or policy change decisions made after budget finalisation 2) urgent directives aligned to national/ state priorities	1) Top Management level approval 2) Internal monitoring of expenditures	5 (Almost Certain)	5 (Severe)	**25 (HIGH)**	1) Formal documentation of management/ Board directives as basis for funding decisions 2) Impact assessment note (budget, delivery, compliance) tabled together with decision papers 3) Explicit disclosure in management reports that overspend is direction- driven	DH, Finance (Norafiqah Nabilah Julaihi)	Ongoing
Operation	Procurement (Method selection & conduct)	Procurement fails to comply with Tatacara Perolehan Kerajaan Negeri Sarawak	1) Inadequate planning and misunderstanding of value thresholds/ method selection 2) Lack of awareness of latest SFS circular & Supplementatry Treasury Instructions 3) Weak internal compliance 4) Time pressure leading to scope splitting or shortcuts	1) Procurement SOP with limits of authority & method-selection checklist 2) Staff induction on procurement policy/ attending SFS courses on procurement policy 3) Use standard evaluation templates & minutes 4) Lembaga Perolehan to review/ approval for tenders	3 (Possible)	4 (Major)	**12 (MEDIUM)**	1) Mandatory checklist to verify method vs value threshold 2) Secretariat to run document-completeness checklist for documentation quality	DH, Finance (Norafiqah Nabilah Julaihi)	Ongoing

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Information & Record	Drafting & publishing quotation/ tender advertisement (UPKJ eligibility specification)	Incorrect or ambiguous UPKJ class/head/sub-head stated in the advertisement - leading to ineligible participation, delays or cancellation/ re-advertisement	1) Misunderstanding of current UPKJ classes/financial limits or application heads/sub-heads for the scope of works/ services 2) Lack of technical review of scope vs UPKJ classifications before advertisement 3) Reliance on outdated policy	1) Seeking advice from UPKJ before adverstisement 2) Update on new UPKJ circular on class/ head/ sub-head	3 (Possible)	4 (Major)	**12 (MEDIUM)**	1) Project owner to double check with UPKJ on the eligible class/ head/ sub-head related to quotation/tender before submit application to Procurement Unit 2) Check the registered number of suppliers available in the said class/head/sub-head in CoRRIS	DH, Finance (Norafiqah Nabilah Julaihi)	Ongoing
Compliance	Procurement - Direct purchase	1) Direct purchase applied exceeds threshold or does not meet criteria for direct purchase 2) Procurement value split into multiple direct purchases	1) Misunderstanding of direct purchase thresholds 2) Intentional avoidance of quotation/tender process due to time pressure 3) Lack of monitoring of cumulative purchases	1) Procurement SOP 2) List of purchases for similar item checking before proceed direct purchase application	3 (Possible)	5 (Severe)	**15 (HIGH)**	1) Procurement refesher to recommending & approving officer 2) Procurement review prior to proceed purchase application 3) Prepare monitoring table by division head to keep track on cumulative spending	DH, Finance (Norafiqah Nabilah Julaihi)	Ongoing
Financial	Revenue Receipt	Revenue recognition failure due to unidentified or unverified receipts, resulting in revenue not being accurately recorded in the financial system.	Documents not received by Finance Division	Basic checklist. 1) Manual verification at counter 2) Follow-up emails and phone calls	5 (Almost Certain)	4 (Major)	**20 (HIGH)**	1) Implement all online payment methods 2) Venue Division needs to submit a monthly facility usage report to Finance Division	DH, Finance (Norafiqah Nabilah Julaihi)	Ongoing
Financial	Accounts Receivable/ Debt Collection	Debtors may default or delay payment of outstanding invoices, resulting in cash flow constraints and potential revenue loss.	1) Weak collection follow-up 2) Debtor financial difficulties	1) Reminder letter 2) Manual Ageing report review	3 (Possible)	3 (Moderate)	**9 (MEDIUM)**	1) Implement a credit vetting process for new debtors 2) Use system-generated reminders (emails/SMS) for overdue invoices 3) Review debtor ageing reports weekly	DH, Finance (Norafiqah Nabilah Julaihi)	Ongoing
Financial	Revenue from Facility booking	Facilities are utilised by customers, but payment is not received, resulting in revenue loss and delayed cash collection	1) Documents are not received by Finance Division 2) Manual processes handing document to finance 3) No payment notification received from the user	Basic checklist. 1) Manual verification at Facility Division 2) Follow-up emails and phone calls	3 (Possible)	4 (Major)	**12 (MEDIUM)**	1) Implement all online payment methods 2) Enhancement of the facility booking system	DH, Finance (Norafiqah Nabilah Julaihi)	Ongoing
Financial	Invoice Verification	Risk of overpayment or underpayment due to incorrect payment amounts, resulting in financial loss, delayed settlements, audit findings, and potential disputes with suppliers or service providers.	Human error in data entry or misinterpretation of invoice details	1) Dual verification 2) System validation	3 (Possible)	3 (Moderate)	**9 (MEDIUM)**	1) Role segregation (Avoid one man shows) 2) Verification checklist	DH, Finance (Norafiqah Nabilah Julaihi)	Ongoing

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Financial	Vendor Management	Risk of fraudulent transactions arising from weak vendor management practices, including inadequate vendor vetting, poor segregation of duties, and ineffective monitoring, resulting in financial loss, audit findings, and reputational damage.	Weak Internal Controls	1) Vendor vetting 2) Segregation of works	4 (Likely)	4 (Major)	16 (HIGH)	Strengthen vendor onboarding (UPKJ/SSM/Trade licence)	DH, Finance (Norafiqah Nabilah Julaihi)	Ongoing
Financial	Payment Execution	Risk of duplicate payment arising during payment execution due to weak verification controls, multiple approval channels, or manual processing, resulting in financial loss, reconciliation issues, and audit findings.	Multiple approval method, such as payment approval by minute sheet	1) Manual verification 2) SOP for approval	4 (Likely)	4 (Major)	16 (HIGH)	Centralize approval method	DH, Finance (Norafiqah Nabilah Julaihi - NNJ)	Ongoing