



MOORE Singhi



TOP 10 RISKS 2025



Geopolitics

War, terrorist activities, civil unrest, trade barriers & sanctions, impact import and shipment of raw materials and export of finished products/services. De-risk strategies include (i) sourcing from multiple geographies, (ii) procuring/manufacturing closer to home, including backward/forward integration (iii) identifying alternate raw materials. Recently, companies de-risked China by including Bangladesh as a key source only to find Bangladesh in turmoil. Companies will need to continue to identify multiple sources/countries to derisk.



Fraud

Frauds are common and ingenuine and are costing organisations and individuals billions of dollars each year. Think of all the possible types and methods of potential frauds and then build safeguards to prevent them. Effective internal controls reduce exposure to financial risks and contribute to the safeguarding of assets, including the prevention and detection of fraud.



Talent and Skill

Work dynamics, ethos, lifestyle choices and desires are rapidly changing. Organisations must continuously evolve to engage talent. The new generation also desires more variety and diverse work experiences, hence time spent in each job is shorter. Organisations need to brace for faster changeovers. Employees must continuously upskill to remain relevant and able to demonstrate value for higher compensations earned/expected. Will 'renting' talent be the way to go?



Macro-Economic Changes

Crude oil prices, commodity prices, foreign exchange rates and interest rates fluctuations are a few of the pervasive risks that impact businesses. How are the organisations monitoring risks? Which strategies should the organisation adopt to reduce cost of risk management?



Disruption

The world is moving faster than ever. Yesterday's fast selling products are forgotten today. The younger generation hasn't heard of the once ubiquitous Blackberry! How susceptible are the organisation's products to disruption? Organisations must consistently keep abreast of trends and preferences and innovate/improvise their products & services.



Sourcing

What are the organisation's dependencies on third-party vendors to provide critical products/services? What is the concentration of this risk and how will the organisation be impacted if vendors are unable to deliver up to their commitment? Has the organisation de-risked by having multiple vendors, in different geographies for critical components/services? Does the organisation have a contract management framework and scorecard to continuously monitor and evaluate vendor performances?



Cyber Security and Data Privacy

Phishing attempts and malware infections are seen as the most likely threats to arise, emphasising the importance of employee behaviour, training, and awareness in mitigating cyber risk. Continuously evaluate and strengthen the organisation's cyber security framework. Periodically educate employees on safe practices and how to identify and avoid phishing attacks. Assess how and what third-party data is collected and retained and how data that is not required is safely disposed of.



Climate Change and Sustainability

Climate change is steadily impacting government regulations and individual choices. It is also impacting the sourcing of materials and transportation. Prices of select crops have risen manyfold compelling organisations to increase finished good prices or seek alternate/artificial substitutes. Are these alternate/artificial substitutes when used in food items equally good for health? Are we compromising the future for immediate gains?



Internal Audit: Authority and Accountability

When something goes wrong, aka a fraud is detected, the first question most Boards and CXOs ask "What was the Internal Audit doing? Did they not flag this risk" Why should Internal Audit be given all the importance only after something has gone wrong? Internal Audit must be accountable and answerable. Internal Audit must also have the authority to ask questions of anyone and must have the backing of the Board/Audit Committee to obtain the answers.



Regulatory Compliances

Despite all the ease of doing business, it is not that easy. A constantly evolving regulatory landscape can often be cumbersome to navigate. Falling out of compliance can prove to be costly.



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