



RISK MANAGEMENT PLAN

REGULATION / PROCESS	RISK	IMPACT	PROBABILITY	CONTROL	RESPONSIBLE PERSON	REVIEW DATE	REMEDIAL ACTION & TARGET DATE
1. FAIS ACT & SUBORDINATE LEGISLATION							
The Advice Process	High	High	Medium	<ol style="list-style-type: none"> Forty-Four Financial Wellness (Pty) Ltd, (hereafter 'the FSP'), is licensed with the FSCA Processes and procedures to ensure compliance with the General Code of Conduct. Process to implement remedial actions immediately. 	Key Individual Head of Compliance Compliance Committee Compliance Officer	Ongoing	Representatives' files are to be monitored on an ongoing basis.
Maintenance of Records	High	High	Medium	<ol style="list-style-type: none"> Process to maintain the following: <ul style="list-style-type: none"> All written and verbal communications to clients relating to the rendering of financial services. Register for non-compliance – Compliance Reports by the Compliance Officer and any other feedback from clients and or product providers. Records are stored safe from destruction (atoooh! Server) Records are kept for a period of five years after termination of the product or after the rendering of the Financial service. Where electronic records are kept, electronic back-ups are made and stored off-site. All documents can be produced within 7 days for inspection by the Regulator. Voice logged calls backed up at real time and easily retrievable Maintenance of voice logging system to be done if applicable 	Key Individual Head of Compliance Compliance Committee	Ongoing	<p>Record kept on CRM System Server</p> <p>Compliance reports should be kept in the compliance file.</p> <p>Electronic back-ups should be tested and stored off-site.</p>
Client Service Level Agreement	Medium	Medium	Medium	<ol style="list-style-type: none"> Service level agreement entered into with all clients and product providers. 	Key Individual Head of Compliance Compliance Committee	Annually	Service Agreement for all new clients and for existing clients, at the annual review.

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Client Exit Process	Medium	Medium	Low	<ol style="list-style-type: none"> 1. Process to deal with undesired clients. 2. Inform client in writing of suspension of services and rights. 3. Encourage client to obtain financial services elsewhere. 4. Ensure that all business is concluded. 5. Maintain records as prescribed in POPIA 6. De-identify Data Subject / Client on all systems 7. Inform product provider to cease payment of trail fees. 	Key Individual Head of Compliance Compliance Committee Compliance Officer	As and when	Educate reps of the process to deal with undesired clients.
Financial Products Licence Categories	High	High	Low	<ol style="list-style-type: none"> 1. Internal control in place to render financial services in respect of products that qualifies as a financial product. 2. Internal control to sell products and provide services for products that falls within the licence categories and sub-categories that are reflected on the licence. 	Key Individual Head of Compliance Compliance Committee Compliance Officer	Ongoing	
Regulatory Accreditation	Medium	Medium	Low	<ol style="list-style-type: none"> 1. FSCA and FAIS Ombud Levies are paid when due. 	Key Individual Financial Director	31 st October	Ensure representative register with FSCA is updated correctly
Fit and Proper Status of Key Individual and Representative – Board Notice 194 of 2017	Medium	Medium	Medium	<ol style="list-style-type: none"> 1. Recruitment procedures must ensure that the representative have the necessary competency and qualifications to give advice. 2. Perform quarterly checks on Key Individual and Representatives. 3. Inform the registrar of any change in the personal circumstances of the Key Individual that may affect his fit and proper requirements. 4. Key Individuals and Representatives conform to Board Notice 194 of 2017. 5. The Key Individual and Representatives always act with honesty, integrity, and good standing, and with due care in the client's best interest. 	Key Individual Head of Compliance Compliance Committee Compliance Officer	Ongoing	Ensure all representatives complete the necessary qualifications and set up training for Continuous Professional Development.

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Operational ability	Medium	Medium	Medium	<ol style="list-style-type: none"> 1. Service level agreement for all outsourced functions. 2. Key Individual manages and oversees all operational functions within the FSP. 	HR Head of Compliance		Implement with accountant and IT support
Representative Mandate	Medium	Low	Low	<ol style="list-style-type: none"> 1. Service contracts or mandatory agreements signed by the representatives and Key Individuals of the FSP. 2. The representative mandate clearly states the financial services for which the representative is authorised. 3. A register of representatives is kept of all representatives and an updated version provided to the FSCA within 15 days of the change. 4. The register contains the names and business addresses and the categories of financial. 5. The disclosure letter of the representative includes their status as representative, a statement that the FSP accepts responsibility for the activities of the representatives as well as the Key Individual's details. 	Key Individual HR Head of Compliance	Annually	Update Disclosure document when FSP/ representative status change
Representative Training	High	Medium	Medium	<ol style="list-style-type: none"> 1. Training register to confirm that appropriate product and compliance training was given to Representatives. 2. Education plan for each representative to ensure that the required qualification is obtained. 3. Ongoing training regarding FAIS regulations and compliance requirements. 	Key Individual Head of Compliance Compliance Committee	Ongoing	Discuss training needs with each representative and have a documented plan in place and kept up to date.
Monitoring of Representative	Medium	Medium	Medium	<ol style="list-style-type: none"> 1. Regular Monitoring of a Representative to: <ul style="list-style-type: none"> • Ensure the advice process complies with the Code of Conduct. • Review implementation of remedial action for non-compliance. • Confirm that the representative has remained within the categories she/he is authorised for. 	Key Individual/ Head of Compliance Compliance Officer	Monthly	Compliance Department – monthly inhouse checks and audits by external Compliance Officer

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Representative under Supervision – FAIS Notice 86 of 2018	Medium	Medium	Medium	<ol style="list-style-type: none"> 1. Appointed qualified and competent supervisor. 2. An agreed supervision plan including training and progress monitoring programme. 3. Supervision Agreement to be signed 4. Continuous reviewing and assessing services rendered by the representative under supervision. 5. Disclose to clients that representative is acting under supervision. 6. The Register of Representatives clearly indicates the representatives acting under supervision and the categories they are authorised. 	Key Individual Supervisor Head of Compliance	Monthly	Each representative acting under supervision must have a Supervision agreement in place and this must be monitored by the appointed supervisor and feedback provided to Head of Compliance.
Debarment Process	Medium	Low	Low	<ol style="list-style-type: none"> 1. Notice to attend Disciplinary Hearing 2. Disciplinary process to be documented 3. Notice of debarment action to be provided to the Representative 4. Debarment process that ensures that authority to give advice is withdrawn and that interests of clients are not prejudiced. 5. Application for Debarment to be sent to the FSCA. 6. Remove the Key Individual /Representative from the register within 15 days of debarment application. 7. Process to inform clients and conclude any outstanding business. 	Key Individual Compliance Committee Labour Relations Lawyer	As and when	<p>Ensure adherence to Labour legislation and requirement from FSCA.</p> <p>Disciplinary hearing is dealt with by Forty-Four.</p>
Professional Indemnity Cover	Low	Low	Low	<ol style="list-style-type: none"> 1. PI Cover is provided to all representatives. 		Annually	Updated PI Cover policy provided

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Compliance Function	High	Medium	Medium	<ol style="list-style-type: none"> 1. Maintain an efficient compliance function. 2. Staff members are regularly trained on compliance requirements. 3. The Compliance Officer performs monitoring procedures and provides feedback and recommendations as per SLA. 4. Compliance meetings scheduled 	Key Individual/ Compliance Officer Compliance Committee	Monthly	Recommended actions of CO as contained in reports are analysed, implemented & communicated to staff. Provide the CO access to all business activities. Actively promote a culture of compliance within the FSP
Financial Management	Medium	Low	Low	<ol style="list-style-type: none"> 1. Monthly accounting records are kept up to date. 2. Annual Financial Statements are submitted to the Registrar within four months of financial year end. 3. Assets (excluding goodwill) to always exceed liabilities. 	Key Individual Financial Director	Monthly Annually	Appointment of Accountant to ensure compliance with SARS and auditing of financials.
Non-cash Incentives and Conflict of Interest	Low	Low	Low	<ol style="list-style-type: none"> 1. Disclose to client if the FSP: <ul style="list-style-type: none"> • Holds more than 10% of Discovery shares • Received any non-cash incentives or indirect consideration from any other person • The existence of any personal interest in the relevant service, of any circumstance that gives rise to an actual or potential conflict of interest. 2. Process to take reasonable steps to ensure fair treatment of the client. 3. Non-cash incentives and or indirect consideration is duly entered on the register. 4. Policy in place on how to deal with non-cash incentives and conflict of interest. 5. Immaterial Financial interest received to be recorded 6. Immaterial Financial interest limit of R1000 from any one product provider to a representative must not be exceeded in a calendar year. 	Key Individual Compliance Committee	Ongoing	Make sure that the registers are updated if there are any circumstances that are not at arm's length. Special care should be taken, and details disclosed upfront (contact stage disclosure letter).

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Client Complaints	High	Medium	Medium	<ol style="list-style-type: none"> 1. A complaints policy and process are in place, which ensures that clients have full knowledge and accessibility to the procedures, and which enables complaints to be dealt with effectively, timeously, and fairly. 2. Appoint a person to be in control of Complaints Register. 3. Inform clients on disclosure letter of complaints policy and procedure. 4. Each complaint is entered into the register. 	Key Individual Head of Compliance Compliance Committee	Ongoing	Complaints resolution policy to be understood by all within the FSP.
Advertisements	Low	Low	Low	<ol style="list-style-type: none"> 1. External Compliance Officer and attooh Head of Marketing to approve all advertising to ensure all advertisements and marketing material complies with the Code of Conduct. 2. Display a certified copy of the licence within every business premises of the FSP. 3. Recordings kept of all telephonic advertisements. 	Key Individual Head of Compliance Compliance Committee Head of Marketing	Ongoing	
Succession and Sustainability	High	Medium	Medium	<ol style="list-style-type: none"> 1. Documented plan to provide for voluntary and involuntary succession, temporary disability, and absence. 2. Marketing and business plan in place to ensure sustainability of the business. 3. Documented arrangements for all business alliances and strategic partners. 	Key Individual Financial Director	Annually	Succession plan to be done for each representative as well as business. Third party agreements to be implemented
Communication with the Regulator	High	Low	Low	<ol style="list-style-type: none"> 1. Process to inform the Registrar within 15 days of any change within the business on the prescribed forms or through the FSCA Online System, is dealt with by Discovery 	C3sixty	Ongoing	Inform C3sixty of all changes required.
Retail Distribution Review	High	High	High	<ol style="list-style-type: none"> 1. Keep abreast of updates and amendments. 2. Understand the impact of the 55 RDR proposals. 3. Plan for business continuity. 4. Plan for commission restructuring. 5. Make business decisions to strategize for RDR phase 1, 2 and 3. 	Executive Management/ Key Individual		

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2. TREATING CUSTOMERS FAIRLY							
Principles and Commitment	High	High	Low	<ol style="list-style-type: none"> 1. Ensure that the Principles of Treating Customer's Fairly (TCF) is applied across all our business activities, consistently and constantly. 2. Management recognises that the fair treatment of our customers and excellent provision of customer service is essential to the success of our business. We undertake to provide an enhanced service quality to clients, based on a culture of openness and transparency. 3. Management undertakes to introduce the principles of TCF into all aspects of the business, including: <ul style="list-style-type: none"> • On-going strategy • Day-to-day operations • The values of the business • Its corporate structure, and • At each stage of the product cycle 	Executive Management Head of Compliance	Ongoing	
TCF Outcome 1	High	High	Low	Product and service design: Products and services and their distribution strategies are designed and developed for specific target markets, based on a clear understanding of the likely needs and financial capability of each customer group.	Executive Management Key individual Head of Compliance	Ongoing	
TCF Outcome 2	High	High	Low	Promotion and marketing: Products are marketed to specific target groups, through clear and fair communications that are not misleading and are appropriate to the target group.	Executive Management Key individual Head of Compliance Head of Marketing	Ongoing	
TCF Outcome 3	High	High	Low	Advice: Where advice is provided, advisors are fully equipped to provide advice that is suitable to the needs of the customer concerned, following the objectives of TCF and avoiding conflicts of interest.	Representatives	Ongoing	

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TCF Outcome 4	High	High	Low	Point-of-sale: To provide clear and fair information to enable customers to make informed decisions about transacting with us, our products, and services. Product risks, commitments, limitations, and charges must be transparent.	Representatives	Ongoing	
TCF Outcome 5	High	High	Low	Information after point-of-sale: To provide customers with on-going relevant information to enable them to monitor whether the product or service continues to meet their needs and expectations and provide acceptable levels of service for post-sale transactions or enquiries.	Executive Management Key individual/ Representatives	Ongoing	
TCF Outcome 6	High	High	Low	Complaints and claims handling: To honour representations, assurances and promises that lead to legitimate customer expectations. Legitimate expectations must not be frustrated by unreasonable post-sale barriers. There is a requirement for fair and consistent handling of claims and a mechanism to deal with complaints in a timely and fair manner.	Executive Management /Key individual	Ongoing	
3. INCOME TAX ACT							
Record Keeping	Medium	Medium	Low	1. Records kept up to date and stored safe from destruction for five years.	Key Individual Finance Director	Ongoing	
VAT	Medium	Medium	Medium	1. Records kept up to date and stored safe from destruction.	Key Individual Finance Director	Monthly	
On Time Submission	Medium	Medium	Medium	1. Process to submit VAT and Income Tax within the prescribed period.	Key Individual/ Finance Director	Monthly	
4. BASIC CONDITIONS OF EMPLOYMENT							
Staff Employment Contracts	High	Low	Low	1. Employment contracts that comply to the requirements of this Act for all staff members, permanent and temporary.	HR	Annually	
BCEA	High	Low	Medium	1. A copy of the BCEA must be displayed	HR	Ongoing	

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Job Descriptions and segregation of duties	Medium	Low	Low	1. Job descriptions of the role functions and duties for each staff member.	HR	Annually	
Staff Training	High	Medium	Medium	1. Ongoing training regarding FAIS regulations, operational and administrative functions as well as technical knowledge. 2. Staff training register kept up to date with in-house and external training.	HR	Ongoing	
Performance Management	Medium	Low	Low	1. Conduct regular performance monitoring and provide staff member with feedback and recommendation for remedial action.	HR	Bi-annually	The actions are contained in the control column.
Employment Termination	High	Medium	Low	1. Disciplinary process in terms of the Disciplinary Code and Procedure 2. An employment termination process that ensures that the correct procedures are followed as described by Labour legislation. 3. Process to consult with Labour Lawyer if necessary.	HR	Ongoing	The actions are contained in the control column.
Record Keeping	High	Low	Low	1. Keep all staff records up to date and safe from destruction.	HR	Monthly	
Continuity Plan	High	Medium	Medium	1. Documented continuity plan to ensure that all functions are performed when a key person is absent or leave the FSP's employment.	Key Individual	Monthly	Staff and administration continuity plan
5. INFORMATION TECHNOLOGY							
Record Keeping of Client Data and Transactions	High	Medium	Medium	1. Client data and transactions are timeously captured and updated. 2. All information captured is reviewed by the Key Individual. 3. All electronic records are accessible and can readily be reduced to printing.	Key Individual All representatives All staff	Daily	Ensure that all files are complete Paper trail and file notes (workflow)

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Access to and Protection of Client Data	High	Medium	Low	<ol style="list-style-type: none"> 1. Confidentiality agreement signed by the representative and client. 2. Confidentiality clause part of staff employment contracts and representatives' mandates. 3. Access to client data is password protected. 4. An audit trail is printed regularly to review data captured and/or updated. 	Key Individual All representatives All staff IT	Monthly	Ensure all staff are aware of this process
Audit Trail and Review of Client Data	Medium	Medium	Medium	<ol style="list-style-type: none"> 1. The Key Individual performs checks to ensure all data is correctly and timeously captured. 2. The Key Individual regularly reviews the audit trail and follows up on inconsistencies. 	Key Individual	Monthly	Electronic data to be reviewed regularly.
Back-up Procedure and Storage Facilities	High	Medium	Medium	<ol style="list-style-type: none"> 1. Regular back ups of electronic records. 2. Back ups are consistently tested to ensure that information was correctly backed up and are easily retrieved. 3. Back-ups are stored offsite and are easily accessible. 4. Offsite storing facilities are regularly inspected. 5. Records are stored safe from destruction. 	Key Individual/IT	Daily/ Weekly	Back-ups to be tested.
Staff IT Training	High	Low	Low	<ol style="list-style-type: none"> 1. The Key Individual performs checks to ensure all data is correctly and timeously captured. 2. The Key Individual regularly reviews the audit trail and follows up on inconsistencies. 		Quarterly	The actions are contained in the control column.
Internet and E-mail Policy	Medium	Low	Low	<ol style="list-style-type: none"> 1. The Key Individual performs checks to ensure all data is correctly and timeously captured. 2. The Key Individual regularly reviews the audit trail and follows up on inconsistencies. 		Quarterly	The actions are contained in the control column. Make use of read receipts.
Social Media Policy	High	Medium	Low	1. All Social Media to first be approved by attooh! Marketing Division	attooh! Marketing	Ongoing	
Documented Business Processes	Medium	Medium	Medium	1. All business processes and electronic workflow are duly documented.	Key Individual All staff	Ongoing	Workflow manuals to be created.

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6. GENERAL SECURITY							
Access to Premises and Client Information	High	Low	Low	1. Premises are protected from unauthorised entry. 2. Client files are stored in lockable cabinets which are locked when the premises are unattended. 3. Computers are password protected. 4. The FSP subscribes to an armed response service. 5. The business premises are never left unattended while open.	Key Individual All Representatives/ All Administrative Staff All other staff	Ongoing	Confirmation to be obtained of this from all branches. All passwords to be provided to Key Individual.
Insurance	High	Low	Low	1. Adequate short-term policy in place to cover loss of equipment, assets, premises and includes public liability.	Key Individual/ HR	Annually	Review policy on an annual basis.
Disaster Recovery Plan	High	Low	Low	1. Documented plan to provide for natural disasters. 2. Documented plan to provide for all unforeseen disasters	Key Individual Head of Compliance	Annually	To be implemented. Include back-up process, insurance, budget and adequate security measures.
Fire Extinguishers	High	High	Low	1. To be kept visible and accessible	Trained Person	Annually	Annual servicing to be done
Budget for Risk Management	High	Low	Low	1. Budget is provided for the implementation of appropriate controls and mitigating actions for the effective maintenance of the risk management plan.	Key Individual Finance Director	Annually	
7. OCCUPATIONAL HEALTH AND SAFETY ACT							
Occupational Health and Safety act	Medium	Medium	Medium	1. Complete the Occupational Health and Safety questionnaire regularly.	Key Individual/ HR	Annually	Every employer shall provide and maintain, as far as is reasonably practicable, a working environment that is safe and without risk to the health of his employees. All branches to have Occupational Health and Safety Poster

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8. PREVENTION OF ORGANISED CRIME ACT							
Prevention of organised crime act	Low	Low	Low	1. It is a criminal offence for anyone who knows, or ought to reasonably to have known, that property is or forms part of the proceeds of a criminal offence, to enter into any agreement with anyone connected with such proceeds	Key Individual/ All representatives Administrators	Annually	Educate all on this requirement
9. PROMOTION TO ACCESS TO INFORMATION ACT							
Promotion to access to information act	Low	Low	Low	1. This Act aims to give effect to the right of access to any information held by the State and any information that is held by another person and that is required for the exercise or protection of any rights.	Key Individual/ All representatives Administrators	Annually	
10. PROTECTION OF PERSONAL INFORMATION							
Protection of personal information	High	Medium	Medium	1. The FSP to ensure that client information is collected in terms of POPI 2. Client consent to be obtained before data can be collected 3. Client to be given a Notice informing them of the information to be collected, the purpose of the collection, sage guard measures in place, the Information Officer details, the client's rights in terms of POPI and disclosure of information.	Key Individual All representatives Administrators	Ongoing	FSP to ensure that it always complies with POPI
11. PROTECTION OF PERSONAL INFORMATION							
Corporate governance	High	Medium	Medium	1. Practice Management principle 2. King 4 3. Companies Act 4. Directors Liabilities	Executive Management	Ongoing	