VIAMED LTD

Failure to Prevent Fraud Risk Assessment

Document Owner: Managing Director
Approved By: Board of Directors
Review Period: Annually or following any significant fraud incident or legislative change
Version: 1.0
Classification: Company Risk Assessment

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1. Purpose

This risk assessment identifies areas where fraud could reasonably occur within Viamed Ltd's business activities and records the controls implemented to reduce those risks.

It supports the company's Failure to Prevent Fraud Policy and demonstrates the company's commitment to maintaining appropriate and proportionate procedures to prevent fraudulent activity.

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2. Scope

This assessment applies to all areas of the business including:

- Purchasing
- Sales
- Finance
- Stock Control
- Service & Repair
- Manufacturing and Assembly
- Calibration Activities
- Information Technology
- Customer Service
- Supplier Management
- Quality Management System activities

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3. Risk Assessment Method

Likelihood

- Low – Unlikely to occur
- Medium – Could occur under certain circumstances
- High – Likely without effective controls

Impact

- Low – Limited operational impact
- Medium – Financial or reputational impact
- High – Significant financial, legal or reputational damage

Residual Risk

Risk remaining after existing controls have been applied.

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4. Fraud Risk Assessment

Business Area	Potential Fraud Risk	Existing Controls	Likelihood	Impact	Residual Risk
Purchasing	False supplier invoices	Purchase order approval, invoice matching, authorised suppliers	Low	High	Low
Purchasing	Supplier bank account fraud	Verification procedures before payment detail changes	Medium	High	Low
Purchasing	Unauthorised purchasing	Purchase authorisation limits and management approval	Low	Medium	Low
Sales	False quotations or pricing manipulation	Management oversight and system audit trail	Low	Medium	Low
Sales	Misrepresentation of products or approvals	Manufacturer documentation, controlled product information	Low	High	Low
Finance	Manipulation of accounting records	Segregation of duties, management review, external accountants	Low	High	Low
Finance	Fraudulent payments	Dual authorisation where appropriate, banking controls	Low	High	Low
Expenses	False expense or mileage claims	Management approval and supporting evidence	Low	Medium	Low

Business Area	Potential Fraud Risk	Existing Controls	Likelihood	Impact	Residual Risk
Stock Control	Theft or unauthorised removal of stock	Controlled warehouse access, stock takes, inventory records	Low	Medium	Low
Service & Calibration	False service or calibration records	Controlled documentation, technician competency, quality checks	Low	High	Low
Manufacturing	False production or inspection records	Documented procedures, quality inspections, traceability	Low	High	Low
Quality System	Alteration of quality records	Document control procedures, audit trails, internal audits	Low	High	Low
Information Systems	Unauthorised alteration of electronic records	User permissions, passwords, backups, audit logs	Low	High	Low
Supplier Management	Acceptance of gifts or inducements	Anti-Bribery Policy, Supplier Code of Conduct	Low	Medium	Low
Management Reporting	Deliberate concealment of issues	Management Review, Internal Audits, Corrective Action process	Low	High	Low

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5. Existing Company Controls

Viamed Ltd already operates a number of procedures that significantly reduce the opportunity for fraud, including:

- ISO 9001 and ISO 13485 certified management systems.
- Controlled documented procedures.
- Internal audit programme.
- Management Review process.
- Segregation of financial responsibilities where practicable.
- Purchasing approval procedures.
- Supplier approval and monitoring.
- Stock control and inventory management.
- Quality inspection and traceability.
- Controlled calibration and service records.
- User access controls within company IT systems.

- Staff training and awareness.
- Anti-Bribery and Corruption Policy.
- Whistleblowing procedures.
- Disciplinary procedures.

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6. Areas Requiring Ongoing Attention

Management will continue to monitor:

- Supplier payment detail changes.
- Cyber security threats and phishing attempts.
- Financial authorisation processes.
- Changes in fraud legislation.
- Staff awareness and training.
- Internal audit findings.
- Customer and supplier feedback.
- Any reported near misses or suspected fraud incidents.

No additional high-risk areas have currently been identified.

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7. Overall Risk Evaluation

Following assessment of current business activities and existing controls, the overall risk of fraud occurring within Viamed Ltd is assessed as:

Overall Likelihood: Low

Overall Impact: Medium to High (depending on incident)

Overall Residual Risk: Low

The company considers its existing policies, documented procedures and management systems to provide reasonable and proportionate measures for preventing fraudulent activity.

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8. Monitoring and Review

This risk assessment shall be reviewed:

- Annually.
- Following any significant fraud incident.

- Following significant organisational changes.
- Following changes in legislation or regulatory guidance.
- Where internal audits identify weaknesses in fraud prevention controls.

Any actions identified during review shall be recorded and tracked through the company's corrective action process where appropriate.

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9. Approval

This risk assessment has been approved by senior management and forms part of Viamed Ltd's corporate governance and compliance framework.

It should be read in conjunction with:

- Failure to Prevent Fraud Policy
- Anti-Bribery and Corruption Policy
- Whistleblowing Policy
- Code of Conduct
- Quality Management System Procedures
- Internal Audit Programme
- Management Review Process