

## **The Importance of Risk Assessments**

Risk is a part of everyday life in the financial services industry. From cybersecurity threats to operational breakdowns and regulatory changes, financial institutions face a wide range of risks that can impact both their bottom line and their reputation. That is why taking a closer look at your risks through regular assessments is not just important; it is essential to protect your institution and stay one step ahead.

### **The Importance of Risk Assessments**

A Risk Assessment gives financial institutions a structured way to evaluate where they are most vulnerable. It helps identify potential threats across various areas—like payment systems, customer data security, vendor management, and even employee training—and prioritize where attention is needed. Instead of reacting to problems after they happen, Risk Assessments support a proactive approach to protecting the institution and its customers.

### **Regulatory Requirements for Risk Assessments**

In many cases, Risk Assessments are not just a best practice—they are also required. Various regulations and network rules (especially in the ACH environment) expect institutions to regularly evaluate their risk exposure and take appropriate steps to mitigate it. This includes documenting controls, reviewing policies and procedures, and ensuring that all areas of the organization are aligned with regulatory expectations and industry standards.

### **Business Benefits of Risk Assessments**

But beyond meeting requirements, Risk Assessments are simply good business. They help leadership make informed decisions, allocate resources more effectively, and build a culture of awareness and accountability. They also support strong communication between departments—compliance, operations, IT, and executive leadership—so that everyone has a shared understanding of the institution's risk landscape.

### **The Role of Risk Assessments in Resilience**

In short, Risk Assessments help financial institutions stay resilient. They provide peace of mind that systems are working as intended, gaps are being addressed, and the institution is prepared for what's ahead.

### **PaymentsFirst's ACH Risk Assessments**

At PaymentsFirst, we offer comprehensive ACH Risk Assessments designed to meet regulatory expectations and support sound risk management practices. Every financial

institution is required to perform a risk assessment of their ACH activities and implement a risk management program that aligns with their regulatory obligations. Our assessments go beyond basic checklists—we take a deep dive into the complexity and nature of your ACH services, evaluate your inherent and residual risk, and provide detailed recommendations to strengthen your risk controls. Whether you are due for your annual review or seeking an objective third-party evaluation, PaymentsFirst is here to help you navigate ACH risk with confidence. Contact us at [riskandcompliance@paymentsfirst.org](mailto:riskandcompliance@paymentsfirst.org) or 1-866-993-3753 option #2 to set up your next Risk Assessment.