APPENDIX C: Definitions of Risk

High Risk: Transactions with the following criteria would be considered high risk: highly sensitive transactions, for example where an error in payment is non-recoverable, or payments which are largely judgmental or subject to interpretation. This category could also include payments of very large dollar amounts or payments that are considered highly error prone.

Low Risk: Transactions with the following characteristics would be considered low risk: transactions that are not sensitive in nature, have little or no potential financial loss associated with them, or a low error rate with a low dollar value impact of error or recoverable.

Medium Risk: Transactions not considered either high risk or low risk are of medium dollar value and are not highly prone to error.

The following is <u>AN EXAMPLE</u> of the type of matrix that might be developed in order to identify risk levels for transactions.

Type of Transaction	Low Risk	Medium Risk	High Risk
General accounts payable	< $$$	$$$ - $$$	> $$$
Grants and contributions	< $$$	$$$ - $$$	> $$$
Social assistance payments	< $$$	$$$ - $$$	> $$$
Travel *expense* claims	< $$$	$$$ - $$$	> $$$
Hospitality	< $$$	$$$ - $$$	> $$$
Conferences/training	< $$$	$$$ - $$$	> $$$
Relocation claims	< $$$	$$$ - $$$	> $$$