RISK ASSESSMENT OVERVIEW DEFINITIONS

A. Overview:

Risk is defined as the "possibility of an event occurring that will have an impact on the achievement of objectives." Organizations are exposed to a wide variety of risks every day. The impact of these risks could affect an organization's finances, operations, legal standing, or reputation. To effectively manage these risks, management should have a process to identify, assess, prioritize, and manage them. This file contains five tabs to help you identify and assess risks for your organization or project. The following summarize the five tabs:

• Template Overview & Definitions. This tab defines terms used in the Risk Assessment Template and steps for completing your risk assessment. The definitions and steps are in sections B and C of this tab.

• Blank Risk Assessment Template. This tab contains the columns headings you can use to create your risk assessment. It is designed to be flexible enough to develop a risk assessment for a unit, department, process, or project. You can identify your own categories, risks, and descriptions. You may also choose to cut, paste or modify risks included in the three sample tabs.

• Business Risk Assessment Sample. This sample risk assessment identifies common "business" risks associated with a university.

• IT Risk Assessment Sample. This is a sample risk assessment for an information technology issue -- wireless data networks. Thus, it uses a different set of categories than the Business Risk Assessment Sample. Please note that rows eight through 15 identify risks associated with the complete lifecycle of an information technology project.

• Security Risk Assessment Sample. This is a sample risk assessment for an organization's information security program and practices.

B. Definition of Terms:

TEMPLATE TERM	DEFINITION
Category of Risk	This is an optional column. You can use this to categorize risks you identified in the Issue/Risk column.
Issue/Risk	In this column, briefly identify the risk or issue with which you are concerned.
Risk Description (Explanation of Threat)	This column describes the risk associated with the Issue/Risk identified in the previous column. You can also use this column to identify more information on other risks you identified. Consider what can go wrong if this risk is not managed.
Potential Impact [1 (Low) to 5 (High)]	Use this column to identify the impact to your organization if the issue/risk were to occur. You should rank the risk from Low (1) to High (5).
Likelihood [1 (Low) to 5 (High)]	Use this column to determine the likelihood of the issue/risk actually occurring. You should rank the risk from Low (1) to High (5).
Risk Ranking	This column automatically generates the risk score by multiplying the Potential Impact by the Likelihood. The higher the number, the greater the risk to the organization.
Primary Point of Contact to Mitigate This Risk	Use this column to identify the organization or person who is responsible for managing/mitigating the risk. This can be internal or external to your organization.

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Current Strategies for Mitigating the Risk	Use this column to identify how this risk is being managed/mitigated. Possible strategies may consist of existing policies and procedures; manual reviews; and technology to manage the risk.
Description of Monitoring in Place	Use this column to identify what you are doing to monitor the risk, or monitoring the person or organization responsible for mitigating the risk.
Comment	This is an optional column, which you can use to include special notes or comments.

C. Steps for Completing the Risk Assessment:

1. Use a brainstorming process to identify the issues, uncertainties, and risks you are concerned about. You do not need to worry about the likelihood of it occurring at this stage. When you are done, place these "issues/risks" in the column of the Risk Assessment called Issue/Risk. If you want, you can group these into common categories. If you do group them, you can place the category label in the column called "Category."
2. Next, review each risk and issue you identified and describe it in one to three sentences. As you describe the issue/risk, consider threats, vulnerabilities, and impact if the risk is not managed. Place this information in the column called "Risk Description."
3. Now consider the impact if the risk is not managed. Consider the scope of the impact (e.g., university, department, section) and the business, operational, and reputational impact. Rank the level of impact from 1 (Low) to 5 (High).
4. Now consider the likelihood of bad consequences occurring with the current policies, procedures, practices, and technology you have in place to manage the risks. Rank the likelihood of impact from 1 (Low) to 5 (High).
5. As you complete steps 3 and 4, the risk assessment will automatically calculate the "Risk Ranking" of the issue/risk by multiplying the impact of the risk by its likelihood of occurrence. The higher the number, the greater the risk to your organization.
6. Now identify who or what organization is managing the risk now. Place the name in the column called "Primary Point of Contact to Mitigate This Risk."
7. Now identify how the risk is being managed now. Consider policies, procedures, technologies, and manual practices. Place the controls in the column called "Current Strategies for Mitigating the Risk."
8. Next, identify who and how the organization is monitoring the controls to ensure the risk is being managed. Place this information in the column called "Description of Monitoring in Place."
9. Finally, review the list for accuracy. Note the risks which scored the highest. Use this as a guide to determine which risks to manage. You should consider taking action to manage the risks that have the highest Risk Ranking. Because the priority of risks does not remain constant, you should regularly update this assessment.

Risk Assessment Discussion Tool

Category	Issue/Risk	Risk Description (Explanation of Threat)	Potential Impact [1 (Low) to 5 (High)]	Likelihood [1 (Low) to 5 (High)]	Risk Ranking	Primary Point of Contact to Mitigate This Risk	Current Strategies for Mitigating the Risk	Description of Monitoring in Place	Comment	
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