## **Risk Assessment Survey**

### What is a risk assessment?

- A risk assessment is not an audit.
- A risk assessment is a method used to identify weaknesses which might prevent a business unit from achieving its goals and objectives.
- Part of the process is a review of mission and goals: Are your unit's mission and goals in sync with the University's mission and goals?
- Part of the process is to identify the activities of the business unit and determine what could prevent the area from achieving its goals or mission.
- A risk assessment is a process that assigns a score to risk based on impact and probability (explained in more detail later in the process).

### Why assess risk?

- To identify weak areas within a business unit.
- To direct resources effectively. Too many people or too much time may be spent on processes that do not need that much attention while 'riskier' processes are lacking in attention.
- To communicate risks an end product that will visually show you and upper management where the problems are.

### How do you assess risk?

Risk assessments can be performed on a single function within a major function, or they can be performed on a major function within a larger division. On the following pages is an outline of a risk assessment survey that can be applied to a smaller unit (with a little tweaking) or an entire department.

Please review the process for your own business unit. You will find an example of an already-

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University Department: \_\_\_\_\_

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**Step 1: Identify the area's mission and goals**. If you don't have one now – in writing - develop one before proceeding with this assessment. Think about your unit's purpose and how it ties i

# Step 5: Identify risks or challenges associated with each core process based on the activities identified in step 3.

This is a brainstorming session. Ask "What would cause this process to fail?" Don't get carried away with this part. Identify your most likely or significant risks first and stop after identifying 15 or so risks. More than that is information overload and impossible to work with later on.

# Step 6: Using the ranked consequences, assign an IMPACT value to each risk/challenge based on the most likely consequence(s) should that risk happen.

As defined earlier, impact is the effect on the achievement of goals and objectives when the risk happens.

## Step 7: Assign a PROBABILITY value (High, Medium, Low) of the risk happening.

Assume there are only operating controls in place --

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A portion of the Control Footprint matrix for the budgeting process is illustrated below. Unfortunately, there is no example of a completed control matrix at this time to reference. If you should complete one – including the monitoring plan – Internal Audit would greatly appreciate receiving a copy to use as an example with this risk assessment survey process.

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