

ABC PTY LTD
RISKVIEW[®] REPORT
(SAMPLE)

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Disclaimer

The information in this report has been prepared from the responses and input from ABC Pty Ltd. RISK POINT does not assume responsibility for the outcome or accuracy of neither the data, nor the actions that ABC Pty Ltd takes following the production of this review. The information contained herein is based on the application of Australian standards for the execution of risk management and RISK POINT takes no responsibility for the accuracy or validity of this report or the actions taken by ABC Ltd to its contents and findings.



1. Executive Summary

This document is a report on the output from the RISKVIEW® questionnaire completed by ABC Pty Ltd. The information is designed to provide a high level overview of the level of conformity to best practice standards for conducting risk management. It also provides a decision-making framework for risk management systems improvement.

The questionnaire was completed by ABC and contains the findings from ABC's own evaluation of current business and operational activities. The information contained in this report is designed to provide an introductory investigation into ABC's risk management processes, policies and procedures. It is intended to provide a measurement against best practice for conducting risk management. RISKVIEW® is a review and not a detailed risk assessment.

ABC has four areas that do not achieve best practice for risk management. They are the Risk Management System, Risk Management Policy, Risk Management Process, and Business Continuity Planning. Whilst there is a system in place, it is not documented accurately and is not communicated to all stakeholders. The company does not have a formalised risk management policy and there is no integration into its corporate governance system.

Whilst ABC conducts its risk management processes using AS/NZS 4360:2004 methodology, risk treatment plans have not been developed for all risks deemed unacceptable, and some of the risk treatment plans have not been implemented.

It is recommended that ABC addresses the areas identified in this review and establishes appropriate risk management systems and policies.



2. RISKVIEW[®] Methodology

RISKVIEW[®] is based on Australian Standard AS/NZS 4360:2004 (Risk Management) and contains ten sections. RISKVIEW[®] is a questionnaire containing 78 questions which are weighted such that no one area of the framework carries greater or lesser importance than another. The maximum score in any one area is 100, being the highest level of conformity with respect to risk management best practice. The minimum score possible in any one area is 0, indicating the lowest level of conformity to risk management best practice.

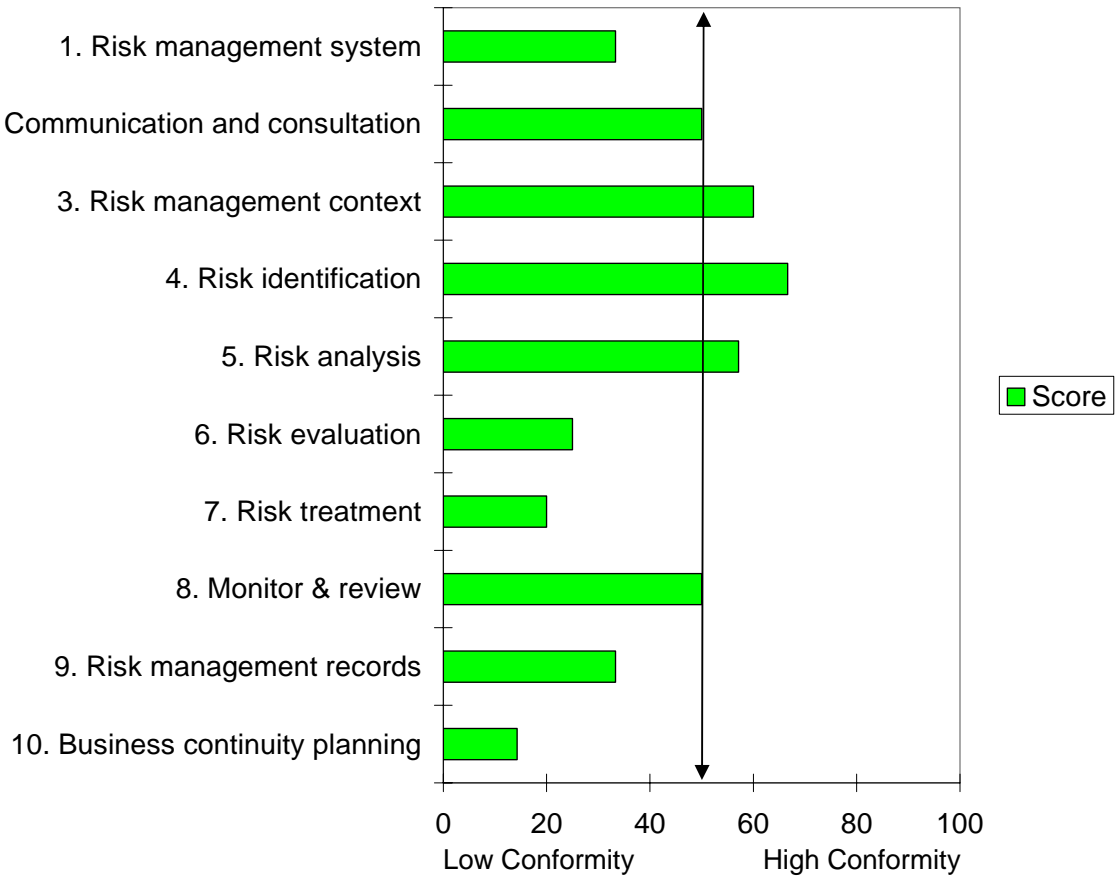
A score of 75 or higher in any one area indicates that ABC is conducting its risk management activities in accordance with the Standard with a higher score indicating a closer compliance to best practice standards. A score of between 50 and 75 indicates that the risk management system may be adequate, but management effort is required to improve operational performance.

A score of less than 50 indicates there are deficiencies in the risk management system and management action is required to improve the risk management system. A score of less than 25 indicates serious non-conformity to best practice risk management activities.



3. RISKVIEW® Profile

The following diagram is ABC's risk management performance profile.





4. Data Analysis and Interpretation

A high score represents high exposure or vulnerability as a result of the greatest disparity between ABC's operational activities and best practice for risk management. A low score represents closest conformity to best practice, and a high score the least conformity.

Table 1 provides a matrix for evaluating ABC's performance against best practice.

Table 1. Risk Management Performance Evaluation

Score in Framework	<25	25-50	50-75	>75
Interpretation	Procedures and policies do not meet best practice standards and <i>immediate</i> management action is required	Procedures and policies generally do not meet best practice standards and require management review	Procedures and policies may be adequate but require review	Procedures and policies most closely meet best practice standards

5. Findings

The aggregate score 52 in area 1 of the framework (Risk Management System) is due to the lack of integration into the corporate governance system, and that the system does not take into account the evaluation of positive commercial opportunities.

The score of 52 in area 4 (Risk Management Process) is due to a number of issues. Firstly, whilst a risk assessment has been carried out, risk treatment options have not been established and no cost/benefit model has been used in the evaluation process. Secondly, whilst risk treatment plans have been developed, not all plans have been implemented

6. Recommendations

It is therefore recommended that management take action to address these areas of the Risk Management System. It is also recommended that ABC develop a risk management policy which lays the foundation for the risk management system.



7. Review Scope and Definitions

Scope

A. This assessment is designed to provide a high level review and best practice benchmarking for risk management. It contains 49 questions with the option for "Yes"/ "No" answers. The default configuration is flagged "Not Yet Answered". It is important that all questions be answered either yes or no, as leaving a default setting will alter the risk profile.

B. Each question on the form has a space to allow any additional information to be added should you wish to provide it. This can be done in the box immediately below the question by entering information into the editable field. This is optional and may assist in the response process.

C. Depending upon the level of complexity of the organisation, the questionnaire should take between 45 and 60 minutes to complete. In some instances, some internal investigations may be required in order to obtain all the information necessary before a question may be answered.

Terms & Definitions

Risk¹: The chance of an event occurring that will have an impact on the achievement of objectives, measured by likelihood of occurrence and consequence or impact upon occurrence.

Risk Assessment: The process of assessing threats to, impacts on and vulnerabilities of information and information processing facilities, and determining the likelihood of their occurrence and impact on the organisation.

Risk Management²: The process of identifying, controlling and minimising or eliminating security risks that may affect information systems and establishment of organisational culture to support the risk management system.

1,2 Australian /New Zealand Standard 4360:1999 Risk Management

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8. Appendix 1 – Output from Questionnaire



1. Risk Management System

1.1 Systematic approach

Does the organisation have a systematic approach to risk management?

Response: Yes *Score:* 25

1.2 Standards

Has the risk management system been developed in accordance with Australian/New Zealand Standard AS 4360:2004?

Response: Yes *Score:* 25

1.3 System balance

Does the risk management system take into consideration events or issues that have a positive as well as negative impact on the organisation?

Response: No *Score:* 1.25

1.4 Corporate governance

Is the risk management system integrated into the corporate governance system?

Response: No *Score:* 1.25



2. Risk Management Policy

2.1 Policy document

Does the organisation have a risk management policy document?

Response: Yes *Score:* 33.33

2.2 Policy context

Has the policy been developed in accordance with the organisation's goals and objectives?

Response: No *Score:* 1.67

2.3 Policy communication

Has the risk management policy been communicated to all levels of the organisation?

Response: No *Score:* 1.67



3. Planning & Resourcing

3.1 Management commitment

Is the performance of the risk management system reported to the organisation's management for review and is the review the basis for continuous improvement?

Response: No *Score:* 1.67

3.2 Responsibility & authority

Have the responsibilities of the persons responsible for managing the risk management processes been defined and documented?

Response: Yes *Score:* 33.33

3.3 Resources

Have trained personnel been assigned to the tasks of managing, performing and reviewing the risk management processes?

Response: Yes *Score:* 33.33



4. Risk Management Process

4.1 Establishment of context

4.1.1 Strategic context

In the context of the risk management process, has the relationship between the organisation and its operating environment been defined (including definition of stakeholders)?

Response: No *Score:* 0.21

4.1.2 Organisational context

In the context of the risk management process, have the capabilities of the organisation been established including the consideration of goals and objectives and strategies in place for achieving them?

Response: No *Score:* 0.21

4.1.3 Risk management context

Have the goals and objectives of the risk management process been established including determining the scope of the activities (project/enterprise/business unit)?

Response: Yes *Score:* 4.17

4.1.4 Risk evaluation criteria

Have risk evaluation criteria been established against which risks will be evaluated (i.e. technical, operational, financial, legal, social etc.)?

Response: Yes *Score:* 4.17

4.1.5 Structure definition

Has the structure of the risk management activities and processes been established (including project elements and framework)?

Response: Yes *Score:* 4.17

4.2 Risk identification

4.2.1 What can happen

Have sources of risk been identified (such as commercial, economic, human behaviour, natural events, technological, management, and individual activities)?

Response: Yes *Score:* 4.17

4.2.2 How can it happen

Have the possible causes of risks been identified and documented?

Response: No *Score:* 0.21



4.2.3 Tools and techniques

Have appropriate techniques been established to carry out the risk identification (interviews, Delphi technique etc)?

Response: Yes *Score:* 0.21

4.3 Risk analysis

4.3.1 Likelihood

Has there been an indepth consideration of the likelihood of adverse events taking place (such as use of past records, experience, industry practice)?

Response: No *Score:* 4.17

4.3.2 Consequence

Has there been an indepth consideration of the consequence of adverse events or activities?

Response: Yes *Score:* 4.17

4.3.3 Controls

Have controls been considered in the risk identification process?

Response: Yes *Score:* 4.17

4.3.4 Analysis

Have various methods of analysis been used such as qualitative, semi-quantitative or quantitative analysis?

Response: Yes *Score:* 4.17