Risk Assessment and Management Plan Template

# Introduction

**Risk is the effect of uncertainty on objectives**. Risk may be a single event or a set of circumstances that affect, adversely or beneficially, the achievement of objectives. In the context of risk management, uncertainty exists when there is an inadequate or incomplete knowledge or understanding of an event, its likelihood and/or its consequence.

Risk management at UQ is an enabling management function overseen by the Senate and undertaken by managers and staff at all levels of the University and in all aspects of its operations. UQ’s risk management objectives are to facilitate the achievement of its strategic and operational objectives.

This report contains those risks that are of most concern to the (*specify the portfolio name*) at the time of reporting.

# Process

This report has been developed based on (*specify*).

# Notes to understanding this Report

## Risk Owner

A *risk owner* is a person or persons who has been given the authority, and is therefore accountable for managing a particular risk.

## Likelihood (L)

*Likelihood* is the chance that the risk event might happen. Likelihood is rated on a 5 point scale – refer to risk matrix

## Consequence (C)

A *consequence* is the impact of a risk event (if the risk is realized) on the objectives. Consequence is rated on a 5 point scale – refer to risk matrix.

### **Risk Score**

The risk score is based on an addition of the Likelihood and Consequence scores and is grouped into four categories: Low, Moderate, High and Extreme. The ‘heat map’ (refer to risk matrix) based on the risk scores is as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **LIKELIHOOD RATING** | **CONSEQUENCE RATING** | | | | |
| **Insignificant**  [1] | **Minor**  [2] | **Moderate**  [3] | **Major**  [4] | **Critical**  [5] |
| **Very High** [5] | Medium | Medium | High | Extreme | Extreme |
| **High** [4] | Low | Medium | High | High | Extreme |
| **Medium** [3] | Low | Low | Medium | High | Extreme |
| **Low** [2] | Low | Low | Medium | Medium | High |
| **Very Low** [1] | Low | Low | Low | Medium | High |

## Inherent Risk Level (IRL)

For a given risk, it is the level of risk assuming there are no controls specifically designed and implemented to manage that particular risk.

## Managed Risk Level (MRL)

It is the level of risk taking into consideration the total effectiveness of all the existing controls or risk treatments that act upon that risk.

## Target Risk Level (TRL)

It is the desired (or acceptable) level of risk considering the University’s risk appetite and tolerance levels, to be achieved via implementation of proposed controls.

## Control Effectiveness

A control is any action taken by the governing body, management and other parties to increase the likelihood that risks will be managed and established objectives and goals will be achieved. Controls are assessed for their effectiveness on a 3 point scale (Low, Medium and High) and against the following elements: control objectives and scope; control documentation; awareness and understanding about the control; resources; actual operation of the control; and monitoring. The following table refers.

|  |  |  |
| --- | --- | --- |
| **Low** | **Medium**  (Only if all of the following requirements are met or exceeded) | **High**  (Only if all of the following requirements are met or exceeded) |
| * Lack of clarity of control objectives and scope. Limited or no documentation of control. * Limited understanding of the operation and significance of the control by those responsible for its effectiveness. * Inadequate resources (funds, people, system, time etc.) for the effective operation of the control. * No or limited evidence of the actual operation of the control or its effectiveness. * The control is not subject to ongoing monitoring or annual reviews/assessments. | * The control objectives and scope are broadly defined and appear appropriate given the underlying reason. Control is partially documented. * Key personnel have a good understanding of the operation and significance of the control. * Resources (funds, people, system, time etc.) have been allocated for the effective operation of the control, but are not always available. * There is verifiable evidence that the control is in operation most of the time, but not always. * The control is assessed annually for effectiveness and the results indicate the control is moderately achieving its objectives. | * The control is well defined with clarity of objectives and scope (both of which are aligned with the underlying reason for the control), is embedded in the relevant processes/activities, categorised as mandatory, and properly documented. * Managers and staff responsible for the effective operation of the control have a very good understanding of its operations and significance. * Adequate resources (funds, people, system, time etc.) have been allocated and are always available to ensure the effective operation of the control. * There is verifiable and compelling evidence that the control is consistently and reliably applied and is performing as expected/designed. * The control is actively monitored and is also subject to annual reviews. Monitoring and review results indicate the control is achieving its objectives. |

## Proposed Risk Treatments

Where the MRL is higher than the TRL, management has proposed additional controls to align the two.

*(Risk assessment template to be completed for each risk)*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| 1.0 | Risk Title |  | Risk Category | Choose Risk Category | Risk Owner/s |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Risk Identification | | Risk Analysis | | Existing Controls/ Treatments and their Effectiveness |
| *Context / Objective* | *Risk Description*  Risk of *(describe risk event)*, due to *(describe cause)* resulting in *(describe impact)* | *Threats and Vulnerabilities* | *Consequences* |
|  |  |  |  |  |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Inherent Risk Level (IRL) | L# | C# | E |  | Managed Risk Level (MRL) | Choose an item. | L# | C# | H |  | Target Risk Level (TRL) | L# | C# | M |

|  |  |  |  |
| --- | --- | --- | --- |
| Proposed Risk Treatments to Align MRL to TRL | | Accountable USMG Member and relevant manager responsible for implementing proposed treatment/s | Date/s for full implementation |
| 1. |  |  |  |
| 2. |  |  |  |
| 3. |  |  |  |
| 4. |  |  |  |
| 5. |  |  |  |