

## STEPS TO PERFORM A RISK ASSESSMENT

1. Review the unit's mission
  - a. Ensure that the mission is up-to-date and reflects the current operations.
  - b. Review the strategic plan and/or vision for the future.
  - c. Review the objectives and goals, major responsibilities, and purpose.
  - d. Review prior risk assessments.
2. Identify the major functions or activities of the University.
  - a. Review the major functions/processes in place to carry out the mission/strategic plan/goals and objectives.
  - b. Identify the departments or areas that process information and transactions.
3. Using the major functions identified in 2. above, list the risks facing the University (Note: A risk is any event or action that adversely impacts the ability to achieve its objectives).
  - a. Identify events that can cause or result in an adverse effect on operations. Consider all types of risk (financial, reputational, operational, strategic, compliance, and technology risks).
  - b. Identify events/actions that could cause the University not to be able to achieve the mission or not do it effectively.
  - c. Review what management and employees worry about (i.e., Ask "What keeps them up at night?")
4. Determine which risks are most significant to the unit by ranking the risks.
  - a. Rank the risks considering both the potential impact/consequence and probability/likelihood of the event occurring after considering existing frontline controls and processes to mitigate the risk.
  - b. Use high (H), medium (M), low (L) to rank the impact and to rank the probability. (See <https://orec.tamu.edu/erm-compliance/enterprise-risk-management> for ranking criteria.)
  - c. Review the risks overall rankings – Review that the significant risks are captured and that the prioritized risks appropriately reflect the operations/activities and current environment.
5. Document the mitigating activities used to manage the risks.
  - a. Review processes/procedures used to manage and/or mitigate the risks. Identify who is accountable for the mitigating activity by documenting the position/person with the responsibility to carry out the procedure.
  - b. Record what documentation of the mitigating activity exists or the evidence produced that shows that the procedure was performed (i.e., records, signatures, reports, deposit slips, reconciliations, agenda items, meeting notes, etc.)
  - c. Include how supervisors and managers gain assurance that the mitigating procedures are effectively being performed. Document the monitoring and supervisory procedures including the frequency and the position responsible for the monitoring process.
  - d. For significant risks, document the reporting and communication to executive management that the mitigation procedures are in place and working as planned.
6. On an annual basis, re-assess and update the risk assessment.

For questions or assistance in performing a risk assessment, contact Henry Judah at (979) 845-8115; [mhjudah@tamu.edu](mailto:mhjudah@tamu.edu). All risk assessment assistance and services are free of charge to University units.