

How to conduct a risk assessment using a Heat Map

Below is the description on how to complete the boxes on the template. The following page is an example of a heat map template. The tables below give a value for Consequence and Likelihood.

1. **Process/Program/Project**- Name or title of risk assessment
2. **Date**- Date of risk assessment
3. **Process/Program/Project Owner**- Name of the process owner
4. **Risk/Threat Description**- Description of risk, event and/or threat that can impact achievement of business objectives
5. **Risk Identification**- A Narrative of the consequence or severity and probability of it occurring. Include assumptions for analysis.
6. **Risk Description**- Calculate likelihood and consequence of risk(s)
7. **Risk Analysis**- Plot likelihood and consequences for each risk on the map
8. **Risk Evaluation**- Compare risk evaluation against risk appetite or tolerance of the organization
9. **Risk Appetite/Tolerance and Action**- determine to accept the risk or treat the risk
10. **Choice of Risk Treatment Strategies**- Determine to avoid, accept, share or control risk
11. **Description of Risk Treatment Application**- Describe the application of risk treatment or remediation
12. **Post Assessment of Risk Treatment Application**- Recalculate likelihood & consequences of risk(s)
13. **Accept Risk or Additional Risk Treatment**- Compare re-treatment against risk appetite or tolerance of the organization. Accept the risk or provide additional risk treatment.

Consequence or Impact Rating		
Description	Rank	Value
Catastrophic	High	5
Critical	Medium High	4
Serious	Medium	3
Marginal	Medium Low	2
Negligible	Low	1

The greater the impact or consequence, the higher the rating on the heat map. The highest level of consequence typically means there is a potential for loss of life, material loss to the organization, inability to provide critical services or inability to continue operations.

Likelihood of Consequence Occurring			
Description	Probability	Rank	Value
Highly Probable	90%	High	5
Probable	50-90%	Medium High	4
Sometime	50%	Medium	3
Remote	25-50%	Medium Low	2
Improbable	<10%	Low	1

Likelihood is one of the axes on the heat map. Process owners rate the severity of risk in terms of likelihood of the risk to affect the ability to meet business objectives.

Qualitative Risk Assessment

Process/Program/Project Title:

Date:

Process/Program/Project Owner:

Risk Description:

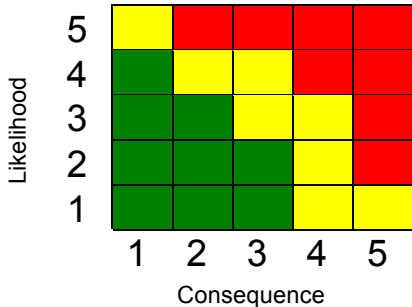
Risk Identification:

Risk Description:

Likelihood:

Consequence:

Risk Analysis



Risk Evaluation:

High Risk Points- _____

Medium Risk Points- _____

Low Risk Points- _____

Risk Appetite/Tolerance Action:

Choice of Risk Treatment Options:

- Avoid risk
- Accept risk
- Share risk
- Control risk

Description of Risk Treatment Application:

Post Assessment Risk Treatment Application:

Likelihood:

Consequence: