

## 5 Step Risk Assessment Checklist

All Risk Assessments are processes. Typically the better your processes are—they should be clearly defined and repeatable—the better, or more accurate your results will be. The FFIEC Mandate of October 2005 requires that the electronic banking Risk Assessment be completed by December of 2006, but it would be naive to assume that it will not be required on an ongoing basis.

There are many national and international standards published which are exceptionally detailed. Some require detailed financial analysis to determine what transactions should be high risk versus low risk, and some are fairly subjective in nature. The following Risk Assessment Checklist is based on NIST Special Publication 800-30 and may be used for any type of risk assessment performed. The key to performing a proper risk assessment lies in a firm understanding and definition of the type of risk assessment required.

### Generic Risk Assessment Checklist

#### **Step 1: Define the Risk Assessment**

1. Define the assessment scope and purpose
2. Create repeatable risk assessment methodology

#### **Step 2: Perform System Analysis**

1. Collect basic information
2. Determine characteristics requiring assessment
3. Identify potential threats
4. Identify associated vulnerabilities
5. Analyze current controls

#### **Step 3: Create Risk Ratings**

1. Determine likelihood of occurrence
2. Perform and impact analysis
3. Rank risks

#### **Step 4: Develop Control Recommendations**

1. Devise appropriate mitigation strategies for each outstanding risk
2. Calculate the anticipated reduction in exposure to a current threat or vulnerability
3. Perform a cost/benefit analysis to support an implementation plan

**Step 5: Document Results**

1. Archive all collateral material that lead to the conclusions of the risk assessment
2. Create an overall report explaining the risk assessment, the current risk environment and the proposed mitigation strategies
3. Obtain proper signatures and set follow-up schedules for implementation and future reviews

**For more information on the risk assessment process, click here to download: [Risk Assessment Executive Overview: 6 Things Every Bank Should Understand Before Completing a Risk Assessment.](#)**

**If you should have any further questions, contact CC Pace's banking security experts at 703-631-6600.**