Conducting Residual Risk Assessment

Assignment

1h



Introduction

Previously, on the basis of your understanding of the XYZ Corporation Risk Assessment case study, you completed the Risk Assessment, Risk Treatment, and Implementing Control sections of the Risk Assessment Table. In this exercise, you will populate the residual risk section, thereby completing the Risk Assessment Table and the Risk Assessment process.

Also, you have already read about residual risk in the reading *RMF Stage 5: Authorizing Information Systems*, but here is a quick refresher of the important points related to residual risk before you jump into the exercise.

Residual Risk: Quick Refresher

What is Residual Risk?

Residual risk is the level of risk that remains after controls have been put in place to mitigate initial risks.

Why is it Important to Understand Residual Risk?

Understanding residual risk is important for several reasons:

- Improved risk management: residual risk analysis helps organizations understand the level of risk that remains after
 implementing controls. This information can be used to prioritize risk management activities and allocate resources more
 effectively.
- **Better decision making:** residual risk analysis provides a clearer understanding of the risk landscape, allowing organizations to make more informed decisions about risk management strategies and allocate resources where they are needed most.
- **Compliance:** many industries and regulations require organizations to assess and manage risk. Residual risk analysis helps organizations meet these requirements and demonstrate their commitment to managing risk effectively.
- **Continual improvement:** by regularly reviewing and updating residual risk analysis, organizations can identify areas for improvement and make changes to their Risk Management processes over time.



Residual risk analysis helps organizations better understand the risks they face, prioritize Risk Management activities, make informed decisions, meet compliance requirements, and continually improve their Risk Management processes.

How is Residual Risk Estimated?

A residual risk template, or the residual risk section of the Risk Assessment Table, is a tool used to identify and assess the risks that remain after controls have been put in place to mitigate initial risks. To complete a residual risk template, you can follow the steps below:

- 1. **Identify the initial risks:** this can be done by reviewing the previous Risk Assessments or by conducting a new Risk Assessment to identify all potential risks.
- 2. **Evaluate the effectiveness of existing controls:** determine if the existing controls are effectively mitigating the initial risks and whether they can be improved.
- 3. **Assess residual risk:** Based on the effectiveness of existing controls, assess the residual risk for each initial risk. This involves determining the likelihood and impact of the residual risk and assigning a residual risk rating.
- 4. Develop risk mitigation strategies: identify and prioritize mitigation strategies for the residual risks.
- 5. **Implement risk mitigation strategies:** put in place the risk mitigation strategies that have been identified and prioritized.
- 6. **Review and update the residual risk template:** regularly review and update the residual risk template to ensure that it remains relevant and accurate.



It's important to note that the completion of a residual risk template is an ongoing process and should be reviewed and updated regularly to ensure that risks are effectively managed and mitigated.

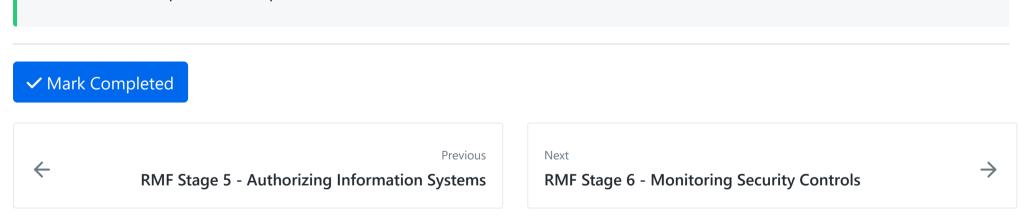
Completing Residual Risk Section

Now that you know what residual risk is and how to estimate it, it's time to jump into the exercise. Note, you will build on the Risk Assessment Table you have been working on for the XYZ Corporation case study. You have already completed the Risk Assessment, Risk Treatment and Implementing Control sections of the table, and now, finally complete the last section, residual risk, for the XYZ Corporation.



Complete the Risk Assessment Table by populating the residual risk values in columns V, W, and X.

Once done, post the completed Risk Assessment Table on Discord.



How well did this activity help you to understand the content?

Let us know how we're doing





- Lectures (1)
 Work (8)
 7 hrs
 Risk Management Methodology Document
 RMF Stage 4 Assessing Controls (Part One)
 RMF Stage 4 Assessing Controls (Part Two)
 GRC Quiz 2
 RMF Stage 5 Authorizing Information Systems
- </>Conducting Residual Risk Assessment
- RMF Stage 6 Monitoring Security Controls
- Writing Statement of Applicability (SOA)

W05D1 Schedule »

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