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Risk User Guide



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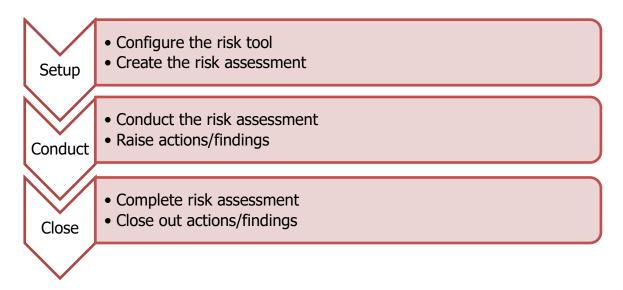
1. Introduction

The Entropy Risk tool enables your organisation to improve the management of its risk activities and processes. Entropy's Risk tool allows you to support each step of your organisations risk identification through to risk mitigation.

Before proceeding with the risk tool you will need to have the following information identified:

- Your company risks i.e. risk register
- Risk types i.e. H&S risk, IT security risk etc
- Risk categories i.e. for IT security risks phones, servers, laptops
- Risk methodology i.e. likelihood vs consequence
- Risk schedule i.e. when the risk checks will be performed

2. Steps to using the Risk Tool



3. Setting up the Risk Tool

There are a number of activities that need to be completed before using the Entropy risk tool. If you are working with one of the Entropy consultants it may be that many of these activities have already been completed for you, please check with your Entropy consultant if you are unsure.

3.1 Risk Access Profiles

Below are the main access profiles for the Risk module:

Risk Manager	Can create risk records, risk assessments, configure all areas of the risk tool, corrisk assessments		
Risk Assessor Can view risk records, conduct risk assessments, create and view risk con			
Risk View Only	Users who can only view risk but do not have a record role and therefore the record is completely locked down		



3.2 Risk Types

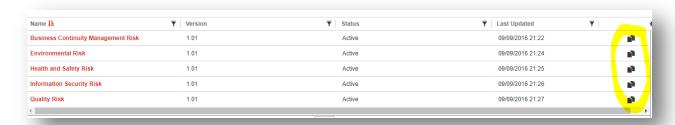
Entropy comes with the following risk types already available:



Any of the above risk types can be withdrawn, renamed or new types added:

3.2.1 Creating a new Risk Type

- 1) Select Compliance > Risk Types
- 2) Using any of the current risk types, click the copy icon located on the far right of the screen



- 3) Click **OK** to confirm that you want to copy the record
- 4) Overtype the **Name** field
- 5) Click **Save** H followed by **Activate**

3.2.2 Renaming a Risk type

- 1) Select **Compliance** > **Risk Types**
- 2) Select the risk type by clicking on the name
- 3) Select **New Version**
- 4) Overtype the **Name** field
- 5) Click **Save** H followed by **Activate**



3.2.3 Withdrawing a Risk type

Your organisation may not use all of the risk types in the Entropy system. You have the option to withdraw risk types and re-instate them at any time.

- 1) Select Compliance > Risk Types
- 2) Select the risk type by clicking on the name
- 3) Click Withdraw
- 4) The risk type will not be available/visible within the risk tool once the type has been withdrawn (but can be re-instated by simply creating a new version of the withdrawn record)

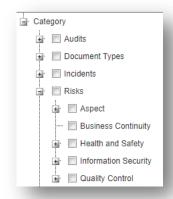
3.3 Risk Categories

Risk categorisation will allow you to break down your risk types. For example, IT security could be categorised in the following way:

- Servers
- Laptops
- Phone
- Network
- Data

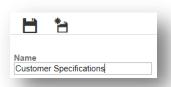
3.3.1 Creating a Risk Category

- 1) Click **Administration** then select **Categories** from the drop down menu
- 2) Click the **Plus** icon , next to the category folder on the left of your screen, to expand the category folder
- 3) Select a folder within the categories tree on the left
 - Select the category folder to create a first level category
 - Select an existing first level category to create a second level category



- 4) Click on the **Create** button
- 5) Click the **Name** field and enter a name for your category





6) Click **Save**

3.4 Risk Library

Entropy comes pre-built with over 100 risks in the risk library. These risks can be deactivated, renamed or new risks created:

3.4.1 Creating new Risks in the Risk Library

- 1) Select Compliance > Risk > Risk Library
- 2) Click the **Create** icon
- 3) From the drop down list, select the risk type to associate with the risk

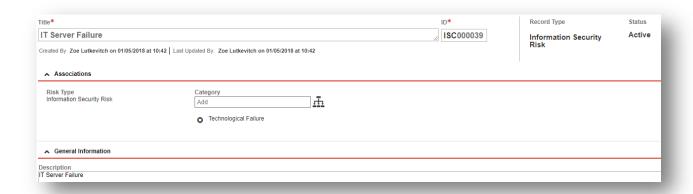


- 4) Enter the name of the risk in the **Title** field
- 5) Select the **Category** using the picklist (optional)
- 6) Click **Save** H followed by **Activate**

3.4.2 Renaming Risks within the Risk Library

- 1) Select Compliance > Risk > Risk Library
- 2) Select a risk by clicking on the name
- 3) Overtype the **Title** field
- 4) Click **Save**

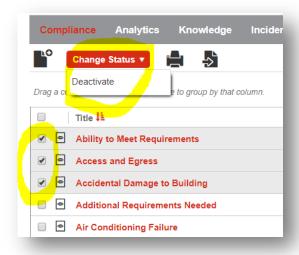




3.4.3 Deactivating/Deleting/Reactivating Risks from the Risk Library

Risks can either be deactivated singularly or in multiples

- 1) Select Compliance > Risk > Risk Library
- 2) Tick the box/boxes of the risks you wish to deactivate
- 3) Click **Change Status** followed by **Deactivate**



- 4) Click **OK** to confirm deactivation
- 5) The risk will show as **Inactive** and no longer available to use during a risk assessment
- To move the risk from **Inactive** to **Deleted**, check the tick box for the risk and select **Change Status** followed by **Delete**
- 7) To move the risk from **Inactive** back to **Active**, check the tick box for the risk and select **Change Status** followed by **Activate**



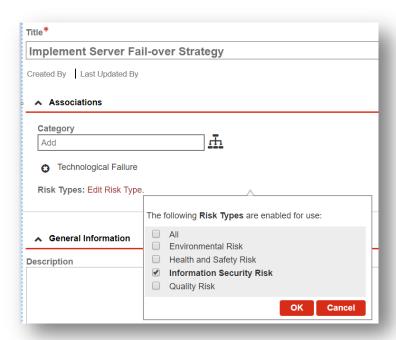
3.5 Controls Library

Applying controls to the current risk will give you the residual risk. The residual risk is the level of risk associated with an activity after proposed/additional controls have been implemented to further eliminate or reduce the risk.

Entropy comes pre-built with a number of controls in the control library. These controls can be deactivated, renamed or new controls created:

3.5.1 Creating new Controls

- 1) Select Compliance > Risk > Controls Library
- 2) Click the **Create** icon
- 3) Enter the **Control** in the **Title** field
- 4) Select the **Category** using the picklist (optional)
- 5) Associate a risk type by clicking **Edit Risk Type**



6) Click **Save** followed by **Activate**

3.5.2 Renaming Controls

- 1) Select Compliance > Risk > Controls Library
- 2) Select a control by clicking on the name
- 3) Overtype the **Title** field
- 4) Click **Save**



3.5.3 Deactivating Controls

Controls can either be deactivated singularly or in multiples

- 1) Select Compliance > Risk > Controls Library
- 2) Tick the box/boxes of the controls you wish to deactivate
- 3) Click Change Status followed by Deactivate



- 4) Click **OK** to confirm deactivation
- 5) The controls will show as **Inactive** and no longer available to use during a risk assessment
- To move the control from **Inactive** to **Deleted**, check the tick box for the control and select **Change Status** followed by **Delete**
- 7) To move the control from **Inactive** back to **Active**, check the tick box for the control and select **Change Status** followed by **Activate**

3.6 Risk Methodology

A risk matrix is used during a risk assessment to define the level of risk by considering the probability or likelihood against the consequence severity. This is a simple mechanism to increase visibility of risks and assist management decision making.

The following sections will assist you with setting up your organisations risk methodology in the Entropy system.

There is already a risk methodology set up in Entropy, you can use this or alternatively make a copy and keep the existing methodology as a 'master' copy. The following instructions will be based on a user making a copy.

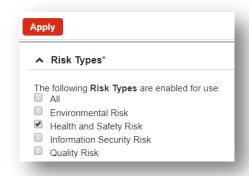
- 1) Select Compliance > Risk > Risk Methodologies
- 2) Go to the far right of the active methodology record and click the copy icon
- 3) Enter the title of the methodology in the **Name** field
- 4) Change the name of the **Owner** if required
- 5) Default risk methodology there is a setting in the **Organisation** > **Profile menu** > **General tab** which will allow you to set a methodology as default
- 6) Ensure **Matrix Methodology** is selected (there are two types of risk matrix in Entropy, this user quide covers matrix methodology only)
- 7) Select **Save**



The following sections break down each of the areas within the methodology that require configuration

3.6.1 Risk types

1) Within **Risk Assessment Settings** > **Risk Types**, select the risk types applicable to this risk matrix

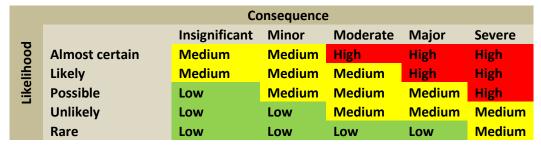


2) Click **Apply** to confirm the changes

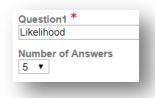
3.6.2 Risk Questions & Answers

Using your organisations risk matrix, define within Entropy how many questions your matrix will have and how many answers for each of these questions.

For the purpose of this user guide the following example matrix will be used, this example has two questions each of which have 5 possible answers:

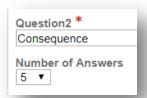


- 1) Click the **Questions** tab
- 2) Enter the details of the first question and using the drop down list select the number of possible answers (each question can have up to 10 answers).

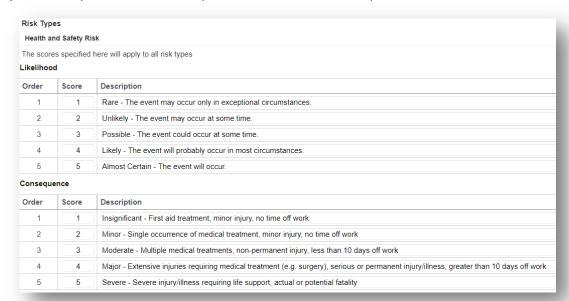




3) Enter the details of the second question and using the drop down list select the number of possible answers



- 4) You may choose to enable up to two further questions for your risk methodology. To enable **Question 3** or **Question 4**, check the box by that question. Then set a question title and a number of answers for that question.
- 5) Click the **Answers** tab
- 6) Add your answer descriptions under each of the questions i.e.



3.6.3 Risk bands and Risk significance

For a methodology with only two questions, you will see a matrix of all the possible scores for a risk (derived by multiplying answers together). Click on each possible score to assign it a colour. Numbers within a green box around them represent a low risk; numbers within a yellow box around them represent a moderate risk; numbers within a red box around them represent a high risk.

For a methodology with more than two questions, you can configure risk bands. A risk will be assigned a colour according to its total score, derived by multiplying its answers together.

Note: If residual risk assessment is enabled, risk band values will be derived from a risk's residual risk. Otherwise, they will be derived from a risk's inherent risk.



Two question methodology

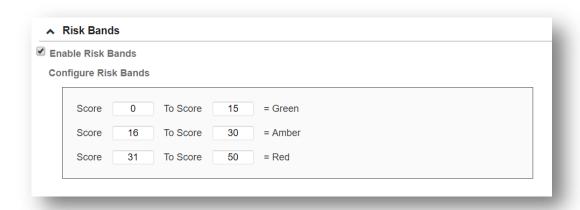
- 1) Click the **Risk Bands and Significance** tab
- 2) Select Enable Risk Bands Yes
- 3) Select the **Risk Bands Significance** select when the risk becomes significant e.g. is the risk significant when it's amber and red or red only?
- 4) You will see a matrix of all the possible scores for a risk (derived by multiplying answers together). Click on each possible score to assign it a colour. Numbers within a green box around them represent a low risk; numbers within a yellow box around them represent a moderate risk; numbers within a red box around them represent a high risk.
- 5) Click **Apply** to save the changes



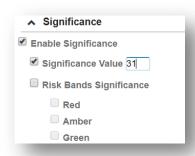
More than two question methodology

- 1) Click the **Risk Bands and Significance** tab
- 2) Select **Enable Risk Bands**
- 3) Within **Configure Risk Bands**, assign a colour according to its total score, derived by multiplying its answers together.





4) To apply significance, either enter a value when the risk is deemed significant



5) Or, select the **Risk Bands Significance** – select when the risk becomes significant e.g. is the risk significant when its amber and red or red only?



6) Click **Apply** to save the changes

3.6.4 Previous Answers

The previous answer rule allows recurring risk assessments to display previous risk assessment answers.

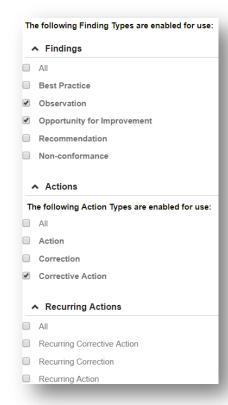
- 1) Within **Risk Assessment Settings** > **Previous Answers**
- 2) Select **Never**, **Always** or **User decides** (default) to determine whether the risk methodology will retain the answers last entered
- 3) Click **Apply** to save the changes





3.6.5 Optional Record Types

- 1) Within Risk Assessment Settings > Optional Record Types
- 2) Select all the optional **Findings** and **Action** record types you want to include in your risk methodology template (note: adding optional record types means that a risk assessor will be able to add greater detail to a risk assessment enabling them to creating a new finding or action related to the assessment)

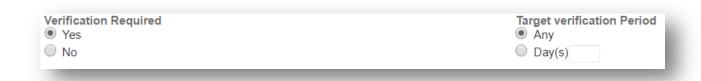


3) Click **Apply** to save the changes

3.6.6 Risk verification

- 1) Within **Risk Assessment Settings** > **Risk Verification**
- 2) Select **Yes** or **No** to decide whether your risk methodology will require verification
- 3) Target verification period is optional and can be set to **Any** or a defined number of **Days**





4) Click **Apply** to save the changes

3.6.7 Residual risk

- 1) Within Risk Assessment Settings > Residual Risk
- 2) Select either **Yes** or **No** below **Residual Risk assessment** to enable residual risk assessment columns in your risk methodology.
 - Note: A residual risk assessment column will appear in risk assessments. The residual risk assessment column calculation process is identical to the inherent column calculation process. However, the residual risk assessment column totals will not affect the risk bands total. The residual risk assessment column is simply a tool to measure indirect risks resulting from your organisation's processes
- 3) Select either **Yes** or **No** below **Effectiveness or Controls** to enable columns in your risk methodology
 - Note: If your risk methodology has **Effectiveness of Controls** enabled, risk assessments will display an effectiveness column. Risk assessors will be able to select low, medium or high from an effectiveness drop down menu to grade the effectiveness of a control that you have selected to prevent or diminish a risk

Residual Risk Analysis Yes No	Effectiveness of ControlsYesNo
--------------------------------	--

4) Click **Apply** to save the changes

3.6.8 Activate the Risk Methodology

Once the methodology has been configured it will need activating in order for it to be associated to a risk assessment

- 1) Within the risk methodology record, click the **Activate** button at the top of the screen
- 2) The record will become **Active**

3.6.9 Editing a Risk Methodology

- 1) Go to Compliance > Risk > Risk Methodologies
- 2) Click **New Version**, select **Minor** or **Major** change followed by **OK**
- 3) Once you have finished making changes click **Save** followed by **Activate**



4. Risk Assessments

A risk assessment is the process by which you schedule a time for evaluating whether one or more of your company's processes meet an acceptable standard for risk. For example, utilise a risk assessment to evaluate the health and safety risks associated with your organisation's disposal of hazardous substances.

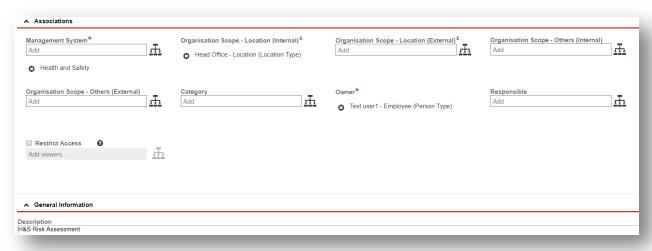
The risk assessment subsection of the risk user guide will help you manage your organisation's risks. Schedule a risk assessment for a particular time or create a weekly, monthly or yearly evaluation schedule for your organisation's risks.

This section includes:

- Creating a risk assessment schedule for a recurring risk
- Create a risk assessment record
- Conduct a risk assessment

4.1 Creating a Risk Assessment Schedule for a recurring risk

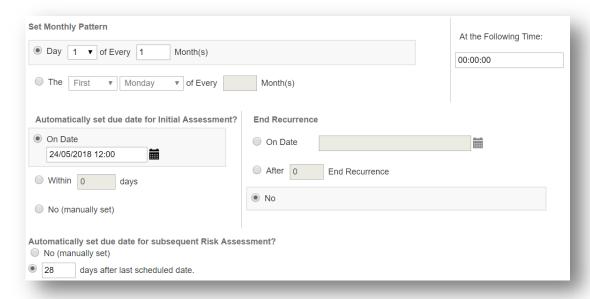
- 1) Go to Compliance > Risk > Risks
- 2) Click the **Create** icon
- 3) From the drop down menu select **Risk Assessment Schedule**
- 4) Enter a **Title** for your risk assessment
- 5) In the **Associations** section complete the following
 - Management System,
 - Location,
 - External Organisation (optional),
 - Department/Processes (optional),
 - Category (optional),
 - Record Owner,
 - Record Responsible (optional),
 - Restricted Access (optional)
- 6) Under **General Information**, add a **Description**



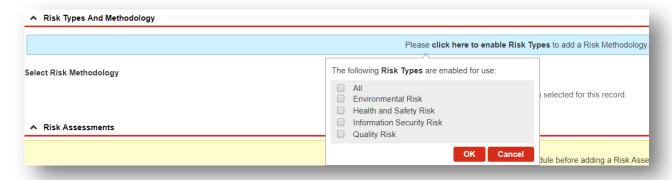
7) Select the **Recurrence** checkbox for a recurring risk assessment



- 8) Select **Daily/Weekly**, **Monthly** or **Yearly**
- 9) You have the option to set a due date for the initial assessment and subsequent assessment:
 - Select either On Date, Within or No (manually set) to create a due date for the initial assessment
 - Select either No (manually set) or days after last scheduled date radio box to create a
 due date for subsequent risk assessments
- 10) You have the option to set when the recurrence will end:
 - Select either On Date, After or No radio box to create an end date for your risk assessment recurrence



- 11) Click **Save**
- 12) Under the section **Risk Types and Methodology**, click the link to associate the **Risk Types** to the risk assessment



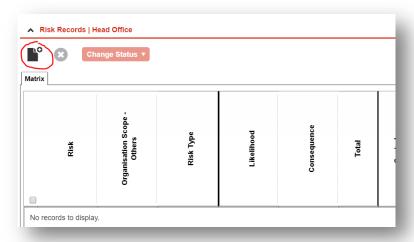
- 13) Select the **Risk Type** and click **OK**
- 14) Next, click the plus symbol to select a **Risk Methodology** to associate to the risk assessment record
- 15) Select the **Risk Methodology** and click **OK**
- 16) Click **Save** , followed by **Activate**



4.2 Create the Risk Assessment record

Following on from the steps above, from within the risk assessment schedule:

- 1) Click the **Create** icon
- 2) Click the **Associations** section, review and change if necessary any of the fields, paying particular attention to the **Risk Assessor** field
- 3) Under the **General Information** section, add a **Schedule Date**. You can also amend the **Due Date** if required
- 4) Click **Start** and click **OK** to the pop up message. This will trigger an email to the risk assessor, notifying them that a risk assessment has been assigned
- 5) Click the **Create** icon, located under the section **Risk Records**

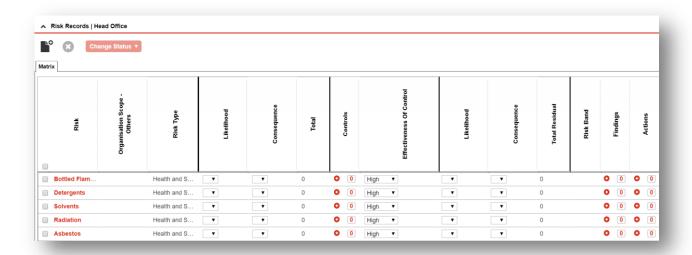


6) From the list of risks, select those applicable to the risk assessment, click **OK** to save the selection

4.3 Conducting a Risk Assessment

- 1) Locate the risk assessment schedule (**Compliance** > **Risk** > **Risk Assessment Schedules**)
- 2) Open the risk assessment by clicking on the title
- 3) Scroll down the record to the section **Risk Assessments**, click the record to open



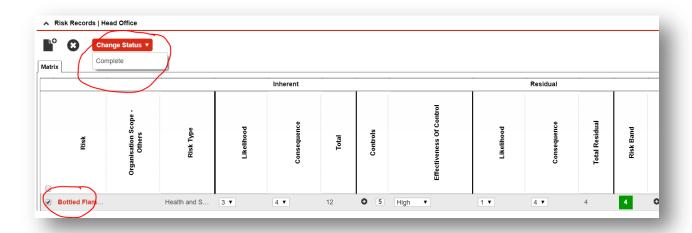


- 4) For each risk:
 - Enter the Inherent score for each of the questions i.e. Likelihood and Consequence
 - Add the **Controls** (click the icon to display the list of controls)
 - Select High / Medium or Low for the effectiveness of the suggested control (this option will only be available if 'effectiveness of controls' has been enabled in the risk methodology)
 - Enter the **Residual** score for each of the questions i.e. **Likelihood** and **Consequence** (this option will only be available if the 'residual risk' has been enabled in the risk methodology)
 - If you have applied 'risk band significance' or a 'significance value' this information will display on the risk assessment

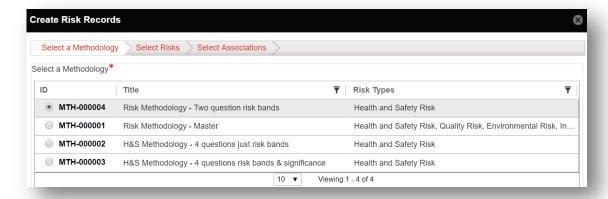


- 5) Click the ounder **Findings/Actions** to create a new finding or new action to associate to the risk assessment (if you are unfamiliar with findings and actions, please refer to the **Compliance User Guide** for instructions)
- 6) You can either complete each individual risk or complete the risk assessment as a whole:
 - To complete individual risks, tick the box to the right of the risk and select Change Status,
 Complete



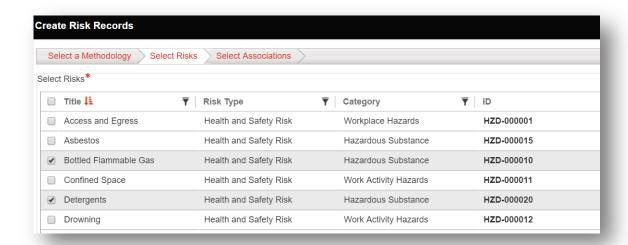


- To complete all risks collectively, tick all risks and select **Change Status**, **Complete** Once all risk records have a status of complete the risk the assessment status will change to **Complete**. Upon completion the next risk assessment will be scheduled
- 4.4 One-off Risk Assessment (using the Risk Wizard)
- 1) Go to Compliance > Risk
- 2) Click the **Create** icon
- 3) Select Risk Record Wizard
- 4) Select a **Methodology** to associated to your risk assessment, click **Next**

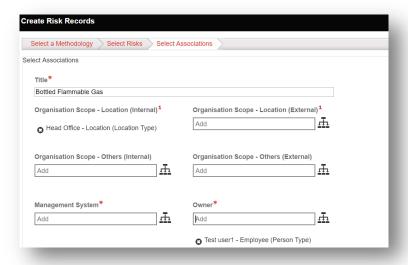


5) From the risk library, select the risks that you will be assessing, click **Next**





- 6) Enter a **Title** for your risk assessment (note: the title will automatically be populated with the name of the first risk listed alphabetically from those associated to the risk assessment).
- 7) In the **Associations** section complete the following
 - Location,
 - External Organisation (optional),
 - Department/Processes (optional),
 - Management System,
 - Record Owner



- 8) Select **Finish**
- 9) You will be taken directly into the risk assessment
- 10) The **Associations** tab will be collapsed, click to expand
- 11) If required, change the **Risk Assessor**
- 12) Under General Information, add the Scheduled Date and the Due Date, click Save
- 13) You can now conduct the risk assessment or if you choose conduct at another time
- 14) Note: if you come out of the risk assessment, to navigate your way back:
 - Go to Compliance > Risk > Risk Assessment Schedules



- Locate the risk assessment from the list
- Within the risk assessment schedule record, locate the **Risk Assessments** section
- Click on the risk assessment to open the record
- 15) Conducting a one-off risk assessment is the same as a scheduled risk assessment, <u>click here</u> for instructions

5. Summary

After reading this section, you should now understand how to:

- Configure the risk tool
- Create and conduct a scheduled risk assessment
- Create and conduct a one-off risk assessment

6. Additional Support

If you require any further support in using the Entropy Software, please contact our Helpdesk Teams as follows:

For UK & EMEA

Email: entropy.support@bsigroup.com

Tel: +44 (0)345 5049524

For USA & Americas

Email: entropysupport@bsiqroup.com

Tel: +1 888 640 6776

7. Revision History

Version	Reason	Date	Author
V1.00	Initial version	June 2018	ZL