## Risk Control Effectiveness Assessment Criteria

The effectiveness of current risk controls can be assessed using the criteria below.

Details of the Policy Assurance Compliance (PAC) model can be found in [this article on the essentials of auditing](https://www.juliantalbot.com/post/audit-reports-are-useful-but-auditing-is-essential).

| **Rating** | **Criteria** |
| --- | --- |
| 5. EFFECTIVE | * Controls are properly designed and operating as intended. Management activities are effective in managing and mitigating risks.

GUIDANCE FOR POLICY* Policies and procedures are robust, up to date and have been through several iterations.
* Relevant standards and guidelines have been identified or created.
* The management framework is regularly reviewed, and any identified gaps are addressed within one review cycle.
* Documentation supporting the management system is controlled with accountabilities and review dates specified.

GUIDANCE FOR ASSURANCE FRAMEWORKS ASSESSMENT* Competency-based training is delivered is based on a comprehensive training program with >98% compliance.
* Training delivery and assessment records are comprehensive and current for all staff, contractors, and visitors.
* The training program is based on a current training needs analysis.
* Business plans specify budget and resource requirements and are based on documented analysis.
* Evidence shows that resources have been funded, and >98% are implemented within agreed timeframes.
* Exercise and training cycles are fully documented and integrated with >98% compliance.

GUIDANCE FOR COMPLIANCE AND FEEDBACK MECHANISMS* A structured audit plan addresses all elements of the management system.
* Audit schedules are risk-based and completed in >98% compliance with the plan.
* Recommendations from corrective action reports, audit findings and investigations are documented, and >98% of accepted actions are completed within agreed timeframes.
* Systems are mature, and continuous improvement processes have been in place for several years of review cycles.
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| 4. LIMITED IMPROVEMENT. | * Limited improvement is needed. Controls and/or management activities are properly designed and operating somewhat effectively, with some opportunities for improvement identified.

POLICY* Core policies and procedures are current and have been through at least one review.
* Most procedures are supported by identified standards and guidelines.
* The management framework is regularly reviewed and substantively complete.
* Documentation supporting the management system is controlled with accountabilities and review dates specified.

GUIDANCE FOR ASSURANCE FRAMEWORKS ASSESSMENT* Competency-based training and assessment is delivered in accordance with a comprehensive training program with >80% compliance.
* The training program is based on a current training needs analysis.
* Training records are current and comprehensive.
* Business plans specify budget and resource requirements.
* Evidence shows that resources have been funded, and most are in place.
* Communication plans are documented.

COMPLIANCE AND FEEDBACK* A structured audit plan addresses critical elements of the management system.
* Audit schedules are risk-based and completed in >80% compliance with the plan.
* Recommendations from corrective action reports, audit findings and investigations are documented, and >80% of accepted actions are completed within agreed timeframes.
* Systems are mature and have been in place for at least two review cycles.
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| 3. SIGNIFICANT IMPROVEMENT | * Significant improvement is needed. Key controls and/or management activities in place, with significant opportunities for improvement, identified.

POLICY* Management systems are in place but may be partially documented and inconsistently applied.
* The management framework is in draft or incomplete.
* The management system is incomplete or outdated, but plans are in place to develop policies, procedures, and guidelines to address these deficiencies.
* Procedures and guidelines are in place but are not consistent in format or content across business areas.

ASSURANCE FRAMEWORKS* Competency-based training is ad hoc or not fully documented.
* The training program is based on a training needs analysis that is out of date or greater than three years old.
* Business plans sometimes specify budget or resource requirements.
* Evidence is available to show that some resources have been funded, and >60% are in place.
* Communications are ad hoc, or plans are specified but compliance is <50%.

COMPLIANCE AND FEEDBACK* An audit plan is evident but is not risk-based or does not address all areas.
* Audit schedules are completed in >60% compliance with the plan.
* More than 60% of corrective action reports, audit findings and investigations are completed within agreed timeframes.
* Management systems may be new, but at least one review cycle has occurred with approved management systems and structures.
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| 2. INEFFECTIVE | * Limited controls and/or management activities are in place, high level of risk remains. Controls and/or management activities are designed and are somewhat ineffective in efficiently mitigating risk or driving efficiency.

POLICY* Management systems are not documented in a coherent manner.
* Action needs to be taken to review or update management documents of the framework.
* Review cycles are specified but are not complied with.

ASSURANCE FRAMEWORKS* Training is ad hoc, inconsistent, or not assessed.
* Training records are incomplete.
* Resources and budgets may be in place but are not documented in formal plans.
* Management controls are not formally communicated.

COMPLIANCE AND FEEDBACK* An audit plan is not evident or <60% compliance with plan.
* Greater than 40% of continuous improvement activities (corrective action reports, audit findings, or investigations) are implemented within specified timeframes.
* At least one review cycle has occurred with >80% of existing management systems and structures.
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| 1. HIGHLY INEFFECTIVE | * Controls and/or management activities are non-existent or have major deficiencies and do not operate as intended. Controls and/or management activities as designed are highly ineffective in efficiently mitigating risk or driving efficiency.

POLICY* Management systems are not documented, remain in draft, or do not address the requirements of the indicator.
* Management systems are reviewed but remain in draft for more than one review cycle.
* Review cycles are not specified.

ASSURANCE FRAMEWORKS* Evidence of assurance activities is limited or non-existent.
* Training, capability, communication, or logistics activities are ad hoc or non-existent.
* Training needs analysis is not evident.
* Resourcing plans and budgets do not reflect requirements.

COMPLIANCE AND FEEDBACK* Little or no evidence of continuous improvement.
* Audits are ad hoc, limited in scope, or non-existent.
* Feedback systems are not evident.
* No review cycles are evident.
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| 1. UNKNOWN
 | * Insufficient information available to assess the effectiveness of this control.
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**Table:** Risk Control Effectiveness Assessment Criteria

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This table was extracted from a risk assessment exported from the SECTARA risk management platform (sign up for a free plan at <https://sectara.com/free-plan/>)