

RATINGS

Risk Assessment Algorithm

Likelihood +	Impact =	Risk Assessment
Low	Low	Low
Low	Moderate	Low
Low	High	High
Moderate	Low	Low
Moderate	Moderate	Moderate
Moderate	High	High
High	Low	Moderate
High	Moderate	High
High	High	High

Summary of Ratings

Rat	Control Set (Design)	Control Set (Testing)	Process /Entity	Assurance
3	Significant Deficiency with high probability of risk occurring	Significant Ops Deficiency with high probability of risk occurring	<u>Significant Deficiency</u> High probability of no detection or prevention with a significant exposure	<u>Material Weakness</u> More than a remote likelihood with material magnitude misstatement
4	Design Deficiency More than a remote likelihood of risk occurring	Operational Deficiency More than a remote likelihood of risk occurring	<u>Deficiency</u> Moderate probability of no detection or prevention with a significant exposure	<u>Reportable Condition</u> More than a remote likelihood with more than inconsequential misstatement
5	Minor Design Deficiency Only a remote possibility of risk occurring	Minor Ops Deficiency Only a remote possibility of risk occurring	<u>Minor Deficiency</u> Low probability of no detection or prevention or an insignificant	<u>Control Deficiency</u> Remote likelihood or inconsequential misstatement
6	Designed Effectively	n/a	<u>Designed Effectively</u>	<u>Effectively Designed</u>
7	n/a	Operating Effectively	<u>Operating Effectively</u>	<u>Effectively Operating</u>

A-123 Helpdesk
A-123Helpdesk@hq.doe.gov

Voicemail: 301-903-3937

A-123 Website
<http://www.cfo.doe.gov/progliaison/doeA123/index.htm>

Department of Energy

A-123 REFERENCE CARD

Additional References

COSO Materials
 DOE Process Catalog
 DOE Entity Catalog
 DOE Risk Inventory Tutorials



Department of Energy

Internal Review

11/2008

CHECKLIST OF ACTIVITIES

Planning (New Implementation)

- ➔ Establish Local Assessment Team
- ➔ Determine Oversight and Management Strategy
- ➔ Identify Material Accounts and Process allocations.
- ➔ Develop Implementation Plan

Planning (ARCA)

- ➔ Identify changes to the Material Account and Process definitions and allocations
- ➔ Identify Corporate Management Requests
- ➔ Identify Corporate Change Criteria
- ➔ [Optional] Identify Local Risk Criteria
- ➔ [Optional] Identify Local Risk Assessment Cycles
- ➔ Plan scope of the assessment and adjust scope through the changes from standards where appropriate
- ➔ Reassess in-scope risk activities

Documenting (ECS/PCS-Assess)

- ➔ [PCS Only] Identify and record Processes and Sub-Processes
- ➔ Identify and record Risks for each Sub-Process/Sub-Category identified
- ➔ Complete Risk Assessment (Likelihood and Impact)
- ➔ [PCS Only] Record applicable Financial Statement Assertions
- ➔ Identify and record Control Sets and relevant attributes
- ➔ [Optional] Identify Efficiency Opportunities where appropriate
- ➔ Enter the location of Source and Detailed A-123 Documentation in the Documentation Location field.

Evaluating (ECS/ PCS-Assess)

- ➔ Assess and record Control Design Effectiveness rating and provide a summary rationale
- ➔ [Recommended] Record location of Source and Detail documentation in Supporting Documentation column
- ➔ Complete summary assessment of PCS Processes and EC Areas Effectiveness Ratings, with summary rationale and documentation.

- ➔ [ECS Only] Complete Summary Assessment for the Overall Entity Control Environment, with rationale and documentation.

Testing (ECS/PCS-Test and ECS/PCS-Assess)

- ➔ Collect existing and approved A-123 tests
- ➔ For all risk activities with CDR Ratings of 5 or 6 create a test strategy and detailed test plans
- ➔ Execute test plans.
- ➔ Assess and rate test results.
- ➔ Summarize rationale and enter Source and Detailed Documentation location
- ➔ Re-assess and complete the Summary Effectiveness Rating at the Process, Area level and Overall Control Environment levels
- ➔ Enter summary rationale and location of supporting documentation

Testing (ARCA)

- ➔ Determine if all required testing within a sub-process has been completed
- ➔ Determine and update the "All Factors Accounted For" trigger for each sub-process if all risk activities have been tested accounting for all changes identified

Remediation (CAP-Track; PCS/ECS-Assess)

- ➔ Create CAP in CAP Tracking tool for design deficient control sets (3 & 4) and operational deficient control sets (3, 4 & 5)
- ➔ Record CAP Attributes in CAP-Track
- ➔ Update CAP Tracking tool with Documentation Location
- ➔ Update PCS-Assess and ECS-Assess with corresponding CAP Number for each risk activity which requires remediation
- ➔ Coordinate and manage corrective action plan
- ➔ Update CAP Tracking tool with remediation status as needed
- ➔ Once remediation is complete re-assess the control sets

Oversight

- ➔ Complete oversight activities
- ➔ Complete the Oversight questionnaire in the AART

Quarterly Reporting

- ➔ [FO Only] Import and review site data into the AART
- ➔ Quarterly Report Deck – Notification of any major implementation plan changes or barriers, AART Tool Suite, [FO only] all Site AARTs under your cognizance.
- ➔ Submit AARTs and Notifications to the A-123Helpdesk@hq.doe.gov

Assurance

- ➔ Annual Assurance: Extract and assess deficient controls by material account for Assurance Statement preparation
- ➔ Assess material impact of deficiencies and identify Material Accounts and Processes with Material Weaknesses and Reportable Conditions
- ➔ [FO Only] Rollup and assess deficiencies of cognizant sites
- ➔ Assurance List of Materials:
 - Year End Assurance Statement
 - AART Tool Suites [FO to include all Site AARTs)
 - Material Weakness and Reportable Condition Corrective Action Plans
- ➔ Field Office Submission:
 - Hardcopy to LPSO with carbon copy to CSO if applicable
 - Carbon Copy to PMT
 - Electronic copy to A-123Helpdesk@hq.doe.gov
- ➔ LPSO/CD Submission:
 - Hardcopy to CFO
 - Carbon Copy to PMT
 - Electronic copy to A-123Helpdesk@hq.doe.gov

ADDITIONAL A-123 TOOLS

AART-RPT Consolidation Tool

AART-RPT Standard Report Packages

AART-RPT Custom Reporting Tool

Add-On Packages (e.g. Data Check Utility)