

## **1 INTRODUCTION**

### **1.1 BACKGROUND**

A risk profile describes the key risks that can prevent an organization from achieving its objectives.

Risks are events or circumstances, stemming from an organization's internal or external business conditions, which may negatively affect the achievement of the organization's objectives. The effective management of an organization's risks is critical to ensuring operational effectiveness and good governance. In recognition of these benefits, the Department of Foreign Affairs and International Trade (DFAIT) is developing a formal corporate risk profile that summarizes the risks that the organization faces.

### **1.2 RISK ASSESSMENT METHODOLOGY**

DFAIT's Corporate Risk Profile has been developed using the Interis risk assessment methodology. A risk assessment is a systematic process of analyzing an organization's business conditions and operating environment for the purpose of uncovering risks.

Interis Consulting Inc. facilitated the risk assessment process to develop DFAIT's corporate risk profile. This approach is multi-phased in nature and is described in detail below.

A fundamental characteristic of the methodology is that it is a facilitated self-assessment process. This corporate risk profile was developed based on input from DFAIT participants and reflects the risks and evaluations of these participants. Interis' team facilitated the consultation process to ensure adherence to standardized risk management principles.

#### **PHASE ONE: RISK IDENTIFICATION**

Phase 1 involved the identification and documentation of a preliminary list of the key risks to which DFAIT is exposed. Risks were identified through document reviews and interviews with DFAIT's senior managers. Please refer to Appendix A for a list of the interview participants.

#### **PHASE TWO: RISK ASSESSMENT**

In Phase 2, a series of six facilitated risk assessment workshops were conducted. These workshops were used to confirm the preliminary risk list, assess DFAIT's residual exposure to the risks after considering the existing controls already in place to address risk, select a response to the highest ranked risks in each workshop, and discuss preliminary mitigation strategies.