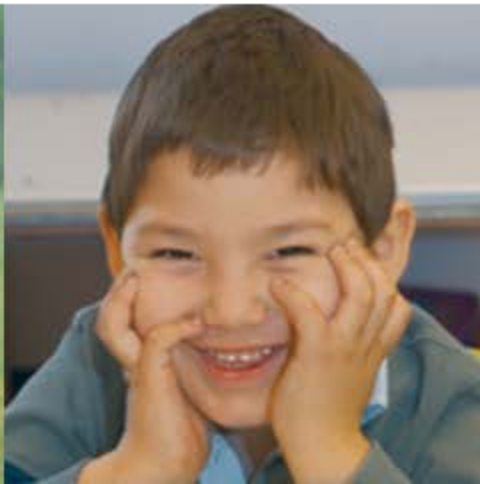




Grappling Hooks for Managing Uncertainty

Risk Management Tools at Health Canada



February 2013

Destination Bound



<http://tlc.howstuffworks.com/family/new-hampshire-scenic-drives.htm>



Unintended Consequences - Threats



http://mobile.theweathernetwork.com/news/storm_watch_stories3&stormfile=Sinkhole_swallows_car_on_Ottawa_highway_04_09_2012



Unintended Consequences – Opportunities



<http://www.dailymail.co.uk/news/article-2145344/The-worlds-beautiful-sinkhole-Cavernous-20m-deep-limestone-bowl-attracts-tourists-swimmers-Oman.html>



<http://en.wikipedia.org/wiki/File:WOAHdubs.jpg>



Mobilizing Resources



<http://geowoow.blogspot.ca/2011/05/sinkhole-opens-in-beijing-road-swallows.html>



Conceptual Tools: Orienteering

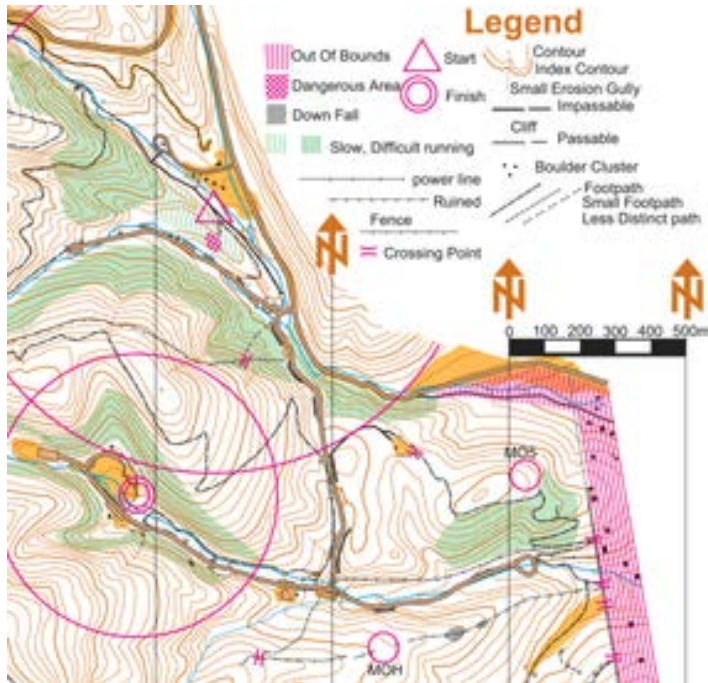


- ISO 31000: 2009
- USAF on Risk: “The Pursuit of Courage, Judgment, and Luck”
- Risk Neutrality Matrix
- Risk Taxonomy

Accessed 2013-02-01 from: http://en.wikipedia.org/wiki/File:Compasses_orienteering.jpg



Cultural Tools: Lay of the Land



- TBS 2010 Framework for the Management of Risk
- HC 2012 Integrated Risk Management Framework

Accessed 2013-02-01 from: http://en.wikipedia.org/wiki/Orienteering_map



Cultural Tools – Making it Real

SMART ME: RISK A KISS!



Image accessed 2013-01-15: <http://balafong.com/balafong/blog/things-i-google>



Cultural Tools: Making it Real

S

Specific

M

Measurable

A

Achievable

R

Relevant

T

Timely

M

Monitored

E

Evaluated

R

I

= Integrated; Embedded

S

K

A

Accountable

K

Keep

I

It

S

Simple

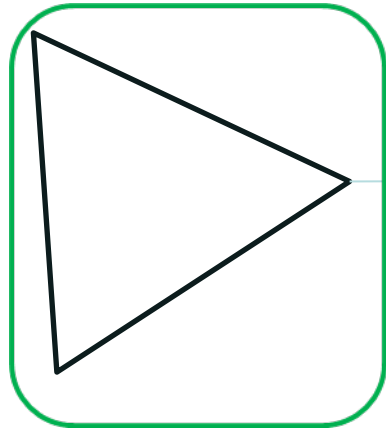
S

Systematic

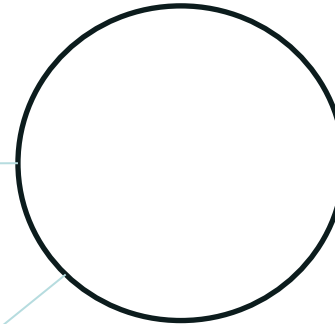


HC Integrated Risk Management (IRM) Orienteering

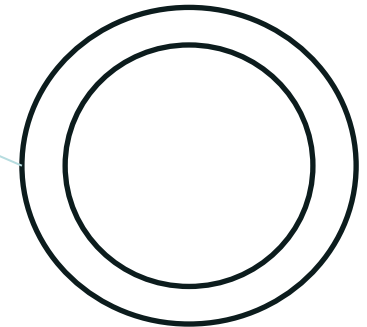
Start Annual Risk Assessment Process



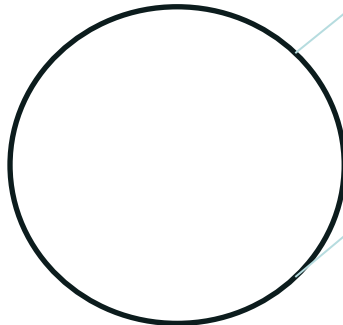
Develop Corporate Risk Snapshots



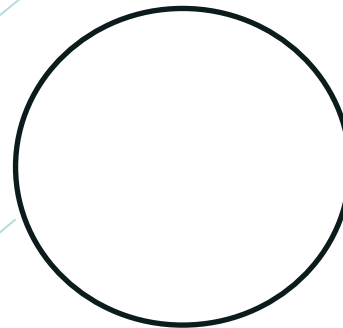
Report, then Rinse & Repeat



Feed into Operational Plans



Analysis & Performance Monitoring

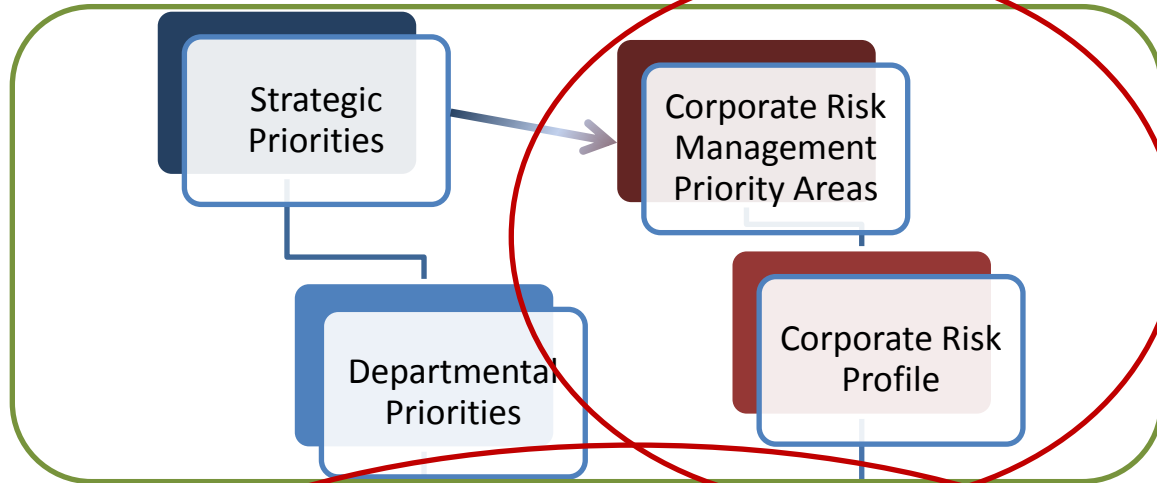


HC IRM Process

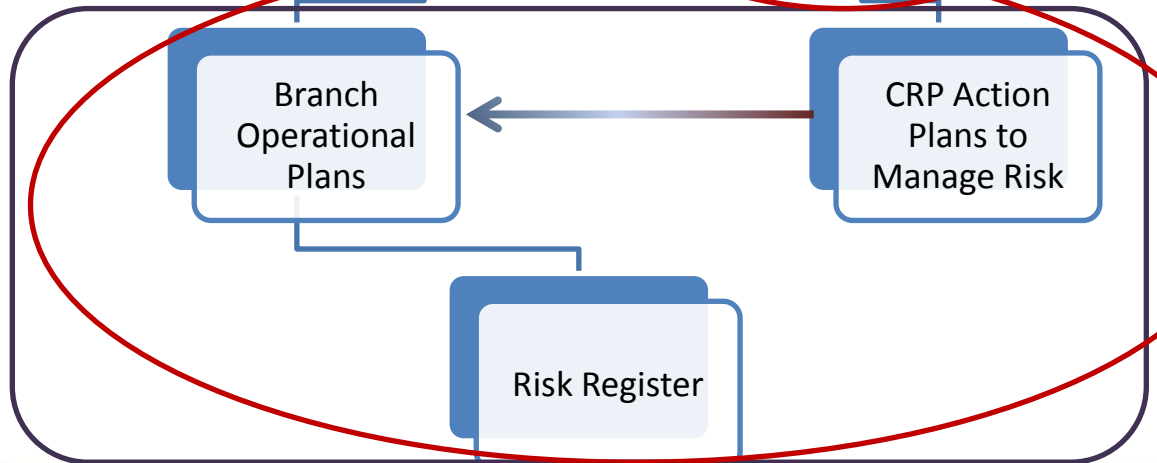
Planning Process

IRM Process

Strategic
IRM

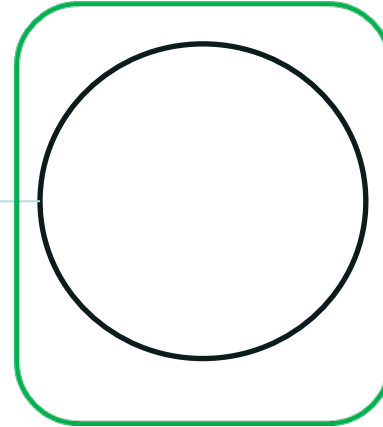
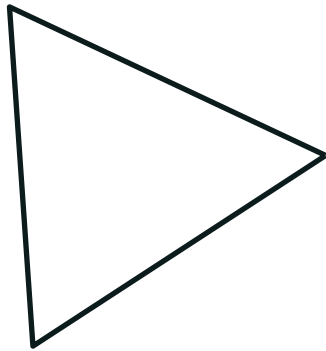


Operational
IRM



Conceptual tools drives development of physical tools

**Start Annual
Corporate
Risk
Assessment
Process**



**Develop
Corporate
Risk
Snapshots**



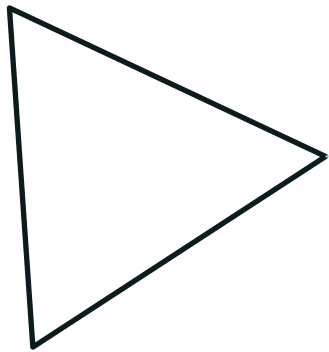
CRP Risk Management Priority Areas: Snapshots

Here is where you define the risk – in neutral terms		Residual Risk Assessment by Tolerance	
SO		OPI	
DOP		OSI	
CRT		Overall Risk Response	
Drivers (sources) of Risk			
Existing Controls			
Risk Assessment		Risk Response – Summary Action Plan	Lead
Opportunities			
Threats			

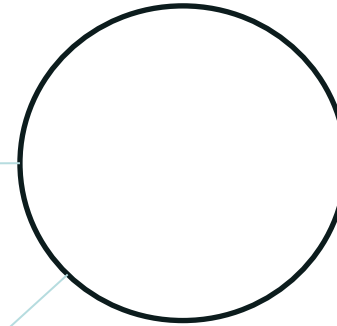


Conceptual tools drives development of physical tools

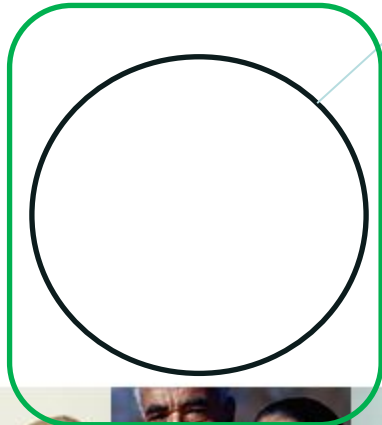
**Start Annual
Corporate
Risk
Assessment
Process**



**Develop
Corporate
Risk
Snapshots**



**Feed into
Operational
Plans**



Risk Register cont'd

- NAVIGATION
- Back to Task List
- Risk Register
- Risk Details

- IPPRS ONLINE SUPPORT
- Create New Support Ticket
- My Support Tickets

REPORTS

- INSTRUCTIONS & RELATED LISTS
- Risk Register Support Guide
- A Guide to Risk Statements
- Intrigated Risk Management 101
- Risk Neutrality Heat Map
- Risk Register Blank Template

Risk Assessment

1.0 Risk Context

1.0 Describe the current operational environment that creates risk (uncertainty)	Delete?
<input type="text"/>	<input type="checkbox"/>

1.1 Source of evidence
<input type="text"/>

Auto populate where possible

2.0 Risk Assessment

2.1 Analysis

Analyse, based on available evidence, the likelihood and impact to the organization once risk treatments are applied (known as residual risk)

2.1.1 Impact	2.1.2 Likelihood	2.2 Risk Response Category
<input type="text" value="[Select one]"/>	<input type="text" value="[Select one]"/>	<input type="text" value="[Select one]"/>

3.0 Risk Treatment

Select appropriate option to modify risks. Indicate which treatment approach is selected, and track performance of treatment.

Risk Response (short narrative)	Responsible Lead	Progress monitor & report (mid-year & year-end review)
<input type="text"/>	<input type="text"/>	<input type="text"/>

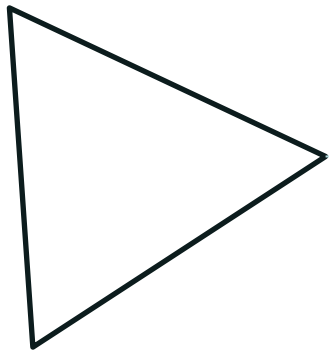
4.0 Organizational Linkages

4.1 PAA Linkage	4.2 Risk Owner
<input type="text" value="[Select one]"/>	<input type="text"/>

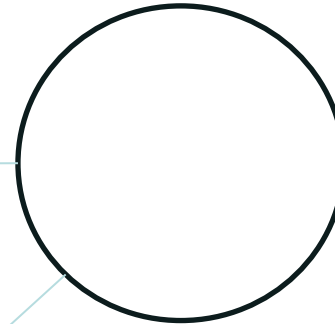


Physical Tools drive Conceptual Risk Management Enhancement

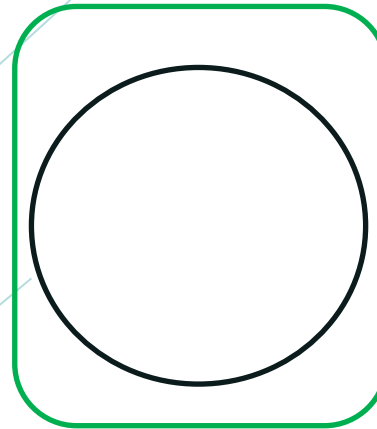
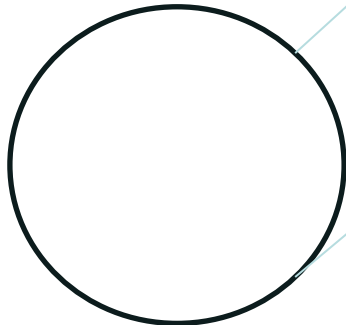
**Start Annual
Corporate
Risk
Assessment
Process**



**Develop
Corporate
Risk
Snapshots**



**Feed into
Operational
Plans**



**Analysis & Performance
Monitoring**



Analytics – Enhancing Risk Management

CRP Risk Snapshot Analysis

Risk Management Priority Area:

Risk Snapshot Global Assessment			
Relevance & performance of Risk Response Action Plans to the Risk Snapshot Description	High	Medium	Low
Evaluability of Risk Responses for performance measurement (based on SMART)	Weak	Moderate	Strong
Robustness of controls	Weak	Moderate	Strong
Risk Management Identification & Accountabilities	Owners		
	Leads		

Complexity: Risk Snapshot based on HC Risk Taxonomy

Assume: More risk categories of the Risk Taxonomy correlate of complexity

Complexity Index	
1-3 categories – minimal	
4-7 categories – moderate	
8-11 categories – high	

Concordance: CRP Risk Snapshot Taxonomy categories identified against the operational Risk Register

Assume: Low concordance warrants further investigation for CRP risk management. Lack of concordance could signify:

- Divergent organizational perceptions of risk (e.g. sources of exposure)
- Significant change within a branch operational context
- Significant changes in activities a branch is expected to deliver results on
- Overall (corporate and operational) complexity facing a branch as it delivers on results

Degree of Concordance	
1-3 categories – low	
4-7 categories – medium	
8-11 categories – high	

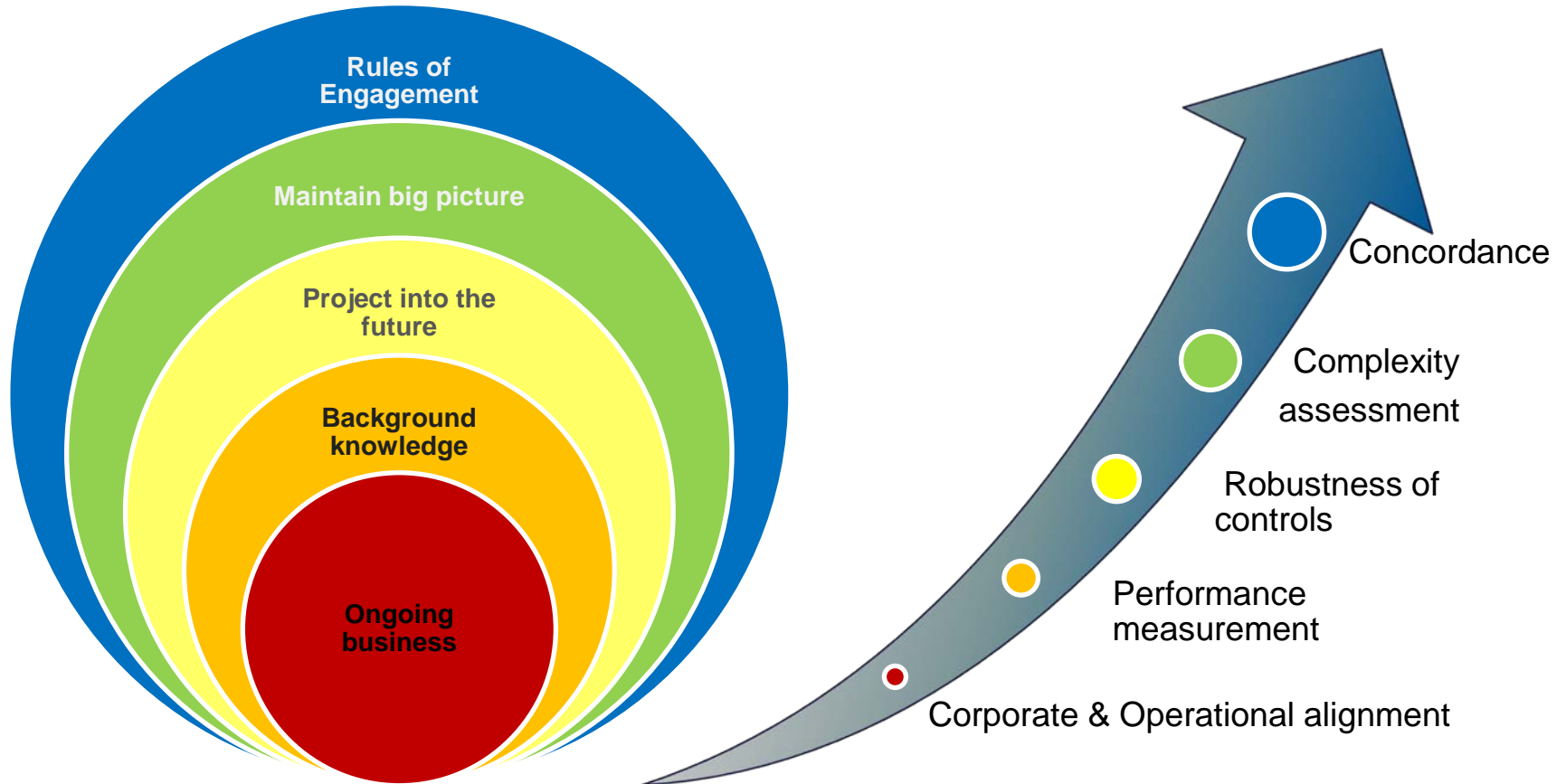
Concordance: Senior management exposure assessments (to deliver on risk responsibility) against Risk Register Risk Taxonomy categories identified

Assume: Assesses degree to which all levels of organization assess risk exposure within a branch

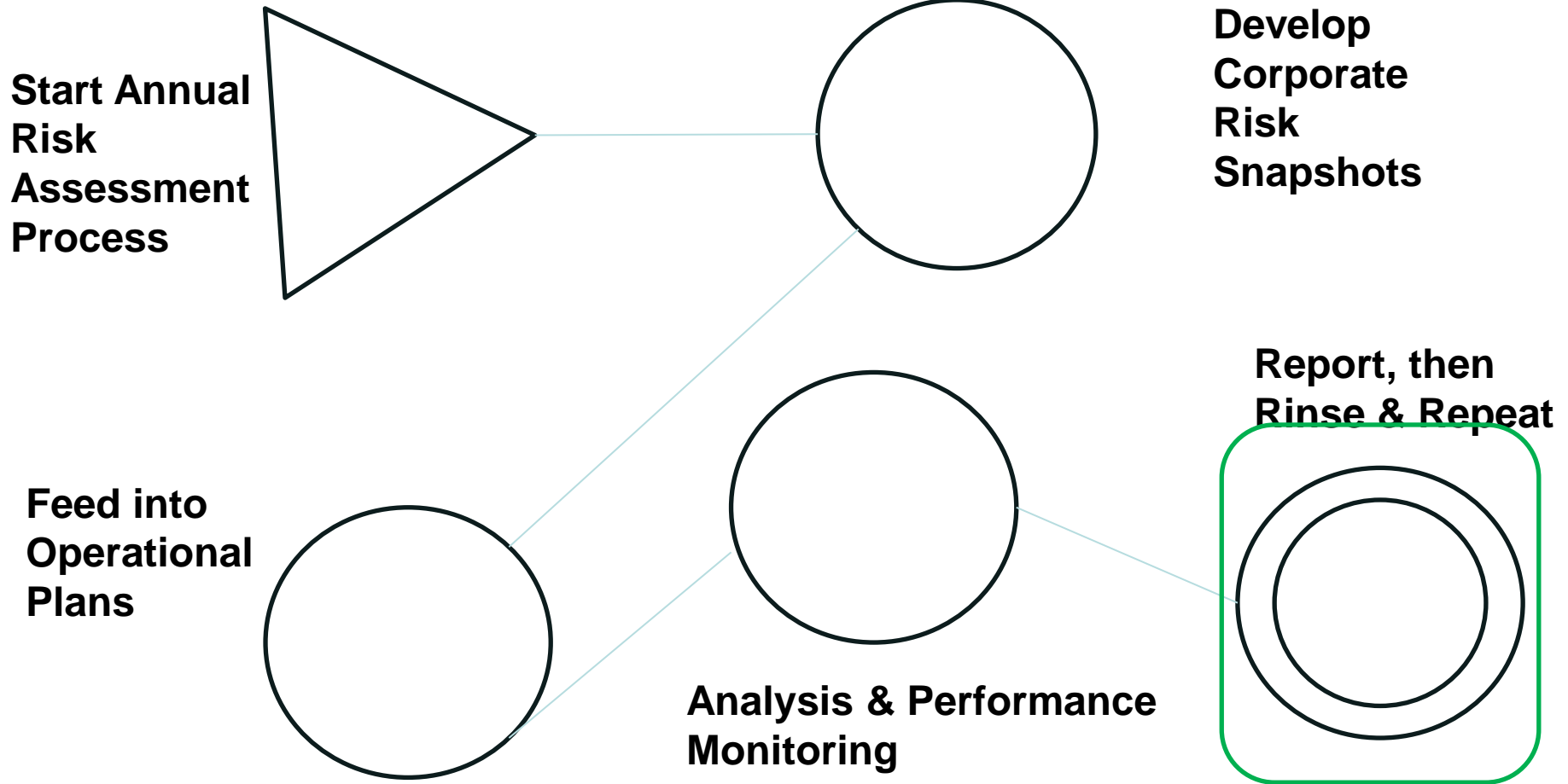
Degree of Concordance	
Low	
Medium	
High	



Evolving Risk Management Orienteering Capacity



HC Integrated Risk Management (IRM) Orienteering



Contact IRMO

Integrated Risk Management Office

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Christopher.Lebrun@hc-sc.gc.ca

Jacky Tweedie

Jacqueline.tweedie@hc-sc.gc.ca



CRITICAL IF...THEN...

- IF** ACTIVITY X identified as a Risk Response in the Corporate Risk Profile,
- THEN** Entry in Corporate Operational Plan
(ASSUMPTION: a risk response for a corporate risk management priority area sufficiently important to be included as an activity in the Branch Operational Plan)
- GIVEN** Its inclusion in the Corporate Operational Plan and the Corporate Risk Profile,
- THEN** An entry in the Risk Register is warranted for further risk assessment



Risk Matrix – Promoting Balance

Impacts – Positive and negative response options

Likelihood

Control Framework					Likelihood	Innovation Framework				
Negative Impact						Positive Impact				
1 - Negligible	2 - Low	3 - Medium	4 - High	5 - Extreme		5 - Extreme	4 - High	3 - Medium	2 - Low	1 - Negligible
Assign oversight / management responsibility	Senior management attention required	Senior management attention required	Senior management involvement required	Senior management involvement required	E - Almost Certain	Senior management involvement required	Senior management involvement required	Senior management involvement required	Senior management involvement required	Assign oversight / management responsibility
Assign oversight / management responsibility	Assign oversight / management responsibility	Senior management attention required	Senior management attention required	Senior management involvement required	D - Very likely	Senior management involvement required	Senior management involvement required	Senior management involvement required	Assign oversight / management responsibility	Assign oversight / management responsibility
Manage according to standard operating procedures	Assign oversight / management responsibility	Assign oversight / management responsibility	Senior management attention required	Senior management involvement required	C - Likely	Senior management involvement required	Senior management involvement required	Assign oversight / management responsibility	Assign oversight / management responsibility	Manage according to standard operating procedures
Manage according to standard operating procedures	Manage according to standard operating procedures	Assign oversight / management responsibility	Assign oversight / management responsibility	Assign oversight / management responsibility	B - Unlikely	Assign oversight / management responsibility	Assign oversight / management responsibility	Assign oversight / management responsibility	Manage according to standard operating procedures	Manage according to standard operating procedures
Manage according to standard operating procedures	Manage according to standard operating procedures	Manage according to standard operating procedures	Assign oversight / management responsibility	Assign oversight / management responsibility	A - Rare	Assign oversight / management responsibility	Assign oversight / management responsibility	Manage according to standard operating procedures	Manage according to standard operating procedures	Manage according to standard operating procedures

→ Impact ←



Risk Taxonomy – Identify the Usual Suspects

EVERGREEN RISK TAXONOMY - HEALTH CANADA
<i>Threats and Opportunities Associated with...</i>
1. Governance and strategic objectives: Health of Canadians & Environment
2. IM/IT
3. Finance
4. Legal and compliance matters
5. Organizational change management
6. Reputation, relations with stakeholders, clients, public
7. Human Resources Management
8. Safety & Security
9. Values & Ethics
10. Privacy / Information management & stewardship
11. Capital infrastructure and resource management

