TITLE	RISK IDENTIFICATION, EVALUATION AND CONTROL
PURPOSE	This procedure defines the process of identifying, evaluating and controlling risks as well as maximizing opportunities in NEDA's QMS relative to its context (internal and external issues) and the needs and expectations of interested parties within the scope of the QMS.
SCOPE	This process covers the identification of objectives (organizational and functional levels) and processes, the determination of risks and opportunities that can potentially affect them and determination of its significance
DEFINITION OF TERMS	1) Risk – positive or negative effects of uncertainty 2) Uncertainty – the state of deficiency of information related to, understanding or knowledge of an event, its consequence or likelihood 3) Risk Register – a listing or matrix where risks, their effects, controls, and assessment / evaluation (to determine whether or not significant) are reflected and summarized 4) Risk Assessment – the process of recognizing risk and its effects to objectives and processes, and estimating their impact (severity or benefit/opportunity) and likelihood of occurence to determine their significance 5) Significant risks – risks that exceeded the specified threshold considering current controls, if any, and are thus considered to be undesirable risks and require risk control plan 6) Significant opportunities – positive effects of risks whose degree of benefits and likelihood exceeds the specified threshold and should be considered to be pursued 7) Risk Control Plan (RCP) – a plan of activities / tasks needed to provide additional controls for significant risks to mitigate, reduce if not eliminate their impact severity or likelihood, or both 8) Opportunity Management Plan (OMP)– a plan of activities/tasks needed to pursue significant opportunities, subject to management approval; *not required for opportunities which are considered as generally residual effects of the process implementation itself*

PROCESS DESCRIPTION

This process provides specific steps in identifying, evaluating / assessing / rating risks and opportunities based on the criteria which NEDA has adopted for the current assessment. It considers as inputs the current context (internal and external issues), the needs and expectations of interested parties, organizational and functional objectives, and the QMS processes. Significant risks (undesirable) or opportunities (worth pursuing) are those that exceed the threshold using the rating scale and will be provided Risk Control Plan or Opportunity Management Plan.

PROCESS FLOW

STEP NO.	PROCESS / STEPS	DETAILS	RESPONSIBLE PERSON	REFERENCE / INTERFACE
	START			
1.	Identification	Identify the subject of risk assessment, which can be any of the following: • Organizational Objective • Functional Objective • Process or operational risk	Concerned Staff	Risk Register
2.	Determination	Determine the context (relevant issues at the organizational and objective/process levels). Determine the impacts of risk (positive or negative effect or consequence) as well as any existing or current controls.	Concerned Staff	Context of NEDA Risk Register
3.	Assessment	Assess and estimate the impact of risk using the risk rating criteria, as follows: Impact (degree of severity or potential benefit): 1 – Insignificant 2 – Minor 3 – Moderate 4 – Major 5 - Extreme	Concerned Staff	Risk Register Guideline for Determining Risk Rating

		Likelihood or probability of occurrence: 1 – Insignificant 2 – Minor 3 – Moderate 4 – Major 5 – Extreme Risk Rating = Impact x Likelihood		
4.	Significance Determination	Establish the threshold of significance of risk or opportunity as follows: Risk = 3 x 3 = 9 Opportunity = 3 x 3 = 9 Identify the significant or undesirable risks (risks with ratings > 9) and significant opportunities (opportunities with rating >9).	Concerned Staff	Risk Register
5.	Risk Control Planning	Prepare and plan the appropriate RCP (Risk Control Plan) or OMP (Opportunity Management Plan) for risks / opportunities that exceeded their respective thresholds. Review and approve RCPs and OMPs.	Concerned Staff Head of Concerned Staff	RCP; OMP Risk Register
6.	Implementation	Implement the RCPs and OMPs and monitor results. Address any issues or problems detected.	Concerned Staffs	RCP / OMP Monitoring Forms

7.	Risk Re-assessment	After one rating cycle (1 year) or as needed, re-assess risks, especially those previously identified as significant, to determine if residual risks are still significant. If residual risks remain within significant levels, prepare RCPs or OMPs again for the remaining significant risks.	Concerned Staffs	Risk Register
8.	QMS Integration.	Integrate risk controls into respective QMS processes and documents as appropriate, such as: • Management planning including objective setting • Policies and procedures • Work instructions and forms • Other QMS processes	Concerned Staff	Risk Register; RCP; OMP; Affected QMS Documented Information (Policies, Proc
9.	Maintain records	Maintain records in accordance with the specified master list.	Concerned Staff	As specified below
	END			
RECORDS GENERATED		1) Risk Register (Process Risk, Functional Objective Risk, Organizational Risk) 2) Risk Control Plan (RCP) 3) Opportunity Management Plan (OMP) 4) RCP Monitoring Form 5) OMP Monitoring Form 6) Document Movement Form		

Prepared by:	**Reviewed by:**	**Approved by:**
HAZEL IRIS S. BALIATAN	**JONATHAN L. UY**	**ROLANDO G. TUNGPALAN**
OIC-Assistant Director Public Investment Staff	Director Public Investment Staff	Undersecretary and Quality Management Representative