

RISK REGISTER & IRM: HOW THEY WORK TOGETHER



BLUF

- It is vital for enterprise staffs and operators to understand the relationship between risk registers required under the Safety Management System and the Integrated Risk Management program.
- Understanding this relationship enables organizations' ability to identify, communicate and mitigate risks.

Background

Naval Safety Command (NAVSAFECOM) and the Chief of Naval Operations (CNO) Risk Management and Internal Controls (RMIC) office are promulgating this information paper to help inform enterprise staffs and operators about the relationship between risk registers (also known as risk registries) required under the Navy Safety Management System (SMS) and the Department of the Navy's (DON) Integrated Risk Management (IRM) program.

Understanding this relationship is key to transparency and communicating mission-critical risks from subordinate naval commands to the next higher echelon or authority. This understanding enables senior leadership to accurately capture the risk picture across the Navy Enterprise.

The RMIC office receives all Navy Echelon II risk assessments, leveraging the input to create the CNO's risk profile and determining which overarching risks are provided to the Secretary of the Navy for consideration for the DON Risk Profile. As the process matures, the risk profiles will help to drive risk appetite and mitigation efforts.

Risk registries are required under the Navy's SMS and are a tool that supports the DON IRM program – specifically its Enterprise Risk Management (ERM) component. The IRM program is focused on maturing the program's components into an integrated approach addressing a wide spectrum of risk, including strategic, operations, reporting and compliance risk.

IRM provides a snapshot of mission-critical risks across enterprise programs

The IRM program provides the Chief of Naval Operations with the risk picture for the entire naval enterprise. For the required annual IRM submissions, items from your SMS risk register should be included on your IRM risk assessment. The risk register is your voice of what you need to be successful and it empowers your leaders to remove barriers to success. The risk registries and IRM work together to create a holistic picture of the risks carried across all areas of the naval enterprise and they carry annual audit and SOA requirements.

These components work together to create a holistic picture of the risks carried across all areas of the naval enterprise and carry annual audit and SOA requirements. OMB Circular No. A-123 requires federal agencies to implement and integrate ERM and internal controls. Additionally, per OPNAV M-5100.23, Navy Safety and Occupational Health, every unit and command in all echelons must establish and maintain risk registers.



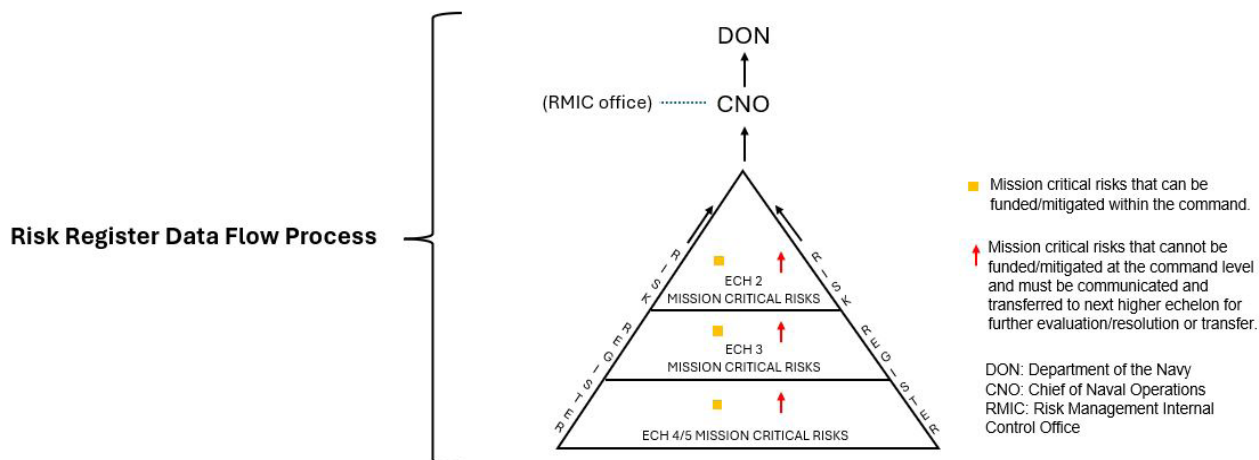
Risk register elements

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What is a risk register?

A command's risk register or registry is a repository of identified risks faced by the command, how those risks can impact the command, and what (if anything) the command can do to resolve or mitigate the risk. A risk register provides a big-picture view of major risks that enables commanders to prioritize resources and efforts to achieve strategic objectives. Risk registers also help leaders better identify areas where risk is accumulating or is compounded by multiple overlapping issues.

Risk registers are not a simple list of hazards and risks, especially at the higher echelons of command. Risk registers should be a compilation of similar risks and hazards that commands draw on to derive and address the systemic causes. This pragmatic approach is critical to addressing root causes vice tracking deficiencies for closure.

Importantly, risk registers are living documents that enable leadership and functional teams to readily see issues and conditions that introduce risk to the operating environment or a specific event or function. The risk register enables key players to either come up with solutions to mitigate the issue locally (at the unit or command level) or elevate the risk to the next higher echelon or authority through proper communication. If individual commanders cannot resolve or mitigate any of the identified risks, i.e., they can't fund or resolve those risks, then they forward those registered risks to the next upper-echelon commander to help address the risk (and so on, up the chain).

Ultimately, everyone, regardless of the level of command, is responsible for risk identification and communication. Risks can be identified by any means, including command self-assessments or via external, third-party risk assessments, e.g., Naval Safety Command, Naval Reactors, Naval Inspector General or Naval Audit Service. All risks posing a threat to mission accomplishment must be identified, tracked, and evaluated on individual commands' risk register.

Risk registers flow information to CNO

Echelon II organizations funnel mission-critical risks (captured by subordinate commands) to the CNO's Risk and Internal Control Program Office as part of the IRM program. (See graphic above.) This process enables senior leadership to see "bottom-up" risks with potential impact. The risk registries ultimately inform the CNO, under the auspices of the IRM program, of what risks are out there, what needs to be resolved and what has been fixed or mitigated. This upward line of communication and reporting ensures all levels of command are better informed and aware of all mission-critical risks.

In addition to using a risk registry to routinely track and manage their own mission-critical risk items and those of their subordinate commands, Echelon II commands submit their consolidated risks annually to the Office of the Director, Navy Staff, RMIC Office, as directed in OPNAVINST 5200.25 series, Integrated Risk Management Program Implementation.

For more information, refer to OPNAVINST 5200.25 series, OPNAV M-5100.23 and related references.