

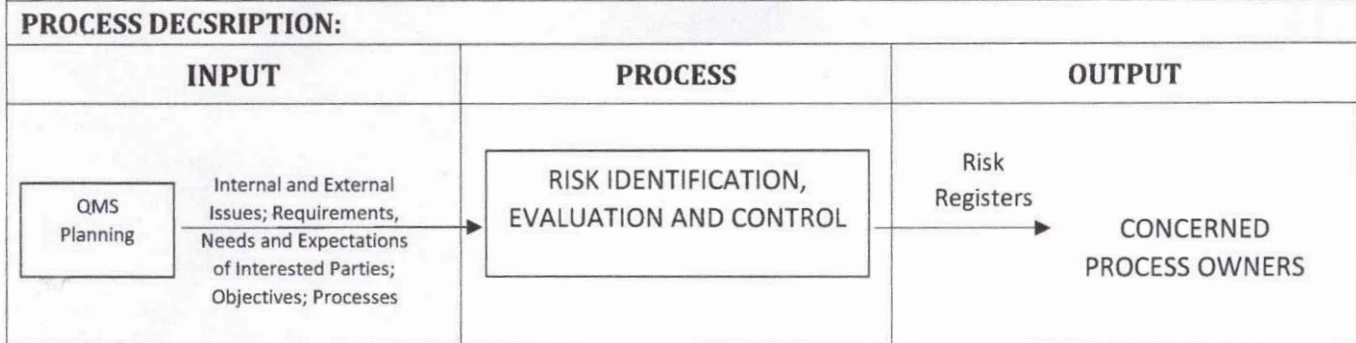


DILG REGIONAL OFFICE XII
**SYSTEM
 PROCEDURE (SP)**

Document Code
SP-R12-02

Rev. No.	Eff. Date	Page
02	07.01.20	1 of 4

PROCEDURE TITLE	RISK IDENTIFICATION, EVALUATION AND CONTROL
SCOPE	This process starts from the identification up to controlling of risks as well as opportunities relative to the DILG Region's organizational needs and expectations of its interested parties
PURPOSE	To define the process of proper, accurate and effective determination, evaluation and control of risks.



DESCRIPTIVE STATEMENT:
 This procedure starts from determining risks and opportunities considering the organization's internal and external issues, requirements of interested parties, scope of QMS and products and services. Then, a defined risk assessment criteria provides a basis for determining significant risks which require further control actions. An oversight review process ensures the reasonable accuracy and reliability of the risk assessment outputs, called Risk Registers. Further, control and opportunity plans are assessed for effectiveness prior to inclusion in existing QMS process and documents.

Step No.	Responsible Personnel	PROCESS/ACTIVITY	Details	References
1	Process Owner	Determine risks and opportunities (impact and likelihood), existing risk controls measure	<ul style="list-style-type: none"> Determine internal and external issues, both positive and negative, interested parties, objectives, processes and corresponding risks and opportunities as follows: 	<ul style="list-style-type: none"> Quality Objectives OPB/OPCR Context, Interested Parties and Opportunities Registry Form
2	Process Owner	Rate assessment	<ul style="list-style-type: none"> Calculate the risk level or risk rating by estimating likelihood and impact of the risk in relation to the issue, interested parties needs and expectations 	<ul style="list-style-type: none"> Risk Criteria Matrix Risk Register
3	Process Owner	Prepare risk control plan and opportunity management plan	<ul style="list-style-type: none"> Establish a risk control plan for significant risks and opportunity management plan for opportunities that require an action plan or project in order to pursue. <p>Notes:</p> <ol style="list-style-type: none"> Some opportunities do not require a specific set of activities in order to realize its benefits; others do require a specific project or action plan before realizing 	<ul style="list-style-type: none"> Risk Register

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DILG REGIONAL OFFICE XII
**SYSTEM
 PROCEDURE (SP)**

Document Code
SP-R12-02

Rev. No.	Eff. Date	Page
02	07.01.20	2 of 4

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			<p>the benefits. In case of risks detected as part of an opportunity pursuit, conduct also a risk assessment before proceeding.</p> <p>2. Possible management actions to address risks:</p> <p>a) Taking risk to pursue an opportunity or retatining risk by informed decision</p> <p>b) Eliminating the risk source</p> <p>c) Reducing the risk by changing either or both likelihood and/or consequence</p> <p>3. Possible management actions to pursue an opportunity</p> <p>a) Adoption of new products</p> <p>b) Launching new products</p> <p>c) Opening new markets</p> <p>d) Addressing new customers</p> <p>e) Building partnerships or joint ventures</p> <p>f) Using new technology</p> <p>g) Other desirable and viable possibilities to address the organization's or customer's needs</p>	
4	Division Chief/ Head of Office	Review the risk assessment results	<ul style="list-style-type: none"> Review the risk assessment results and the corresponding action plans to ensure appropriateness and accuracy of ratings used and adequacy of planned actions. For any comments/changes, return to process owner for appropriate action. Forward to the Regional Risk Review Committee. <p>Note: All Risk Registers must be submitted to the Regional Risk Review Committee one month before the Regional Planning activity.</p>	<ul style="list-style-type: none"> Context, Interested Parties and Opportunities Registry Form
5	Regional Risk Review Team	Conduct oversight review to confirm the risk assessment results	<ul style="list-style-type: none"> Conduct a risk review meeting to: Confirm the risk ratings determined by the concerned process owners. Ensure the adequacy of the risk control plan and 	<ul style="list-style-type: none"> Context, Interested Parties and Opportunities Registry Form

DILG XII QMS



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DILG REGIONAL OFFICE XII
**SYSTEM
 PROCEDURE (SP)**

Document Code

SP-R12-02

Rev. No.

Eff. Date

Page

02

07.01.20

3 of 4

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			<ul style="list-style-type: none"> opportunity management plans. Return to concerned office for appropriate action. 	
6	Process Owner/Division Chief	Finalize the Risk Register	<ul style="list-style-type: none"> Finalize the risk register and the Opportunity Management Plan (OMP) considering inputs from the Risk Review Team. Secure signature of the Risk Review Team Leader and the recommendation for approval by the Regional Quality Management Representative. 	<ul style="list-style-type: none"> Context, Interested Parties and Opportunities Registry Form
7	Regional Director	Approve the Risk Register	<ul style="list-style-type: none"> Approve the Risk Register and/or the Opportunity Management Plan 	<ul style="list-style-type: none"> Context, Interested Parties and Opportunities Registry Form
8	Concerned Personnel	Monitor the risk and opportunity	<ul style="list-style-type: none"> Implement the risk control plan and the opportunity management plan. Monitor results of the implementation based on the performance as often as necessary. 	<ul style="list-style-type: none"> Context, Interested Parties and Opportunities Registry Form
9	Process Owner	Calibration	<ul style="list-style-type: none"> One month after full implementation of the risk control plan, re-assess the risk to confirm effectiveness of the actions taken and verify whether or not risk controls are effective. If risk remain significant provide additional risk control action plan. Revise the Risk Registers as necessary. 	<ul style="list-style-type: none"> Context, Interested Parties and Opportunities Registry Form
10	Concerned personnel	Integrate effective risk controls to the respective process and documents	<ul style="list-style-type: none"> Integrate effective risk controls into the respective QMS processes and documents, such as planning, policies and procedures, forms, and other QMS processes and documents. Revise/update the affected QMS document, as necessary, in accordance with the Control of Maintained Documented Information Procedure 	<ul style="list-style-type: none"> Affected QMS Document Control of Maintained Documented Information Procedure
11	Designated Custodian	Maintain Records	<ul style="list-style-type: none"> Maintain records in accordance with the Control of Retained Documented Information Procedure and Master List of Records. 	<ul style="list-style-type: none"> Control of Retained Documented Information Procedure Master List of Records

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DILG REGIONAL OFFICE XII
**SYSTEM
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Document Code
SP-R12-02

Rev. No.	Eff. Date	Page
02	07.01.20	4 of 4

Definition of Terms:

Risk – effect of uncertainty

Risk Register – a documented information summarizing the results of the risk assessment

Risk assessment – process of estimating the magnitude of the effect of risk using a defined risk criteria to determine whether or not the risk is significant

Risk criteria – terms of reference against which risk is assessed by estimating its impact (severity or benefit) and likelihood of occurrence.

Risk rating – the magnitude of risk considering the impact of the effect and its likelihood

Impact – the severity (negative effect) or benefit (positive effect) of risk

Severity - the seriousness of the harm, impact or consequence of the risk

Likelihood – the probability of occurrence of the effect of risk

Existing Risk Control Measures - modify the severity of consequence, likelihood or detection of risk

Opportunity – a positive effect of uncertainty which may or may not require specific actions in order to pursue or realize; also refers to **benefits** or gains realized from the positive effect of risk

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