

OPERATIONAL RISK MANAGEMENT (ORM) ASSESSMENT
(OPNAVINST 3500.39B FIVE-STEP PROCESS)

Command/Department:

Work Process/Assessable Unit Title:

Step 1. Identify Hazards:	<u>Yes</u>	<u>No</u>	<u>N/A</u>
a. Has a flowchart been completed identifying major steps of the work process?	[]	[]	[]
b. Have applicable hazards of each step with possible causes for those hazards been documented? If yes, attach copy (format on page 3). If no, comment on page 2.	[]	[]	[]
c. <u>Are internal controls/safeguards in place for Personal Identifiable Information (PII)?</u>	[]	[]	[]

Step 2. Assess Hazards. Each hazard identified in Step 1 will be assigned a “Hazard Severity Category,” “Mishap Probability Rating,” and a “Risk Assessment Code (RAC).” The below matrices are a guide for assessing hazards.

- | | | | |
|---|-----|-----|-----|
| a. Has each hazard been assigned a Hazard Severity Category? | [] | [] | [] |
| b. Has each hazard been assigned a Mishap Probability Rating? | [] | [] | [] |
| c. Has each hazard been assigned a RAC? | [] | [] | [] |

Hazard Severity Category Matrix:

- I (death, loss, or grave damage)
- II (severe injury, damage, or inefficiencies)
- III (minor injuries, damage, or inefficiencies)
- IV (minimal threat to personnel and property)

Mishap Probability Sub-Category Matrix:

- A (likely to occur immediately)
- B (probably will occur in time)
- C (may occur in time)
- D (unlikely to occur)

Hazard Severity

Mishap Probability Rating

	A	B	C	D
I	1	1	2	3
II	1	2	3	4
III	2	3	4	5
IV	3	4	5	5

Risk Assessment Code

- 1 = Critical
- 2 = Serious
- 3 = Moderate
- 4 = Minor
- 5 = Negligible

(Note: Hazard Severity + Mishap Probability Rating = Risk Assessment Code)

Step 3. Risk Decisions:

- | | | | |
|--|-----|-----|-----|
| a. Have risks been prioritized and internal controls selected to reduce process risks? | [] | [] | [] |
| b. Do selected internal controls provide benefits that outweigh risks? | [] | [] | [] |
| c. If risk outweighs benefit, does the process warrant reporting to higher authority as a material weakness? Discuss issues on page 2. | [] | [] | [] |

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Step 4. Internal Control Implementation (more than one type internal control may apply):	<u>Yes</u>	<u>No</u>	<u>N/A</u>
a. Have "Engineering Controls" been implemented that reduce risks by design, material selection, or substitution when technically or economically feasible?	[]	[]	[]
b. Have "administrative controls" been implemented that reduce risks through specific administrative actions, such as:			
(1) Providing suitable warnings, markings, placards, signs, and notices?	[]	[]	[]
(2) Establishing written policies, programs, instructions, and standard operating procedures?	[]	[]	[]
(3) Training personnel to recognize hazards and take appropriate precautionary measures?	[]	[]	[]
(4) Limiting the exposure to a hazard (either by reducing the number of personnel/assets or the length of time they are exposed)?	[]	[]	[]
c. Is there use of "personal protective equipment" (serves as a barrier between personnel and a hazard and should be used when other controls do not reduce the hazard to an acceptable level)?	[]	[]	[]
Step 5. Supervision. Is there periodic supervisory oversight of internal controls for the work process?	[]	[]	[]

ORM Assessment conducted by: _____ Date: _____

ORM Assessment reviewed by: _____ Date: _____
 (Department Head)

ORM Assessment conducted by: _____ Date: _____

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 (Department Head)

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ORM Assessment reviewed by: _____ Date: _____
 (Department Head)

(Additional signature blocks are provided to permit signatures in subsequent years.)

Issues/Comments

Actions (Include estimated completion dates.)

**OPERATIONAL RISK MANAGEMENT (ORM) ASSESSMENT
WORK PROCESS HAZARDS****Command/Department:****Work Process/Assessable Unit Title:**

Document applicable risks and causes on the above work process. List hazards in order of severity. Refer to page 1 of ORM Assessment form for matrices to determine Hazard Severity Category, Mishap Probability Sub-Category, and Risk Assessment Code (RAC).

1. Hazard:

a. Cause:

b. Hazard Severity Category:

c. Mishap Probability Sub-Category:

d. RAC:

2. Hazard:

a. Cause:
b. Hazard Severity Category:
c. Mishap Probability Sub-Category:
d. RAC:
3. Hazard:
a. Cause:
b. Hazard Severity Category:
c. Mishap Probability Sub-Category:
d. RAC: