

**DEPARTMENT OF HOMELAND SECURITY  
FEDERAL LAW ENFORCEMENT TRAINING CENTERS**

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<b>FLETC DIRECTIVE NO:</b>	007-01
<b>DIRECTIVE TITLE:</b>	Integrated Risk Management
<b>EFFECTIVE DATE:</b>	October 06, 2022

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**I. POLICY:** The Federal Law Enforcement Training Centers (FLETC) use an integrated risk management process to understand, manage, and communicate risk from an organization-wide perspective.

**II. SCOPE:** This Directive applies to all FLETC Directorates.

**III. REFERENCES:**

**A.** Department of Homeland Security (DHS) Management Directive 007-03, *Integrated Risk Management*, dated March 2011.

**B.** DHS Risk Management Fundamentals, *Homeland Security Risk Management Doctrine*, dated April 2011.

**C.** DHS Lexicon, 2016 Edition.

**D.** *Federal Enterprise Risk Management Playbook*, dated July 2016.


**E.** *PARM Risk Management Training Aide for Acquisition Programs*, dated October 2018.

**IV. CANCELLATIONS:** This Directive supersedes FLETC Directive 007-01, *Integrated Risk Management System*, dated July 18, 2018.

**V. ADDITIONAL GUIDANCE:** FLETC Manual 007-01, *Integrated Risk Management System*.

**VI. OFFICE OF PRIMARY INTEREST:** Business Transformation and Acquisition Office, Business Analysis Office, Director's Office.

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**FLETC MANUAL 007-01**

**Integrated Risk Management**

Supporting Publication to FLETC Directive 007-01  
Integrated Risk Management

SIGNATURE PAGE

FLETC Manual 007-01, Integrated Risk Management

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**FLETC MANUAL 007-01**

**Integrated Risk Management**

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**I. INTRODUCTION:** This manual establishes responsibilities and procedures for implementing an Integrated Risk Management (IRM) process at the Federal Law Enforcement Training Centers (FLETC).

**II. SCOPE:** This manual applies to all FLETC Directorates.

**III. SOFTWARE:** Risk Assessment and Management Program (RAMP) Microsoft Power Apps application.

**IV. DEFINITIONS:**

**A. Alternatives Development** systematically examines risks to develop a range of options and characterize their anticipated effects for decision-makers.

**B. Compliance Risk** can cause a failure to comply with applicable laws and regulations and failure to detect and report activities that are not compliant with statutory, regulatory, or organizational requirements.

**C. Financial Risk** can cause a negative financial impact, waste, or loss of assets.

**D. Impact** is an event's positive or negative impact on the organization's goals and objectives.

**E. Integrated Risk Management (IRM)** is the structured, objective-level risk management approach that enables the distribution and employment of shared risk information and analysis and synchronizing independent yet complementary risk management strategies. IRM differs from strategic risk management in that it focuses upon managing directorate initiative risks (as opposed to strategic, enterprise-wide risks). IRM nonetheless works to unify risk management efforts across the enterprise.

**F. Legal Risk** is associated with legal or regulatory actions and the agency's capacity to consummate important transactions, enforce contractual agreements, or meet compliance and ethical requirements.

**G. Likelihood** is the chance of something happening, whether defined, measured, or estimated objectively or subjectively, or in terms of general descriptors (remote, unlikely, possible, likely, or expected), frequencies, or probabilities.

**H. Operational Risk** can cause direct or indirect loss or other adverse effects to the directorate due to inadequate or failed internal processes or external events that impair operations.

**I. Reputational Risk** can cause damage to the agency's stature, credibility, or effectiveness through a failure to manage external events and media; or failure to fulfill FLETC's role (whether accurate or perceived).

**J. Reporting Risk** is associated with the accuracy and timeliness of information needed within the organization to support internal or external decision-making and performance evaluation to meet standards, regulations, and stakeholder expectations.

**K. Risk Acceptance** is an explicit or implicit decision not to take any action that would affect all or part of a particular risk.

**L. Risk Assessment** is a product or process that evaluates information based on a set of criteria and assigns values to risks for the purpose of informing priorities, developing or comparing courses of action, and informing decision making.

**M. Risk Assessment and Management Program (RAMP)** is the MS Power Apps software application FLETC utilizes to identify, document, manage and report upon risks.

**N. Risk Assessment Score** is a risk metric used in comparatively prioritizing risk management choices. The risk assessment score assigns risk weighting based upon the impact of a potential outcome (positive/negative) multiplied by the probability of its occurrence.

**O. Risk Avoidance** is the strategies or measures taken that effectively remove risk exposure.

**P. Risk Management** is the process of identifying, analyzing, and communicating risk and accepting, avoiding, transferring, or mitigating it to an acceptable level considering associated costs and benefits of any actions taken.

**Q. Risk Management Plan (RMP)** is a document that identifies risks and specifies the actions chosen to manage those risks.

**R. Risk Mitigation** is the application of measures to reduce the likelihood of an unwanted occurrence or its consequences.

**S. Risk Register** is a central repository used to manage, track, and record risk management actions.

**T. Risk Response** is the strategy for managing (or responding to) a given risk; to include avoidance, mitigation, transfer, or acceptance.

**U. Risk Transfer** is an action taken to manage risk that shifts some or all of the risk to another entity, asset, system, network, or geographic area.

## **V. RESPONSIBILITIES:**

**A. FLETC Director.** The FLETC Director is responsible for incorporating functionally appropriate risk management methods and practices, including Department of Homeland Security (DHS) risk management doctrine, into relevant FLETC business practices, including acquisition, administration, security, human capital, information technology, budget formulation, and finance.

**B. FLETC Deputy Director.** The FLETC Deputy Director is the organization's lead executive for risk management and is responsible for integrating risk management into organization practices and supporting the DHS's risk policy.

**1.** Advises FLETC leadership regarding presenting risks to the Director during the Quarterly Execution Review (QER).

**2.** Guides the development of a shared vision, definition, and strategy for managing risks.

**3.** Promotes actions that improve results, enhance efficiency, manage risks, and reduce waste.

4. Provides direction on various risk management and data analysis efforts, including risk assessments, risk training, and the development of risk management strategies across FLETC.

**C. IRM Program Lead.** The IRM Program Lead oversees the implementation and maintenance of FLETC's IRM Program. The IRM Program Lead advises FLETC on risk management, analysis, and decision-making support. Additionally, the IRM Program Lead is responsible for coordinating FLETC's risk management efforts, responding to DHS data calls on risk management, and facilitating FLETC's IRM process.

1. Implements FLETC's approved IRM framework and strategy.
2. Oversees development of improved methodologies for identifying, quantifying, and reporting risks.
3. Provides advice and guidance to directorates on submitted risks assessment results, alternatives development, response plans, escalated risks, and QER reporting.
4. Monitors and evaluates the performance of the IRM process.

**D. IRM Risk Practitioner.** The IRM Risk Practitioner serves as a subject matter expert on a range of risk management matters and aids in identifying and advising directorates on risk management efforts, including research, analysis, methods, and procedures.

1. Works collaboratively with the directorates' Senior Policy & Project Analysts and Senior Program Analysts (SPPAs/SPAs) and risk owners to identify and assess risk, alternatives development, and risk management plans.
2. Develops and maintains the Risk Assessment Management Program (RAMP) MS Power App application for data management, communication, and escalation.
3. Monitors and analyzes quantitative and qualitative data to identify organizational trends.
4. Reviews risk records for completeness, accuracy, and adherence to documentation guidelines.
5. Establishes and maintains a FLETC risk register.

**E. FLETC Directorates.** FLETC Directorates are responsible for incorporating risk management methods and processes into operational practices. Directorates will identify and manage risks to their defined initiatives.

**F. Directorate/Office Head.** The Directorate/Office Head ensures entry of all directorate risks into RAMP, receives updates, and presents and communicates the status of risk and risk management plans during FLETC QER.

1. Reviews and directs changes to risk status and risk management plan(s).
2. Approves implementation of the risk management plan(s).
3. Briefs high-priority risks and newly identified risks during the QER.

**G. Senior Policy & Project Analyst (SPPA)/Senior Policy Analyst (SPA).** The SPPA/SPA submits identified risks into RAMP and updates risk data as needed.

1. Submits risks on behalf of the Directorate/Office Head.
2. Accurately describes risk, likelihood, and impact; and enters risk data in RAMP.
3. Assigns risk owners for identified risks.
4. Assists/collaborates with assigned risk owner(s) in alternative development and development of risk management plans as needed. Reviews and approves risk management plans prior to submission to the Directorate/Office Head.
5. Assists/collaborates with assigned risk owner(s) in development of QER risk updates as needed. Reviews and approves QER updates prior to submission to the Directorate/Office Head.

**H. Risk Owner.** The risk owner is assigned by the SPPA/SPA and is responsible for alternative development and developing and implementing a risk management plan for the assigned risk.

1. Develops and enters risk management plan(s) into RAMP.
2. Implements the approved risk management plan(s).
3. Monitors the risk management plan(s) and response(s) for effectiveness.
4. Enters status updates or changes to the risk management plan(s) into RAMP as appropriate. At a minimum, status updates or changes shall be completed quarterly prior to each QER and approved by the SPPA/SPA.
5. Communicates updates to directorate leadership.

**VI. PROCEDURES:** The FLETC IRM incorporates a five-stage risk management process: Plan, Identify, Analyze, Respond, and Monitor & Communicate. Except for the plan, risk owners perform all activities continuously and systematically throughout the risk's life cycle.

**A. Plan.** The purpose of risk planning is to create and implement an organizational risk management process. The IRM Program is FLETC's plan for the risk management process.

**B. Identify.** The purpose of risk identification is to generate a comprehensive list of risks based on those events that might create, enhance, prevent, degrade, accelerate, or delay the achievement of objectives. Identification of risks increases risk awareness and allows directorates to generate effective responses to manage identified risks.

Those most knowledgeable about specific functions and operations should be the primary source for risk identification related to those functions and processes. Additionally, the IRM Program can assist in the risk management process.

1. Considerations for identifying risk include:
  - a. the ability to achieve goals or essential functions.
  - b. threats or weaknesses.
  - c. activity performance.
2. The SPPA/SPA will create an entry for each identified directorate risk in RAMP to include a detailed description of the risk and a risk assessment.



**C. Analyze.** Risk analysis estimates each risk’s likelihood, impact, and the resulting risk priority level. The risk priority level helps provide a basis for determining the approach required to manage and respond to the risk effectively.

**1. Analyzing and Assessing Identified Risks.** Examine risks considering both the likelihood of the risk and the impact on the mission to help prioritize risk response. FLETC will use the following processes to analyze and assess identified risks:

**a. Determine Likelihood.** The likelihood assessment gauges the probability that a specific event will occur.

LIKELIHOOD	Remote (0-10%)	Unlikely (10-35%)	Possible (35-60%)	Likely (60-90%)	Expected (90-100%)
	1	2	3	4	5
<b>Description</b>	The event may only occur in exceptional circumstances	The event could occur at some point in time	The event is as likely to occur as not occur	The event will probably occur in most circumstances	The event is expected to occur in most circumstances

**b. Determine Impact.** The SPPA/SPA should evaluate each risk in terms of impact to the directorate should the risk be realized. The risk owner measures risk impact as a deviation against directorate operational efficiency (operations, resources, schedule, performance, etc.).

IMPACT	Insignificant	Minor	Moderate	Significant	Severe
Area	1	2	3	4	5
<b>Operations</b>	Insignificant impact on operations; issue(s) quickly resolved	Minor and brief impact on non-critical operations	Minor and brief impact on core functions or critical operations	Significant impact on core functions or critical operations	Severe, irrecoverable impact on core functions or critical operations
<b>Resources</b>	Impact can be managed through routine activities	Impact requires additional effort & redirection of resources to respond	Impact requires management & resources from a key area to respond	Impact requires significant long-term management & resources to respond	Impact cannot be managed within the directorate with existing resources
<b>Schedule</b>	Minimal or no impact	Minor schedule slips but recoverable. Able to meet key dates	Recovery is not probable. May slightly impact upcoming delivery	Program critical path affected. Upcoming delivery impacted.	Cannot achieve key milestones. Subsequent schedule significantly impacted

<b>Performance</b>	Minimal or no impact	Minor shortfall to performance; all requirements still met	Mission still met with acceptable workarounds	Significant shortfall to performance; eliminates all margin; mission success questionable	Severe shortfall to performance; critical system requirements not achieved; success unattainable
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c. Determine the Risk Score. RAMP calculates the risk score by multiplying the likelihood score by the impact score (impact x likelihood = risk score).

HIGH Priority	15-25	
MEDIUM Priority	7-14	
LOW Priority	1-6	

1) Risk scores between **15-25** are considered High Priority. The Directorate/Office Head will confirm the risk score and brief in detail during QER.

2) Risk scores between **7-14** are considered Medium Priority and managed by directorate leadership and briefed in detail during QER at the Directorate/Office Head's discretion.

3) Risk scores between **1-6** are considered Low Priority and managed by the risk owner.

**D. Respond.** Develop and implement a risk management plan. The effective handling of risk responses appropriately reduces adverse impacts on the achievement of goals and objectives. After being assigned the risk, the risk owner will develop and evaluate risk management alternatives and develop a strategy to manage the risk by assessing the four risk response options (shown in the table below). The selected strategy should specify what to do, when to do it, who is responsible, the resulting cost, schedule impact, performance impact, and resources required to implement the risk response. The SPPA/SPA will present the selected strategy to the Directorate/Office Head for approval.

<b>Avoidance</b>	Action is taken to remove exposure to risk
<b>Transfer</b>	Action is taken to manage the risk that shifts some or all the risk to another entity, asset, system, network, or geographic level
<b>Acceptance</b>	A decision not to take any action that would affect all or part of a risk
<b>Mitigation</b>	Action is taken to reduce either the likelihood or impact of a risk occurrence

**E. Monitor and communicate.**

1. Monitor Risk. The risk owner will monitor both the risk and the risk management plan for each assigned risk. After implementing the risk management plan, risk owners and Directorates must monitor the risk to determine the effectiveness of the selected risk

response. Monitoring includes evaluating how risks are changing, if the risk response is successful, or if the risk response requires additional action or resources. The risk owner will monitor the risk until it is retired. At a minimum, the risk owner will monitor the following risk status elements:

- a.** Changes to the risk impact or likelihood; particularly as related to evolving risk priority.
- b.** Risk management plan triggers that indicate the need to execute the risk response.
- c.** Risk is realized.
- d.** Risk is retired.

**2. Communicate Risk.** Risk owners will communicate the risk status and the implemented risk management plan to the directorate leadership and will enter an updated status into RAMP. Risk owners will update risk data quarterly. SPAs/SPPAs will review and approve QER updates prior to submission to the Directorate/Office Head. Directorate leadership will brief high-priority or emerging high-priority risks in detail during the QER. Directorates may manage all other risks internally.