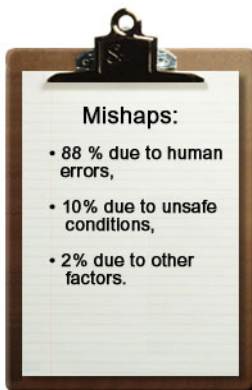


Operational Risk Management Terms 14-4.01-K

KNOW the meanings of the following operational Risk Management (ORM) terms, as presented in the E-PME Study Guide.

Introduction



One of the Coast Guard's specific goals is to minimize personnel loss and property damage due to mishaps. With new weapon systems being added to Coast Guard inventory, deployments that stretch resources, and the constant addition of new technology, safety problems arise that must be addressed. To assist commanders in meeting this challenge, the Coast Guard established the Mishap Prevention Program.

A mishap is an unplanned or unsought event or series of events that may result in death, injury, or occupational illness to Coast Guard and non-Coast Guard personnel as a result of a Coast Guard operation. Included is damage to or loss of Coast Guard equipment or property.

Mishap records show that approximately 88 percent of all mishaps are due to the unsafe acts of people, while 10 percent are due to unsafe conditions not identified or corrected by people. Thus, 98 percent of all mishaps in the Coast Guard are attributed to unsafe acts and conditions caused by human beings. These mishaps are preventable.

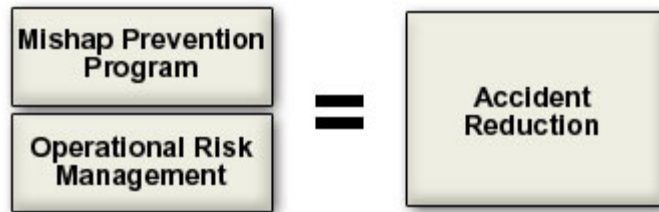
Expertise in the fields of safety, first aid, survival, and disaster preparedness is critical to the success of Coast Guard members.

***Introduction
(continued)***

The main goal of most preventive measures is to ensure Coast Guard personnel understand that mishaps can be controlled and that they play a vital role in our preventive effort.

The Mishap Prevention Program coupled with the tools of Operational Risk Management (ORM) are designed to eliminate unsafe acts by people, as well as reduce or eliminate unsafe mechanical or physical conditions. Within the Coast Guard, while managers are directly responsible for safety, supervisors are the key persons in the mishap prevention process.

From a mission readiness standpoint, as well as for health, economic, and morale reasons, mishap prevention is good sense. With force reduction and shrinking budgetary dollars, the Coast Guard cannot afford any loss of precious resources to mishaps.



***Operational Risk
Management
Terms***

Safety is defined as the identification and control of risk.

Risk management is an effective process by which we can maintain an acceptable level of safety during missions. You need to be familiar with the following risk management terminology:

- Operational Risk Management
 - Risk
 - Severity
 - Probability
 - Exposure
 - Mishap
 - Hazard
 - Risk Assessment
 - Risk Rating Scale
-

Operational Risk Management

Operational Risk Management (ORM) is a continuous, systematic process of identifying and controlling risks in all activities according to a set of pre-conceived parameters by applying appropriate management policies and procedures.

This process includes detecting hazards, assessing risks, and implementing and monitoring risk controls to support effective, risk-based decision-making.

Risk

Risk is the chance of personal injury or property damage or loss, determined by combining the results of individual evaluations of specific elements that contribute to the majority of risk concerns.

Risk generally is a function of severity and probability. The models in this chapter, however, single out *exposure* as a third risk factor.

Severity

Severity is an event's potential consequences in terms of degree of damage, injury, or impact on a mission.

Probability

Probability is the likelihood an individual event will occur.

Exposure

Exposure incorporates the following factors involved in a given event:

- Amount of time
- Number of cycles
- Number of people involved and/or
- Amount of equipment

These factors are expressed in time, proximity, volume, or repetition.

Mishap

Mishap is an unplanned single or series of events causing death, injury, occupational illness, or damage to or loss of equipment or property.

Hazard

Hazard is any real or potential condition that can endanger a mission; cause personal injury, illness, or death; or damage equipment or property.

Risk Assessment

Risk Assessment is the systematic process of evaluating various risk levels for specific hazards identified with a particular task or operation.

Various models are available to complete this step in the ORM process.

Risk Rating Scale

The Risk Rating Scale is a scale of specific risk degrees, determined during the ORM risk assessment step.

Various Coast Guard communities and activities should use the safety industry's standard terms low, medium, and high when discussing risk across program lines. However, each community will define low, medium, and high risk in terms meaningful to its own personnel.
