


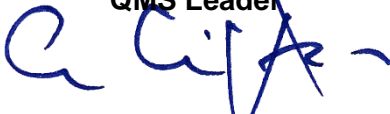
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		Rev.: <b>0</b>	Issue Date: <b>June 30, 2022</b>
Subject: <b>Risk and Opportunity Management Procedure</b>			
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### 1. PURPOSE

This procedure intends to define the controls needed to enable risks to be identified, assessed, mitigated, reported and reviewed. In addition, it identifies other key activities needed for an effective risk management approach.


### 2. EXPECTED OUTPUTS

By implementing the controls defined in this procedure, the following specific outputs are expected:

- 2.1. Risk management plan that includes risk identification, qualitative and quantitative risk analysis, plan risk response and monitoring and control of risks;
- 2.2. Appropriate controls are determined and integrated into the processes of the organization leading to fulfillment of the expected outputs; and,
- 2.3. Controls to ensure achievement of the set objectives / organizational outcomes / success indicators are established.
- 2.4. Controls that are determined to address the risks and opportunities are timely and consistently implemented.
- 2.5. Results of the evaluation of the effectiveness of the actions to address risks and opportunities are reported timely to the top management.
- 2.6. Risk Management performance indicators are timely reported to the top management.

### 3. SCOPE


The controls specified in this procedure apply to the risks and opportunities determined during strategic planning, operational planning, and activities of NLP.

	<b>NATIONAL LIBRARY OF THE PHILIPPINES</b>	<i>Document Code:</i> <b>NLP.QMS.QP.009</b>	
		<i>Rev.:</i> <b>0</b>	<i>Issue Date:</i> <b>June 30, 2022</b>
<i>Subject:</i> <b>Risk and Opportunity Management Procedure</b>			

This procedure covers the activities from risk management processes from context setting, risk assessment, risk treatment, monitoring and review, recording and reporting.

#### 4. DEFINITION

Control	Measure that maintains and / or modifies risk. (ISO 31000:2018)
Formal mandates	Refer to laws, rules, and administrative issuances that empower the NLP to perform a positive act or obligates the organization with a duty to perform.
Informal mandates	Refer to those duties and obligations arising from contractual or other sources not from legislation or acts of the executive. These include agreements with international organizations (except for treaties which are ratified by the Senate), and professional organizations. These may also include reports generated from surveys, discussions and dialogues, or research on the preferences of clientele. Informal mandates also include demands and expectations of stakeholders.
Likelihood	Chance of something happening. (ISO 31000:2018)
Opportunity	Combination of circumstances expected to be favorable to objectives (ISO 31010:2019)
Output	Result of a process (ISO 9000:2015)
Quality Objective (Planned Results)	Objective related to quality (ISO 9000:2015)
Risk	Effect of uncertainty on objectives (ISO 31000:2018)
Risk Management	Coordinated activities to direct and control an organization with regard to risk (ISO 31000:2018)
Risk Source	Element which alone or in combination has the potential to give rise to risk (ISO 31000:2018)
ROAAP	Stands for Risks/Opportunities Assessment and Actions Planning, is a risk based thinking tools used in Operational Planning.
Strategy	Plan to achieve a long-term or overall objective (ISO 9000:2015)
Stakeholder	May also be referred to as an “interested party”. Person or organization that can affect, be affected by, or perceive themselves to be affected by a decision or activity. (ISO 31000:2018)

	<b>NATIONAL LIBRARY OF THE PHILIPPINES</b>	<i>Document Code:</i> <b>NLP.QMS.QP.009</b>	
		<i>Rev.:</i> <b>0</b>	<i>Issue Date:</i> <b>June 30, 2022</b>
<i>Subject:</i> <b>Risk and Opportunity Management Procedure</b>			

## 5. RESPONSIBILITIES

Top Management	Ensures that risk management is integrated into all organizational activities and appropriate resources are allocated; establishes and communicates a policy that advocates a risk management approach and its value; assigns authority, responsibility and accountability at appropriate levels within the organization; and reviews the results of the evaluation of the following: performance of the RM Framework against its purpose, implementation plans, and indicators; and, effectiveness of the actions taken to address the risks.
Risk Management Leader	Ensures that the Risk Management (RM) Framework (as specified by ISO 31000) is customized against the organization's QMS and remains appropriate to the context of the organization and that systems to manage risks are implemented and operating effectively; monitors and evaluates the performance of the RM Framework Implementation Plan; promotes systematic monitoring of risks associated with the organization's processes and Reports to the Top Management the results of the evaluation of the performance of the RM Framework.
Risk Management Secretariat	Plans and coordinates effective deployment and efficient use of human, financial, and other physical resources for implementing risk management; Provides administrative support to successfully implement the RM Framework; Ensures that documented information relevant to risk management is maintained and retained; Facilitates the delivery of specific outputs in-line with the training and workshops on Strengthening Risk Management for the organization; Assist the RM Leader in updating the RM Framework Implementation Plan; Consolidate outputs expected from the RM Champions; and Prepare minutes of the meetings.
Risk Management Champions (Process Owners)	Ensures that risks are adequately considered when setting their functional objectives; Ensures that information about the risks associated with their processes and their management is properly communicated; Monitors their areas of responsibility to ensure that risks are identified and managed; Carries out risk identification, analysis, evaluation and determines appropriate actions to control the risks;



**NATIONAL LIBRARY OF THE PHILIPPINES**

Document Code:  
**NLP.QMS.QP.009**

Rev.:  
**0**

Issue Date:  
**June 30, 2022**

Subject:  
**Risk and Opportunity Management Procedure**


	Implements the actions to control risks; Complies with risk management policy, framework and procedures; and, Regularly reviews and revises division procedures based on the results of the evaluation of the effectiveness of the recommended additional controls whenever necessary.
Internal Auditors	Evaluates the effectiveness of the controls established by the RM Champions to address the risks associated with their processes; and, Reports to the Top Management the results of the evaluation of the effectiveness of the controls to address risks.
Performance Management Team (PMT)	Maintains the Recommended Additional Control (RAC) to keep track of the completion of the RACs; reviews Performance Indicators as to the Rate of Completion of the RACs and Reports during the Management Committee Meeting the status of RACs.

**6. PROCEDURE OUTLINE**

<b>Responsible</b>	<b>Activity</b>	<b>Documents</b>
Top Management / RM Champions (Process Owners) / RMT	Managing Risks at the Strategic Level (See Section 7.1)	Strategic Plan
Top Management / RM Champions (Process Owners) / RMT	Managing Risks at Operational Level (See Section 7.2)	Operational Plan ROAAP CAR RACs
Process Owners	Filling out the ROAAP (See Section 7.3)	ROAAP

**7. PROCEDURE DETAILS**

**7.1. Managing Risks at the Strategic Level**

	<b>NATIONAL LIBRARY OF THE PHILIPPINES</b>	Document Code: <b>NLP.QMS.QP.009</b>	
		Rev.: <b>0</b>	Issue Date: <b>June 30, 2022</b>
Subject: <b>Risk and Opportunity Management Procedure</b>			

### 7.1.1. Context Setting

7.1.1.1. Identify Internal Context using the following risk-based thinking tools.

- a. POPPOFF Components - People, Organization, Policies, Processes, Outputs, Facilities, and Finances.
- b. SWOC - Strengths, Weaknesses, Opportunities, and Challenges (SWOC, *formerly known as SWOT*).

7.1.1.2. Identify External Context using the following risk-based thinking tools.

- a. Key legislation, rules, regulations, and compliance standards requirements;
- b. External stakeholder relationships, perceptions, values, needs and expectations; and,
- c. Political, economic, socio-cultural, technological, environment, and legal factors (PESTEL).

### 7.1.2. Risk Assessment

Assess risks systematically, iteratively and collaboratively by drawing on the knowledge and views of stakeholders and by using the best available information, supplemented by further enquiry as necessary.

#### 7.1.2.1. Risk Identification

- a. Identify strategic issues for each component of POPPOFF.
  1. People
  2. Organization
  3. Policies
  4. Processes
  5. Outputs
  6. Facilities
  7. Financial Resources

#### 7.1.2.2. Risk Analysis and Evaluation

- a. Use the Survive-Prosper-Do Good Classification and the Goals Approach
  1. Categorize the strategic issues identified using POPPOFF into the following:
    - Survival - Strategic issues that prevent NLP from fulfilling its mandate or performing its mission.
    - Prosper - Strategic issues that impede NLP organizational growth and development.



**NATIONAL LIBRARY OF THE PHILIPPINES**

Document Code:  
**NLP.QMS.QP.009**  
Rev.: **0** Issue Date:  
**June 30, 2022**

Subject:  
**Risk and Opportunity Management Procedure**

- Do Good - Strategic issues that precludes NLP from satisfying the expectations of stakeholders.


**7.1.3. Risk Treatment**

7.1.3.1. From the identified strategic issues, identify the Alternative Visions and Goals (AVG) to address or resolve the strategic issue.

7.1.3.2. Based on the action planning matrix, identify the following:

- Major proposal - this refers to the Project, Activity, or Program (PAP) or combination of PAPs necessary to attain the AVG;
- Action Step - these are tasks necessary to implement the Major Proposal;
- Lead OPR - this refers to the Office Primarily Responsible for doing the task; whenever applicable, the plenary may also identify the specific officer or staff involved such;
- Support OPR - this refers to the unit that is expected to assist the OPR; like the Lead OPR, whenever applicable, the plenary may also identify the specific officer or staff involved in such;
- Resources Needed - what is needed to accomplish the action step, which may be in the form of equipment, enabling documents, preliminary activities, etc.
- Expected Result - what is the output of the action step.
- Timeframe - when should the Major Proposal / Action Step be implemented, following the table:

	<b>1-2 Years</b>	<b>3-4 Years</b>	<b>5+ Years</b>
Kinds of Major Proposals to allocate in the Time Period	Proposals to address Survival Issue  Preparations for Proposals to address Prosper Issues	Proposals to address Prosper Issue  Preparations for Proposals to address Do Good Issue	Proposals to address the Do Good Issues
Inclusive Years	YYYY - YYYY	YYYY - YYYY	YYYY - onwards

	<b>NATIONAL LIBRARY OF THE PHILIPPINES</b>	<i>Document Code:</i> <b>NLP.QMS.QP.009</b>	
		<i>Rev.:</i> <b>0</b>	<i>Issue Date:</i> <b>June 30, 2022</b>
<i>Subject:</i> <b>Risk and Opportunity Management Procedure</b>			

#### 7.1.4. Risk Monitoring and Review

7.1.4.1. Employ Future Planning Initiatives or course-correction activities to adjust the strategic plan and create implementation plans. These initiatives include the following:

- a. Conduct Annual Planning to Align Implementation Plan with the Strategic Plan;
- b. Conduct Semestral Performance Review and Planning;
- c. Include Action Items of the Implementation Plan in Management Committee Meetings;
- d. Conduct Assessment and Review of Strategic Plan for Midcourse Correction (Year 3);
- e. Conduct Terminal Assessment and Review of Strategic Plan in preparation for Strategic Planning of the next planning period (End of Year 5).

#### 7.1.5. Risk Recording and Reporting

7.1.5.1. Document and report the risk management process and its outcomes to the Management Committee.

7.1.5.2. Employ the strategic plan as source of information for decision making and policy formulation.

7.1.5.3. Communicate risk management activities and outcomes across the organization through memoranda, office orders, announcements, and others.

### 7.2. Managing Risks at the Operational Level

#### 7.2.1. Context Setting

7.2.1.1. Consider the results of the SWOC, PESTEL and POPPOFF analyses employed in the strategic planning process in setting the context at the operational planning process.

7.2.1.2. Establish the internal and external issues that can affect the NLP's approach in developing and achieving the operational objectives

7.2.1.3. Determine the risks and opportunities that can affect the achievement of the operational objectives and planned results and formulate the corresponding action plans by utilizing the ROAAP.

#### 7.2.2. Risk Assessment

##### 7.2.2.1. Risk Identification

- a. Determine the Planned Results, which should be aligned with the needs and expectations of the interested parties and the NLP's quality objectives and should be consistent the process expected outputs or





**NATIONAL LIBRARY OF THE  
PHILIPPINES**

Document Code:

**NLP.QMS.QP.009**

Rev.:

**0**

Issue Date:

**June 30, 2022**

Subject:

**Risk and Opportunity Management Procedure**

the function's success indicators, major final outputs or the process objectives.

- b. Formulate the Planned Results using SMART (Specific, Measurable, Attainable, Realistic, and Time-bound) and ensure that it is verifiable with concrete evidence that can support the attainment of the planned results.
- c. Identify the risks that will hinder the achievement of Planned Results and ensure that the risks identified are not merely the opposite of the indicated Planned Results.
- d. In identifying risks, routine, non-routine and emergency situations should be considered and assessed.

**7.2.2.2. Risk Analysis**

- a. Rate the severity of the effects of the risk using the scale shown in Column 2 of Table 1: Risk Rating Table.
- b. Rate the likelihood of the occurrence of the risk using the scale in Column 3 of Table 1.
- c. Identify existing controls and assign rating as to its effectiveness using the scale indicated in Column 4 of Table 1.


**7.2.2.3. Risk Evaluation**

- a. Analyze and prioritize the nature of the risk in terms of the severity of its effect (S), the likelihood of its occurrence (L) while taking into account the degree of the effectiveness of the existing controls to establish the prioritization of the actions to further address the risk using Table 2 Combinations to Determine Action Priority (AP).
- b. Based on the identified Action Priority, assign the corresponding Action Priority, shown in Table 3 Action Priority Expectations, based on the need for actions to reduce the risk.

**7.2.3. Risk Treatment**

- 7.2.3.1. Formulate and select the risk treatment.
- 7.2.3.2. Identify opportunity is a set of circumstances which make it possible to do something.
- 7.2.3.3. Identify recommended additional control/s.
- 7.2.3.4. Assign who is responsible for the action and target date.
- 7.2.3.5. Identify action taken.
- 7.2.3.6. Re-assess as to the severity of the effects and likelihood of occurrence, control and action priority (Use Table 1, 2, and 3) following the steps indicated in Section c. Risk Evaluation.



	<b>NATIONAL LIBRARY OF THE PHILIPPINES</b>	<i>Document Code:</i> <b>NLP.QMS.QP.009</b>	
		<i>Rev.:</i> <b>0</b>	<i>Issue Date:</i> <b>June 30, 2022</b>
<i>Subject:</i> <b>Risk and Opportunity Management Procedure</b>			

#### 7.2.4. Risk Monitoring and Review

7.2.4.1. Ensure the quality and effectiveness of the process design, implementation and outcomes through the following measures.

a. Internal Quality Auditors

- Conduct internal audits at planned intervals.
- Monitor the implementation of the recommended additional controls and its effectiveness through the conduct of regular internal audits.
- Document the results of the evaluation of the effectiveness of the controls through the audit report.

b. RM Champions (Process Owners)

- Perform periodic reviews of the effectiveness of the ROAAP to ensure its relevance and to make sure that it is up to date.
- Conduct regular reviews and revisions of the organization's procedures based on the results of the evaluation of the effectiveness of the recommended additional controls whenever necessary.

c. PMT

- Monitor the implementation dates of the recommended additional controls to ensure that they are completed within the dates indicated.
- Submit reports on the monitoring results to the ManComm .


d. ManCom.

- Discuss and evaluate the reports from IQA Team and PMT as part of the agenda of Mancom meetings.

#### 7.2.5. Risk Reporting and Recording

7.2.5.1. Internal Quality Auditors

- Evaluate the effectiveness of the RACs and determine whether all the required risk reduction actions / controls have been implemented
- Upon findings of the effectiveness of RACs and before closing out the risk case, add notes to justify why additional risk reduction measures were not implemented (cost-benefit analysis) or document appropriate contingency responses should the harm or loss contemplated in the risk actually occur.
- Document negative findings on the evaluation of the effectiveness of implemented RACs in a Corrective Action Report.

	<b>NATIONAL LIBRARY OF THE PHILIPPINES</b>	<i>Document Code:</i> <b>NLP.QMS.QP.009</b>	
		<i>Rev.:</i> <b>0</b>	<i>Issue Date:</i> <b>June 30, 2022</b>
<i>Subject:</i> <b>Risk and Opportunity Management Procedure</b>			

- Submit a summary report on the results of the evaluation of the effectiveness of the implemented RACs to the Management.

#### 7.2.5.2. PMT

- Submit a summary report of the status of the RACs to the Management

### 7.3. Filling Out of the ROAAP

Risks/Opportunities Assessment and Actions Planning																
<b>1</b> Assessment Team: Rene Descartes, Isaac Newton, Albert Einstein				<b>2</b> Last Assessment Date: January 17, 2022			<b>3</b> Last Evaluation Date: April 22, 2022									
<b>4</b> Process: Instruction (Educational Organization)				<b>5</b> Process Owner: Academic Affairs Office												
<b>6</b> Interested Parties – <i>Needs and Expectations:</i> <ul style="list-style-type: none"> <li>• Learners – <i>acquire the appropriate knowledge;</i></li> <li>• Future employers – <i>graduates with basic competence</i></li> </ul>				<b>7</b> Internal and External Issues: <ul style="list-style-type: none"> <li>• (-) Ongoing pandemic</li> <li>• (+) Availability of vaccines</li> <li>• (+) Availability of online meeting platforms</li> </ul>												
IDENTIFICATION		ANALYSIS		EVALUATION		TREATMENT					MONITORING & REVIEW					
<b>8</b>	<b>9</b>	<b>10</b>		<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>15</b>	<b>16</b>	<b>17</b>	<b>18</b>		<b>19</b>		<b>20</b>	
Planned Results	Risks	S	L	Existing Controls	C	Action Priority	Opportunity	Recommended Additional Control	Resp. and Target Date	Action Taken	S	L	C	AP	Planned Result Achieved?	Planned Activity Realized?
Students are equipped with knowledge	Students might be infected by the virus resulting to absence on class	4	3	Wearing of facemask Checking of temperature Handwashing Rubbing of alcohol	3	Medium	All learners and teaching / non-teaching personnel are inoculated	Arrange with LGU to set up a vaccination boot within the school premises to inoculate teaching / non-teaching personnel  Advise parents to complete the vaccination of the learners	Alexander Fleming, School Physician, February 2022	1 <sup>st</sup> , 2 <sup>nd</sup> and booster doses of teaching / non-teaching personnel at school was held on February 24, 2022	4	2	3	M	Yes By Edward Jenner 04/22/2022	Yes By Edward Jenner 04/22/2022
	Slow or no internet connection during online classes intermittently pause teaching sessions	3	3	Teachers use secondary pre-paid WIFI	3	Medium	Availability of learning materials at home	Implement blended learning and provide printed learning modules to learners	Charles Darwin, School Director, February 2022	Pilot run of blended learning for Grade 10 learners was initiated on February 18, 2022.  Printed learning modules	3	2	3	M	Yes By Edward Jenner 04/22/2022	Yes By Edward Jenner 04/22/2022

- 1. Assessment Team.** Enter the names of the team responsible for accomplishing the Risks/Opportunities Assessment and Actions Planning form.
- 2. Last Assessment Date.** Enter the date of the most recent assessment of risks, existing controls and opportunities and actions planning.



**NATIONAL LIBRARY OF THE PHILIPPINES**

Document Code:  
**NLP.QMS.QP.009**  
Rev.: **0** Issue Date:  
**June 30, 2022**

Subject:  
**Risk and Opportunity Management Procedure**

3. **Last Evaluation Date.** Enter the most recent date when the Actions Taken are verified during an internal audit of the process. This date should be similar with the most recent date of evaluation of effectiveness by the Internal Auditors.
4. Specify the process or sub-process (i.e. management, core or support) to be analyzed.
5. Describe the function that has accountability of the process or sub-process intended results (i.e. process owner). This function should also be accountable for managing the risks (i.e. risk owner).
6. Interested parties can include the end-user, receiver of the outputs, customer, function on the next process, external provider, process owner or any entity that can affect and/or be affected by the results of the process. Needs and expectations are usually stated, generally implied or obligatory (*italicized*). The “needs and expectations” can serve as basis for identifying the “Planned Results”.
7. Also known as the context of the organization. Positive (+) issues can serve as basis for determining the opportunities. Negative (-) issues for risks.
8. The Planned Results should be aligned with the “needs and expectations”. The planned results should be consistent with the process expected outputs or the function’s MFOs or the process objectives. Results should be verifiable. Concrete evidence should support the attainment of the planned results.
9. Situation that will hinder achievement of the “Planned Results”. Risks contributes to the “opposite” of the process expected outputs (i.e. nonconforming outputs). **Refrain** from entering the opposite of the “Planned Results”. For example:

<i>Planned Results</i>	<i>Risks</i>
<i>Ontime issuance of certificates</i>	<i>Late issuance of certificates</i>

Risks can cause Nonconforming Outputs. Can be described as the manner in which the requirements of the process could be prevented from fulfillment. Thus, risks can lead to non-fulfillment of a requirement (i.e. nonconformity). Consider risks during routine, non-routine and emergency situations.

10. Severity (S) is the seriousness of the effect on the process planned results, the other processes’ expected output/s or objectives and the end-customer;

<i>Risk</i>	<i>Effect on Process (IT Mgt)</i>	<i>Effect on Other Processes (Permits Issuance)</i>	<i>Effect on Services</i>
<i>Late arrival of IT personnel</i>	<i>Server is down</i>	<i>Assessment for payments for business tax is hold</i>	<i>Delay causing tax paying customers to wait.</i>

Severity should be estimated using Table 1. Risk Rating Table (Severity of the Effect)



**NATIONAL LIBRARY OF THE PHILIPPINES**

Document Code:  
**NLP.QMS.QP.009**  
Rev.: **0** Issue Date:  
**June 30, 2022**

Subject:  
**Risk and Opportunity Management Procedure**

11. Likelihood (L) is the chance of something happening on the process planned results, the other processes' expected output/s or objectives and the end-customer;

<i>Risk</i>	<i>Likelihood of Occurrence (L)</i>
<i>Late arrival of IT personnel</i>	<i>Very likely to happen</i>

Likelihood should be estimated using Table 1. Risk Rating Table (Likelihood of Occurrence (L))

12. Existing controls are controls to prevent, mitigate, correct, contain and detect risk and/or its effect.
13. Rate the effectiveness of controls using Table 1. Risk Rating Table.
14. Risks are analyzed and prioritized by analyzing the nature of risk in terms of the severity of its effect (S), the likelihood of its occurrence (L) while taking into account the degree of the effectiveness of the existing controls (C) in order to establish the prioritization of the action to further address the risk. Action Priority is assigned based on the result of risk analysis and the effectiveness of existing controls using Table 2 Combinations to Determine Action Priority (AP) and Table 3. Action Priority (AP) Expectations.
15. Opportunity is the combination of circumstances expected to be favorable to objectives or planned results.
16. Specify Recommended Additional Control that will be implemented to address risks.
17. Assign who is Responsible for the action and Target Date
18. Specify what are the Action Taken.
19. Re-assess as to the Severity, Likelihood of Occurrence, Control and Action Priority using Table 1, 2 and 3.
20. Evaluate the Effectiveness whether the planned results were achieved and planned activities are realized.

**8. CONTROL OF NONCONFORMING OUTPUTS**

When the expected outputs are not achieved, the following measures are to be implemented:

<b>Nonconforming Output</b>	<b>Reactive Measures</b>
Practices are nonconforming, likely to cause safety or regulatory compliance issues.	Implement immediate containment action, investigate root cause(s) and apply corrective action.



**NATIONAL LIBRARY OF THE  
PHILIPPINES**

Document Code:

**NLP.QMS.QP.009**

Rev.:

**0**


Issue Date:

**June 30, 2022**

Subject:

**Risk and Opportunity Management Procedure**

Process not implemented, no resources, not documented	Implement immediate containment action, investigate root cause(s) and apply corrective action.
Poor performance/adverse trends, expected results not achieved. Current practices conform but are not documented. Process partially documented or partially implemented.	Investigate root cause(s) and implement corrective action by the next reporting period or next scheduled audit or inspection.  Identify responsible unit
Minor problems exist, otherwise conforming, minor process or product changes planned. Post audit follow up and review is required to assess new opportunities.	Review and implement actions to improve the process(s). Monitor trends/indicators to determine if improvement was achieved.
Controls that are supposed to be completed as per the target date were not accomplished.	Secure justification from the concerned function.  If the reason for not accomplishing the proposed control is justifiable (e.g. caused by factors beyond the control of the responsible function), reset the target date.  If not, issue a Corrective Action Request.
Controls to address risks and opportunities were found (during internal audit) not being consistently implemented.	If the nature of "not being consistently implemented" appears to be a nonconformity, issue a Corrective Action Request.  If there are factors causing inconsistent implementation that are beyond the control of the responsible function, reset another verification date.  Include the finding of inconsistent implementation to the report of the results of evaluation of the risk controls to obtain management decisions and actions.
Late submission of the report on the results of the evaluation of the risks controls.	Arrange a separate schedule with the top management to meet and discuss the report.

	<b>NATIONAL LIBRARY OF THE PHILIPPINES</b>	<i>Document Code:</i> <b>NLP.QMS.QP.009</b>	
		<i>Rev.:</i> <b>0</b>	<i>Issue Date:</i> <b>June 30, 2022</b>
<i>Subject:</i> <b>Risk and Opportunity Management Procedure</b>			

Late submission of the reports on the status of the RM performance indicators.	Arrange a separate schedule with the top management to meet and discuss the report.
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## 9. INTERFACES

- 9.1. NLP QMS Procedure-Internal Quality Audit (NLP-00 )
- 9.2. NLP QMS Procedure- Nonconformity and Corrective Action (NLP-00 )
- 9.3. NLP QMS Procedure- Documented Information (NLP-00 )
- 9.4. ISO 9001: 2015
- 9.5. ISO 31000:2018
- 9.6. ROAAP
- 9.7. CAR
- 9.8. RACs

Table 1. Risk Rating Table			
Rating	Severity (S) of the Effect	Likelihood of Occurrence (L)	Effectiveness of Controls (C)
1	Will cause negligible failure of achieving the process planned results where correction is not necessary. The risk will not adversely affect the other processes in the delivery of their expected outputs, MFO and objectives, including the delivery of products and services. No discernible inconvenience or annoyance from the customer.	<b>Very Unlikely – very slim or no chance at all.</b>	Risk prevention thru <b>elimination of the source of risk combined with physical/system controls and administrative controls</b> and are effectively in place. Implementation and compliance with the control requirements are high.





**NATIONAL LIBRARY OF THE  
PHILIPPINES**

Document Code:

**NLP.QMS.QP.009**

Rev.:

**0**

Issue Date:

**June 30, 2022**

Subject:

**Risk and Opportunity Management Procedure**

2	Will cause minor failure in achieving the process planned results where minor correction is optional. The risk will cause minor inconvenience on other processes to deliver their expected outputs, MFO and objectives. In exceptional cases, the risk may cause minor inconvenience in the delivery of products and services. Expression of minimal annoyance can be perceived from discriminating customers.	<b>Unlikely – may only happen in exceptional circumstances; it might happen intermittently per year, or may occur rarely when the activity or event takes place</b>	There is significant control on the risk through <b>technological/system controls (e.g. automation)</b> where risk occurrence can be reduced and should the risk occur, can be considerably mitigated and prevented from going further into the process. Personnel are aware of such controls and they are consistently applied.
3	Will cause moderate failure in achieving the process planned results that can be corrected immediately. However, the risk will cause difficulty on other processes to deliver their expected outputs, MFO and objectives. The risk will cause inconvenience in the delivery of products and services. Due to this, there are customers that manifest minor annoyance with the delivery of products and services.	<b>Likely – might happen occasionally; once a year; or may occur intermittently when the activity or event takes place</b>	There is recognizable control on the risk. These include <b>administrative controls (e.g. training, instructions)</b> where risk can be detected and minimally mitigated, but they are prone to inconsistent implementation / use of them are not comprehensive.
4	Will cause significant failure in achieving the process planned results which can be corrected at a given time. The risk will cause disruption on other processes to deliver their	<b>Most likely – will probably occur in some cases; few times a year; or may occur once when the activity or event takes place.</b>	Controls in place <b>address the effect of the risk (i.e. reactive)</b> . However, such controls do not prevent, reduce or detect the risk occurrence. There is also rampant inconsistency in implementation and use.





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Subject:  
**Risk and Opportunity Management Procedure**

	expected outputs, MFO and objectives. It will also cause unfulfilled expectations on products and services. Will surely result in customer complaints.		
5	Will surely cause complete failure in achieving the process planned results which cannot be readily corrected. Due to this, the risk will lead to failures on other processes in their delivery of the expected outputs, MFO, and objectives. The risk will cause considerable reduction of the usability of the products and services. Will lead to other serious problems such as serious customer complaints that can result in legal liabilities.	<b>Certain – Expected to occur in most cases; either occurs a few times a month, or few times each time the activity or event takes place.</b>	Control of the risk, including its effect, is <b>nonexistent or totally ineffective</b> . Personnel lack the knowledge of the risk.

S	L	C	AP
5	5	1-5	High
5	4	2-5	High
5	4	1	Medium
5	3	2-5	High
5	3	1	Medium
5	2	2-5	High
5	2	1	Medium



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5	1	4-5	High
5	1	2-3	Medium
5	1	1	Low
4	5	3-5	High
4	5	1-2	Medium
4	4	3-5	High
4	4	1-2	Medium
4	3	4-5	High
4	3	1-3	Medium
4	2	2-5	Medium
4	2	1	Low
4	1	3-5	Medium
4	1	1-2	Low
3	5	3-5	High
3	5	1-2	Medium
3	4	4-5	High
3	4	1-3	Medium
3	3	5	High
3	3	2-4	Medium
3	3	1	Low
3	2	2-5	Medium
3	2	1	Low
3	1	4-5	Medium
3	1	1-3	Low
2	5	5	High
2	5	1-4	Medium



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2	4	2-5	Medium
2	4	1	Low
2	3	2-5	Medium
2	3	1	Low
2	2	3-5	Medium
2	2	1-2	Low
2	1	5	Medium
2	1	1-4	Low
1	5	2-5	Medium
1	5	1	Low
1	4	3-5	Medium
1	4	1-2	Low
1	3	4-5	Medium
1	3	1-3	Low
1	2	5	Medium
1	2	1-4	Low
1	1	1-5	Low

This table was developed based on the approach of the latest AIAG and VDA Failure Mode and Effects Analysis (FMEA) Handbook.

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		<i>Rev.:</i> <b>0</b>	<i>Issue Date:</i> <b>June 30, 2022</b>
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<b>Table 3. Action Priority (AP) Expectations</b>	
<b>AP</b>	<b>Action Expectation</b>
<b>High</b>	The team must identify an appropriate action to improve controls to eliminate or reduce the risk. Urgent action should be taken where the risk involves activities in progress.
<b>Medium</b>	The team should identify appropriate actions to improve controls. Risk reduction measures should be implemented within a defined time period.
<b>Low</b>	The team could identify actions to improve controls. Consideration may be given to a more cost-effective solution or improvement that imposes minimal additional cost burden.