COURSE TITLE	Building Design for Homeland Security for Continuity of Operations (COOP) Train-the-Trainer				
	TIME 45 minutes				
UNIT TITLE	Risk Assessment / Risk Management				
Objectives	 Explain what constitutes risk. Provide a numerical rating for risk and justify the basis for the rating. Evaluate risk using the Risk (Threat-Vulnerability) Matrix to capture assessment information. Identify top risks for asset-threat/hazard pairs of interest that should receive measures to mitigate vulnerabilities and reduce risk. 				
SCOPE	 The following topics will be covered in this unit: Definition of risk and the various components to determine a risk rating. The FEMA 426 approach to determining risk. A rating scale and how to use it to determine a risk rating. One or more specific examples will be used to focus students on the following activity. The relationships between high risk, the need for mitigation measures, and the need to identify a Design Basis Threat and Level of Protection. Activity: Determine the risk rating for the asset-threat/hazard pairs of interest. Identify the high risk ratings for the Case Study. 				
References	 FEMA 426, Reference Manual to Mitigate Potential Terrorist Attacks Against Buildings, pages 1-35 to 1-44 FEMA 452, Risk Assessment: A How-To Guide to Mitigate Potential Terrorist Attacks Against Buildings, pages 4-1 to 4-9 Case Study – Appendix C: COOP, Cooperville Information / Business Center Student Manual, Unit V(C) (info only – not listed in SM) Unit V (C) visuals (info only – not listed in SM) 				

REQUIREMENTS	1.	FEMA 426, Reference Manual to Mitigate Potential Terrorist
-		Attacks Against Buildings (one per student)
	2.	FEMA 452, Risk Assessment: A How-To Guide to Mitigate
		Potential Terrorist Attacks Against Buildings (one per student)
	3.	Instructor Guide, Unit V (C)
	4.	Student Manual, COOP Case Study (C) (one per student)
	5.	Overhead projector or computer display unit

- 6. Unit V (C) visuals
- 7. Risk Matrix poster and box of dry-erase markers (one per team)
- 8. Chart paper, easel, and markers (one per team)

UNIT V (C) OUTLINE	Time	<u>Page</u>
V. Risk Assessment / Risk Management	45 minutes	IG V-C-1
1. Introduction and Unit Overview	5 minutes	IG V-C-5
2. Risk and Rating Approach	7 minutes	IG V-C-7
3. Selecting Mitigation Measures	5 minutes	IG V-C-10
4. Process Review/Summary/Transition	3 minutes	IG V-C-12
 5. Activity: Risk Rating (Version (C) COOP) [15 minutes for students, 10 minutes for review] 	25 minutes	IG V-C-15

PREPARING TO TEACH THIS UNIT

- **Tailoring Content to the Local Area:** This is a generic instruction unit that does not have any specific capability for linking to the Local Area.
- **Optional Activity:** There are no optional activities in this unit.
- Activity: The student activity is primarily a math exercise in multiplying the asset value, threat, and vulnerability ratings to determine the risk rating and then compare it against the risk rating scale. The top three risks should receive additional emphasis during an actual assessment to focus attention on specific vulnerabilities as an input to select mitigation measures.
- Refer students to their Student Manuals for worksheets and activities.

- Direct students to the appropriate page (Unit #) in the Student Manual.
- Instruct the students to read the activity instructions found in the Student Manual.
- Explain that the risk ratings determined by the team must be transferred to the Risk Matrix poster.
- Tell students how long they have to work on the requirements.
- While students are working, <u>all</u> instructors should closely observe the groups' process and progress. If any groups are struggling, immediately assist them by clarifying the assignment and providing as much help as is necessary for the groups to complete the requirement in the allotted time. Also, monitor each group for full participation of all members. For example, ask any student who is not fully engaged a question that requires his/her viewpoint to be presented to the group.
- At the end of the working period, reconvene the class.
- After the students have completed the assignment, "walk through" the activity with the students during the plenary session. Call on different teams to provide the answer(s) for each question. Then simply ask if anyone disagrees. If the answer is correct and no one disagrees, state that the answer is correct and move on to the next requirement. If there is disagreement, allow some discussion of rationale, provide the "school solution" and move on.
- If time is short, simply provide the "school solution" and ask for questions. Do not end the activity without ensuring that students know if their answers are correct or at least on the right track.
- Ask for and answer questions.
- <u>Editor Note</u>: Two methods have been used in Instructor Guides to ensure the slide designation and slide thumbnail in the left column aligns with the Content/Activity in the right column.
 - (1) Highlight row by placing cursor in left column until arrow shifts to right, Tab <Insert>, <Break>, <select Page Break>, <OK>
 - (2) Highlight row as in (1), right click on highlighted row for menu, <Table Properties>, Tab <Row>, remove check in box <Allow row to break across pages>
 - (3) Alternate for (2), highlight row, click on <Table> at top of screen, <Table Properties> and continue like (2)

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Unit V (C): Risk Assessment/Risk Management

INSTRUCTOR NOTES CONTENT/ACTIVITY VISUAL V-C-1 **Introduction and Unit Overview** This is Unit V Risk Assessment / Risk BUILDING DESIGN FOR HOMELAND SECURITY COOP T-t-T Management. The unit will provide a definition of risk and the various Unit V components to determine a risk rating, Risk Assessment / review various approaches to determine risk, **Risk Management** review a rating scale, and demonstrate how to use the scale to determine a risk rating. **FEMA** VISUAL V-C-2 **Unit Objectives** At the end of this unit, the students should be able to: **Unit Objectives** Explain what constitutes risk. 1. Explain what constitutes risk. Provide a numerical rating for risk and justify the basis for the rating. 2. Provide a numerical rating for risk and **Evaluate** risk using the Risk (Threat-Vulnerability) Matrix justify the basis for the rating. to capture assessment information. Identify top risks for asset-threat/hazard pairs that should 3. Evaluate risk using the Risk Matrix receive measures to mitigate vulnerabilities and reduce poster (Threat-Vulnerability Matrix) to risk capture assessment information. 😻 FEMA BUILDING DESIGN FOR HOMELAND SECURITY COOP T-I-T Unit V-C-2 4. Identify top risks for asset-threat/hazard pairs of interest that should receive measures to mitigate vulnerabilities and reduce risk.

Unit V (C): Risk Assessment/Risk Management

Risk management is the deliberate process of understanding "risk" – the likelihood that a threat will harm an asset with some severity of consequences – and

deciding on and implementing actions to reduce it.

Risk Assessments Can Help Prioritize and Target

GAO/NSIAD-98-74: Combating Terrorism - Threat and

Y COOP T-I-T Unit V-C-3

INSTRUCTOR NOTES

Risk Management

Program Investments, April 1998

VISUAL V-C-3

CONTENT/ACTIVITY

Risk Management

Risk management incorporates an understanding of the vulnerability of assets to the consequences of threats and hazards.

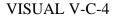
The objective is to reduce the vulnerability of assets through mitigation actions. Reducing vulnerabilities is the most straightforward approach to reducing risk.

However, <u>realize that risk reduction has two</u> <u>other components</u>, <u>albeit not applicable to</u> <u>building design</u>:

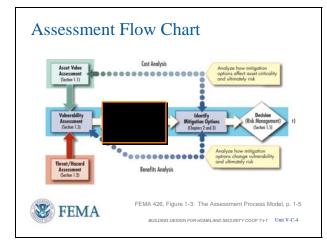
- Reduce asset value (<u>Devalue</u> the asset)
- Reduce threat (intelligence and law enforcement team to arrest terrorists before an attack can be carried out)

Assessment Flow Chart

Reviewing the Assessment Flow Chart, the determination of quantitative risk values is the next step in the risk assessment process.



FEMA



Unit V (C): Risk Assessment/Risk Management

INSTRUCTOR NOTES

CONTENT/ACTIVITY

VISUAL V-C-5

Definition of Risk

Risk is a combination of:

- The probability that an event will occur, and
- The consequences of its occurrence



VISUAL V-C-6

Quantifying Risk

Risk Assessment

Determine Asset Value

Determine Threat Rating Value

Determine Vulnerability Rating Value

Determine relative risk for each threat against each asset

Select mitigation measures that have the greatest benefit/cost for reducing risk



BUILDING DESIGN FOR HOMELAND SECURITY COOP T-I-T Unit V-C-6

Risk

Risk can be defined as the potential for a loss or damage to an asset to occur. It takes into account the **value of an asset**, the **threats or hazards** that potentially impact the asset, and the **vulnerability** of the asset to the threat or hazard.

Values can be assigned to these three components of risk to provide a risk rating.

Quantifying Risk

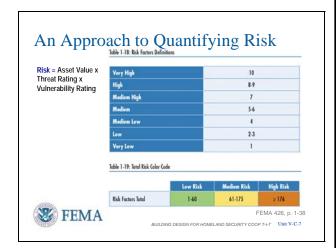
There are at least four steps or **required tasks** in the risk assessment process. A determination of the *Asset Value, Threat Rating Value, Vulnerability Rating Value,* and identifying or recommending appropriate *mitigation measures to reduce the risk.*

Determining the relative risk of threat against asset justifies the use of limited resources to reduce the greatest risk and focuses the mitigation measures needed.

Unit V (C): Risk Assessment/Risk Management

INSTRUCTOR NOTES

VISUAL V-C-7



VISUAL V-C-8

Function	Cyber attack	Armed attack (single gunman)	Vehicle bomb	CBR attack
Administration	280	140	135	90
Asset Value	5	5	5	5
Threat Rating	8	4	3	2
Vulnerability Rating	7	7	9	9
Engineering	128	160	384	144
Asset Value	8	8	8	8
Threat Rating	8	5	6	2
Vulnerability Rating	2	4	8	9

CONTENT/ACTIVITY

An Approach to Quantifying Risk

The risk assessment analyzes the threat, asset value, and vulnerability to ascertain the **level of risk** for each critical asset against each applicable threat.

An understanding of risk levels enables the owner of assets to prioritize and implement appropriate mitigation measures, paying particular attention to high consequence threats, to achieve the desired level of protection.

A simplified approach to quantifying risk is shown here. Values can be assigned to asset value/criticality, the threat or hazard, and vulnerability of the asset to the threats, and numerical scores can be determined that depict relative risk of these assets to manmade hazards. (FEMA 426 Chapter 1, FEMA 452 Steps 1, 2, 3, and 4.)

Critical Functions Matrix

This analysis completes the Critical Functions and the Critical Infrastructure Matrices that we saw in Units II, III, and IV.

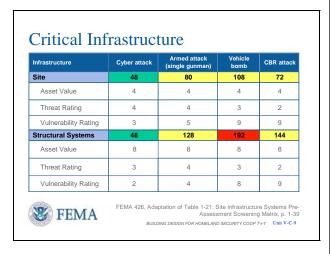
The risk formula is applied and the numeric values color coded as discussed on the previous slide. The color code helps visualize the functions and infrastructure that are vulnerable and the scale helps to identify those areas for in-depth mitigation measures analysis.

The risk ratings under the Administration and Engineering Functions are highlighted. The numeric values result in Medium and High risk ratings for the Functions assetthreat/hazard pairs.

Unit V (C): Risk Assessment/Risk Management

INSTRUCTOR NOTES

VISUAL V-C-9



VISUAL V-C-10



CONTENT/ACTIVITY

Critical Infrastructure Matrix

The risk ratings under the Site and Structural Systems are highlighted. The numeric values result in Low to Medium risk ratings for the Infrastructure asset-threat/hazard pairs, except for Structural Systems – Vehicle Bomb which has a High risk rating.

Risk Assessment Results

The process is continued for all the assetthreat/hazard pairs of interest. This is a nominal example of a completed risk table.

The risk assessment results in a prioritized list of risks (i.e., asset – threat / hazard / vulnerability combinations) that can be used to select safeguards to reduce vulnerabilities (and risk) and to achieve a certain level of protection.

As stated previously, this subjective process is best applied to small organizations with few decision makers / decision levels. This subjective risk assessment process will probably not result in hard numbers that can be compared across different assessment teams, but the relative ranking of the assetthreat/hazard pairs on each team will have great correlation if both teams have consistent perspectives. Thus, the highest and lowest identified risks may not have the same rating numbers, but the same assetthread/hazard pairs by the two teams will be close to identical. Divergence will occur if one team is concentrating on terrorism and the other team is concentrating on continuity

NSTRUCTOR NOTES	CONTENT/ACTIVITY
	of business operations.
	Large organizations require a more objective approach where the results of different assessment teams working independently can be compared by decision makers at many levels. These risk ratings will then be comparable across teams as to their numeric value, which is needed in a large organization.
	In either case, the goal is to find where the application of limited resources will have the greatest benefit to reducing risk at the least cost.
ISUAL V-C-11	Selecting Mitigation Measures
<section-header><section-header><section-header><section-header><section-header><section-header><section-header><section-header><text><text></text></text></section-header></section-header></section-header></section-header></section-header></section-header></section-header></section-header>	 In every design and renovation project, the owner ultimately has three choices when addressing the risk posed by terrorism. They can: 1. Do nothing and accept the risk (no cost). 2. Perform a risk assessment and manage the risk by installing reasonable mitigation measures (some cost). 3. <u>Harden the building against all threats to achieve the least amount of risk (but at greatest cost).</u>

Unit V (C): Risk Assessment/Risk Management

INSTRUCTOR NOTES

VISUAL V-C-12

Mitigation Measures

A mitigation measure is an action, device, or system used to reduce risk by affecting an asset, threat, or vulnerability.



VISUAL V-C-13



CONTENT/ACTIVITY

Mitigation Measures

After determining how specific threats potentially impact an asset (and occupants), the architect and building engineer can work with security and risk specialists to identify mitigation measures to reduce risk. Because it is not possible to completely eliminate risk, it is important to determine what level of protection is desirable, and the options for achieving this level through risk management.

Measures to Reduce Risk

Higher risk hazards require mitigation measures to reduce risk. Mitigation measures are conceived by the design professional and are best incorporated into the building architecture, building systems, and operational parameters, with consideration for life-cycle costs.

There are many factors that impact what mitigation measures can be implemented at low, medium, and high levels of difficulty.

In some cases, mitigation measures to enhance security may be in conflict with other design intentions, building codes, planning board master plans, etc.

Unit V (C): Risk Assessment/Risk Management

🍪 FEMA

INSTRUCTOR NOTES CONTENT/ACTIVITY VISUAL V-C-14 **Achieving Building Security** The assessment process provides concepts for integrating land use planning, landscape Achieving Building Security: architecture, site planning, and other **Planning Factors** strategies to mitigate the Design Basis Building security integrates multiple concepts Threats as identified in the risk assessment. and practices. Integrating security measures into design Objective is to achieve a balanced approach and/or maintenance of buildings presents the that combines aesthetics, enhanced security, asset owner with multiple opportunities of and use of non-structural measures. achieving a balance among many objectives such as reducing risk; facilitating proper FEMA building function; aesthetics and matching BUILDING DESIGN FOR HOMELAND SECURITY COOP T-I-T Unit V-C-14 architecture; hardening of physical structures beyond required building codes and standards; and maximizing use of nonstructural systems. [The last point tries to illustrate that the balanced approach to building security tries not to place everything into hardening the structure to deny the consequences to the terrorist's tactics. Thus, non-structural systems, especially in renovation projects, may provide a level of risk reduction comparable to structural hardening, but at a must reduced cost or at a more timely implementation.] VISUAL V-C-15 **Process Review** • Calculate the relative risk for each threat **Process Review** against each asset Calculate the relative risk for each threat • Identify the high risk areas against each asset • Identify Mitigation Options to reduce the **Identify** the high risk areas risk Identify Mitigation Options to reduce risk To get the maximum benefit from limited resources, realize that certain mitigation measures can reduce risk for multiple, high-

UILDING DESIGN FOR HOMELAND SECURITY COOP T-I-T Unit V-C-15

risk asset - threat / hazard pairs.

INSTRUCTOR NOTES	CONTENT/ACTIVITY
VISUAL V-C-16	Summary
Summary Risk Definition Critical Functions and Critical Infrastructure Matrices Numerical and color-coded risk scale Identify Mitigation Options	 Risk Definition Critical Function and Critical Infrastructure Matrices Numerical and Color-coded Risk Scale Identify Mitigation Options
VISUAL V-C-17	Student Activity
<section-header><section-header><section-header><section-header><section-header><section-header><section-header><section-header><section-header><section-header><section-header></section-header></section-header></section-header></section-header></section-header></section-header></section-header></section-header></section-header></section-header></section-header>	One approach to conducting a risk assessment is to assemble the results of the asset value assessment, the threat assessment, and the vulnerability assessment, and determine a numeric value of risk for each asset-threat/hazard pair using the following formula: Risk = Asset Value Rating x Threat Rating x Vulnerability Rating Activity Requirements Working with your team, use the worksheet tables or Risk Matrix poster to summarize the asset, threat, and vulnerability assessment ratings determined in the previous three unit student activities for the selected Case Study. Ensure the answers are a team consensus. Then use the risk formula to determine the risk rating for each asset-threat/hazard pair identified under Critical Functions and under Critical Infrastructure.

INSTRUCTOR NOTES	CONTENT/ACTIVITY
	Circle all <u>High</u> risk ratings using a <u>RED</u> whiteboard marker.
	Take 15 minutes to complete this activity.
	Solutions will be reviewed in plenary group.
	Transition
	Unit VI tomorrow morning will provide an alternate to performing this risk assessment process manually as you have done today in your student activities.

Unit V (C): Risk Assessment/Risk Management

UNIT V (C) CASE STUDY ACTIVITY: RISK RATINGS (COOP Version)

One approach to conducting a risk assessment is to assemble the results of the asset value assessment, the threat/hazard assessment, and the vulnerability assessment, and determine a numeric value of risk for each asset-threat/hazard pair of interest using the following formula:

Risk Rating = Asset Value Rating x Threat Rating x Vulnerability Rating

Requirements

1. Use the following worksheet tables or the Risk Matrix poster to summarize the CI/BC asset value, threat/hazard, and vulnerability assessment ratings conducted in the previous three unit activities. Reach team consensus on answers.

2. Use the formula above to determine the <u>risk rating</u> for each asset-threat/hazard pair identified under Critical Functions and under Critical Infrastructure.

3. Transfer the ratings to the Risk Matrix poster and circle <u>all high risk</u> ratings in RED using a whiteboard marker.

Function Cyber Armed Vehicle CBR					
	Attack	Attack	Bomb	Attack	
1. Administration	128	96	192	128	
Risk Rating	120	70	192	120	
Asset Value Rating	4	4	4	4	
Threat Rating	8	3	6	4	
Vulnerability Rating	4	8	8	8	
2. Engineering/IT					
Technicians	256	144	384	256	
Risk Rating					
Asset Value Rating	8	8	8	8	
Threat Rating	8	3	6	4	
Vulnerability Rating	4	6	8	8	
3. Loading Dock/ Warehouse	64	96	192	128	
Risk Rating	04	90	192	128	
Asset Value Rating	4	4	4	4	
Threat Rating	8	3	6	4	
Vulnerability Rating	2	8	8	8	

CI/BC Critical Functions Risk Ratings

Unit V (C): Risk Assessment/Risk Management

Function	Cyber Attack	Armed Attack	Vehicle Bomb	CBR Attack
4. Data Center Risk Rating	240	90	480	320
Asset Value Rating	10	10	10	10
Threat Rating	8	3	6	4
Vulnerability Rating	3	3	8	8
5. Communications Risk Rating	576	81	432	288
Asset Value Rating	9	9	9	9
Threat Rating	8	3	6	4
Vulnerability Rating	8	3	8	8
6. Security Risk Rating	224	126	336	224
Asset Value Rating	7	7	7	7
Threat Rating	8	3	6	4
Vulnerability Rating	4	6	8	8
7. Housekeeping Risk Rating	8	6	48	24
Asset Value Rating	1	1	1	1
Threat Rating	8	3	6	4
Vulnerability Rating	1	2	8	8

CI/BC Critical Infrastructure Risk Ratings

Infrastructure	Cyber	Armed	Vehicle	CBR
	Attack	Attack	Bomb	Attack
1. Site	1	96	<i>192</i>	128
Risk Rating	4	90	192	120
Asset Value Rating	4	4	4	4
Threat Rating	1	3	6	4
Vulnerability Rating	1	8	8	8
2. Architectural	5	120	240	20
Risk Rating	5	120	240	20
Asset Value Rating	5	5	5	5
Threat Rating	1	3	6	4
Vulnerability Rating	1	8	8	1
3. Structural Systems	1	96	384	16
Risk Rating	4	90	304	10
Asset Value Rating	4	4	8	4
Threat Rating	1	3	6	4
Vulnerability Rating	1	8	8	1

Infrastructure	Cyber Attack	Armed Attack	Vehicle Bomb	CBR Attack
4. Envelope Systems	5	120	240	20
Risk Rating			240	
Asset Value Rating	5	5	5	5
Threat Rating	1	3	6	4
Vulnerability Rating	1	8	8	1
5. Utility Systems Risk Rating	125	175	180	40
Asset Value Rating	5	5	5	5
Threat Rating	5	5	6	4
Vulnerability Rating	5	7	6	2
6. Mechanical Systems Risk Rating	200	200	384	256
Asset Value Rating	8	8	8	8
Threat Rating	5	5	6	4
Vulnerability Rating	5	5	8	8
7. Plumbing and Gas Systems Risk Rating	6	36	288	24
Asset Value Rating	6	6	6	6
Threat Rating	1	3	6	4
Vulnerability Rating	1	2	8	1
8. Electrical Systems Risk Rating	200	48	384	24
Asset Value Rating	8	8	8	8
Threat Rating	5	3	6	4
Vulnerability Rating	5	2	8	1
9. Fire Alarm Systems Risk Rating	20	30	240	20
Asset Value Rating	5	5	5	5
Threat Rating	2	3	6	4
Vulnerability Rating	2	2	8	1
10. IT/Communications				
Systems	630	54	432	288
Risk Rating				
Asset Value Rating	9	9	9	9
Threat Rating	10	3	6	4
Vulnerability Rating	7	2	8	8

During plenary session ask the assessment teams what they have identified as their highest risks. Using the school solutions presented in previous student activities, the top three risks are as follows:

- Risk #1: Cyber Attack upon IT/Communications (630 / 576)
- **Risk #2**: Vehicle Bomb upon Data Center and Communications (480 / 432), but all Functions and Infrastructure is High Risk
- **Risk #3**: CBR Attack upon Data Center, Communications, Engineering/IT Technicians, and Mechanical Systems (320 / 288 / 256)