



IDA's Second Forum on Use of Risk to Improve National Security Decisions

The IDA Risk Forum provides a collaborative environment where risk analysts can share concepts and methodologies used to provide risk assessments to senior national security decision makers. The second forum in the series was held on February 19, 2020, with participants from the Office of the Secretary of Defense (OSD), Joint Staff, Office of Management and Budget (OMB), Environmental Protection Agency, U.S. Army Corps of Engineers, and Department of Homeland Security (DHS).

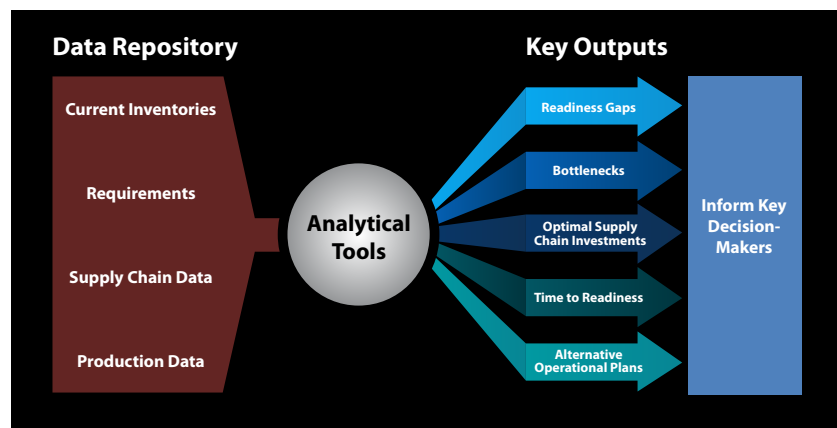
Risk analysts assess potential adverse effects of a planned undertaking with specified resources. In his welcome to forum attendees, John C. Harvey Jr., Director of the Strategy, Forces and Resources Division (SFRD) of the IDA Systems and Analyses Center, emphasized the need for rigorous baseline risk assessments at the right level of detail. James Thomason, Deputy Director of SFRD, then emphasized that such assessments enable the most valid comparisons of the benefits and costs of promising risk-mitigation options in national security planning and programming, resulting in more credible plans for investment priorities than are common today.

Next were several presentations, some of which are highlighted below:

- Lt. Col. Ryan Hayde from the Joint Staff J5, Strategy, Plans, and Policy, described how the Joint Staff assesses and uses risk in identifying and mitigating vulnerabilities.
- Kate Sixt of SFRD showed how she is using risk analysis in the chemical/biological area.

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- Mark Flemming from DHS presented “Emerging Risk Matrix Overview,” a description of how DHS holistically identified, characterized, and analyzed emerging risks across the department’s mission space.
- Sal Maniscalo of OSD’s Office of Cost Assessment and Program Evaluation presented “Mission Engineering Threads,” which explored how senior leaders use risk to help balance budget against national security priorities.



Framework for managing supply chain risk

- James Bexfield of SFRD briefed “Potential Applications of the Integrated Risk Assessment and Management Model,” in which he described how the model was used to support a commission on the future of the Army.
- Adam Lipton of OMB provided an overview of OMB Circular A-123, which encourages agencies to establish a risk governance structure with a Chief Risk Officer.
- Nalani Cates of DHS presented “National Critical Functions” to describe how DHS works with the private sector on assessing risk in 16 sectors.

The following summary of points made during a productive discussion period reveals the diversity of approaches and perspectives represented at the forum:

- Understanding how to measure risk in comparable terms across multiple mission sets, measuring it, and then developing mitigation options to balance risks across the missions are challenging but vitally important endeavors for sound decision-making.
- A risk assessment is a good start, but it would be far more helpful if risk analysts looked at ways to manage risk and were able to talk about pros and cons of the options.
- Analysts need a better understanding of sector interdependencies in disruptions and risks. For example, when assessing risks in critical infrastructure sectors, analysts need to understand that power outages also affect the water, food, and emergency services supplies.
- Analysts should get decision-makers centrally involved in the evaluation process. Many aspects of risk and risk mitigation assessments require policy and other qualitative judgments that are best made by decision-makers. Moreover, they are the ultimate customers of the analyses.
- Finding the right mix of quantitative and qualitative approaches is vital to successful risk management.



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