



Assessing and Managing Risk in Civil Rights Programs

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Presented by

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Topics

- What is a risk assessment?
- What are the benefits?
- What are the steps?
- What does one look like?
- How are disparity studies related?

*Process for evaluating events
that could affect the ability to
achieve organization objectives*

Benefits of Risk Assessment

- 1 Improves ability to **meet program objectives**
- 2 Ensures that program is in **compliance with regulations**
- 3 Helps to **prevent legal challenges**
- 4 Encourages better **understanding of program operations**

Steps to Risk Assessment

RISK ASSESSMENT TEAM



Identify potential risks

Evaluate impacts and probabilities

Prioritize based on relative importance

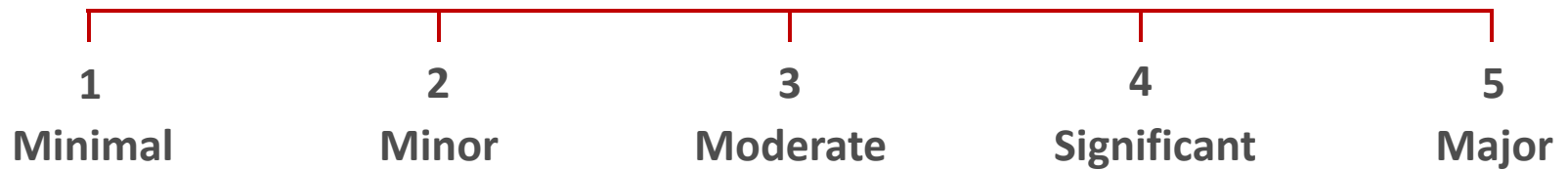
Manage risks through careful planning

Identify

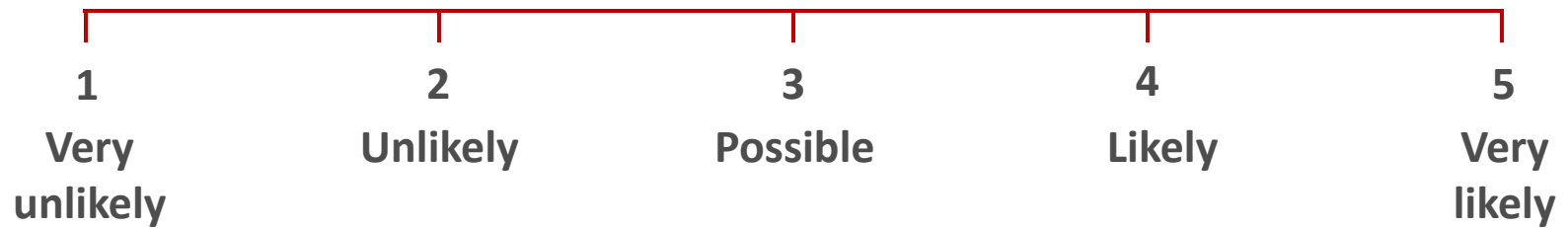
- 1 Define specific **objectives of program**
- 2 **Develop list of events** that could impact objectives
- 3 Condense and create **master list of potential risks**

Evaluate

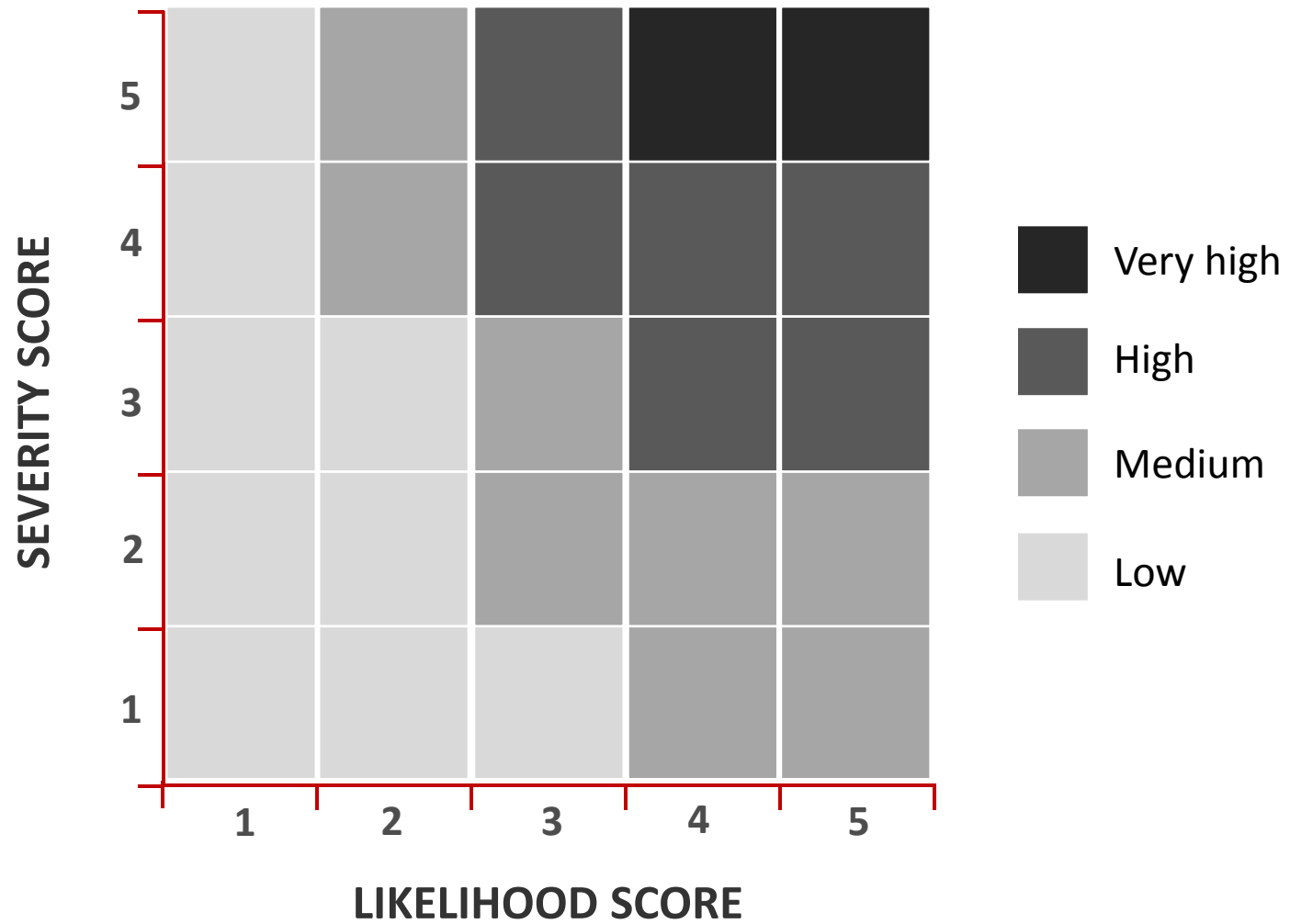
SEVERITY



LIKELIHOOD



Prioritize



Manage

1. Action strategy

- Transfer risk
- Accept risk
- Mitigate risk
- Avoid risk

2. Action plan

- Risk response
- Implementation

WSDOT Risk Assessment – Why?

- 1 Assess **potential risks** in Civil Rights Program
- 2 Take **proactive measures** to address risks
- 3 Ensure **compliance, transparency, and accountability**

WSDOT Risk Assessment – How?

- 1 **Brainstormed** existing administration challenges
- 2 Requested **input** from other involved offices
- 3 Determined **risk triggers** and severity, likelihood
- 4 **Prioritized remedial actions** to reduce, eliminate risks

WSDOT Risk Assessment – Expected Outcomes

- 1** **Program modifications** as necessary
- 2** Reduced likelihood of **legal challenge**
- 3** **Improved compliance** with state, federal requirements

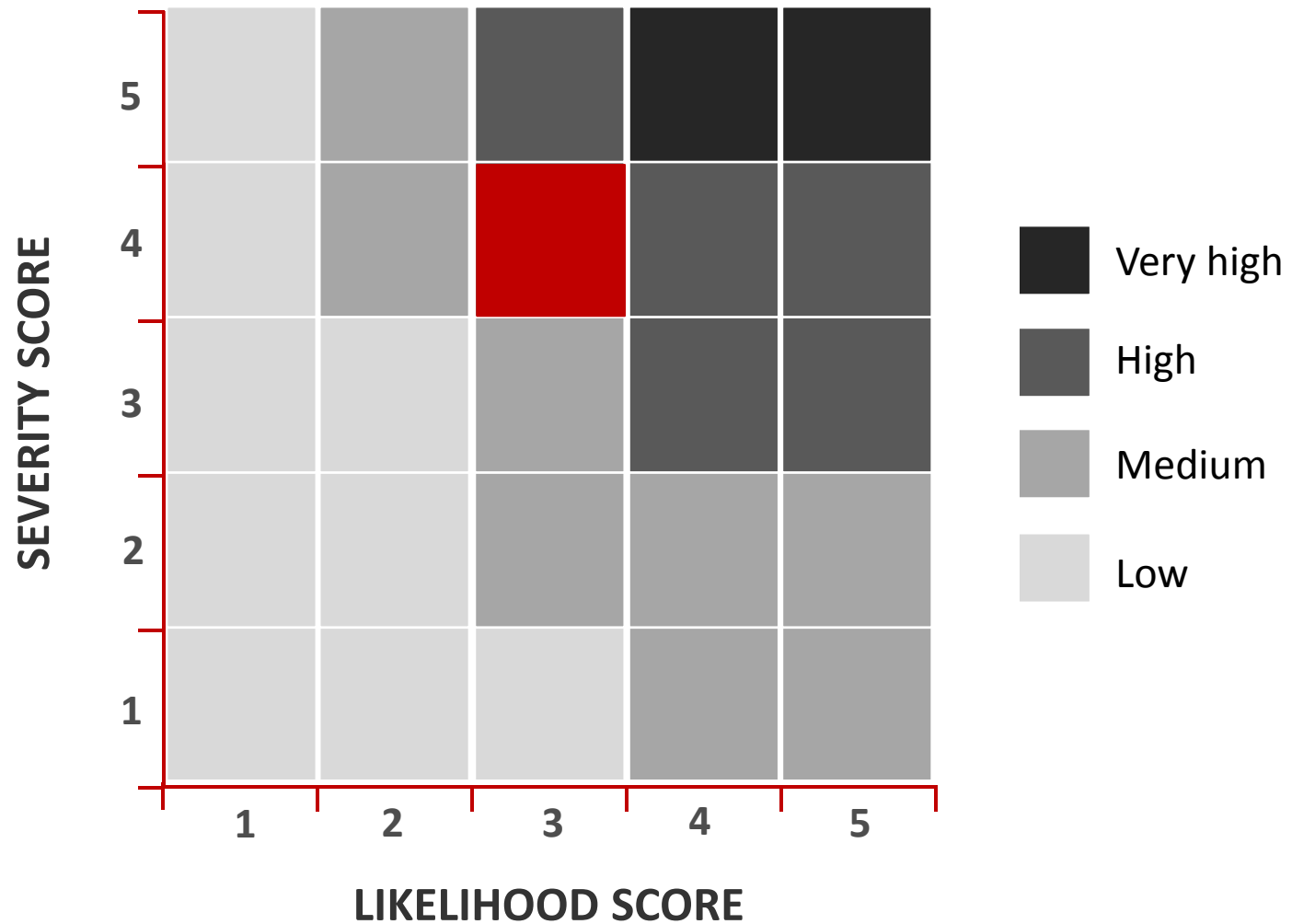
Hypothetical Event

Implementation of Federal DBE Program that is not based on rigorous analysis of local market

Potential risk: Contractor sues agency because of program
Severity: Possibility of major litigation (4 – significant)
Likelihood: Could occur within several years (3 – possible)

ANALYSIS: **HIGH RISK POTENTIAL**

Hypothetical Event - Prioritize



Hypothetical Event - Manage

1. Action strategy

- Transfer risk
- Accept risk
- **Mitigate risk**
- Avoid risk

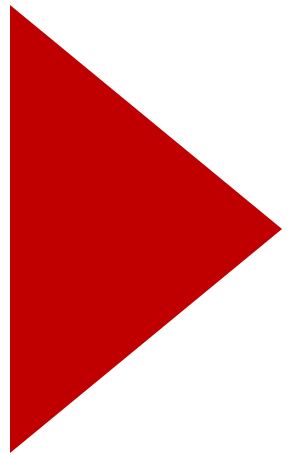
2. Action plan

- Disparity study
- Consultant hire

Disparity Study as Risk Management



- Analyze **legal framework** concerning Federal DBE Program
- Measure **participation** of minority-/women-owned businesses
- Estimate **availability** of minority-/women-owned businesses
- Assess any **disparities** between participation and availability
- Examine any **race-/gender-based discrimination** in local market
- Review **contracting practices** and DBE program measures
- Recommend **refinements** to practices, measures
- Assist with setting **overall DBE goal** and other components



Questions