

Glossary

Type: User Documentation 14-Apr-2023 | Giovanni Di Noto

<i>Terms</i>	<i>Description</i>
ALARP	"As Low As Reasonably Practicable", which, in a risk management context, involves weighing a risk against the trouble, time and money needed to control it.
Assessment	In a risk management context, evaluating a risk including, if possible, both qualitative and quantitative evaluation in terms of occurrence probability, cost, time, or other factors of potential or actual impact
CAPA	Corrective and Preventative Action
CAS	Casualty Actuarial Society (by extension, their widely used ERM theoretical framework & set of principles)
(Risk) Category	A more specific class of risks beyond their subdivision into threats vs opportunities
CDF	Cumulative Distribution Function. In probability theory & statistics, the CDF of a random variable, actually realized, X, or simply the distribution function of X evaluated at x, is the probability that X will have a value less than or equal to x.
COBIT	Control Objectives for Information and Related Technologies (a widely used ERM theoretical framework & set of principles)
COSO	Committee of Sponsoring Organizations (by extension, their widely used ERM theoretical framework & set of principles)
Domain	Typically, a project, an organizational unit, or an asset
DSHA	Defined Situation of Hazard and Accident
Enterprise risk	An enterprise-wide risk that pervades most, realistically all levels and areas of the enterprise (vs project risk, which impacts/consequences are typically contained within a specific project or domain context within a larger enterprise)
ERM	Enterprise Risk Management
HAZID	Hazard identification
HAZOP	Hazard and operability study. A structured and systematic study of a complex planned or existing process or operation to identify and assess problems that may pose a risk to personnel or equipment.
ISO	International Standard Organization
ISO-31000	An international standard on Risk management
(Risk) Lift	A method to aggregate risks within a hierarchical domain tree. Note: Risk Lifting shall not be confused with "lifting risk" (a manual handling risk in manufacturing industries)
Matrix	In ERM, a Risk Matrix positions risks over a pre-determined scope within a color-coded diagram, ranked by probability vs potential consequence/impact severity. Additional metadata might indicate how each risk has evolved since a previous assessment.
Mitigation	An action aimed to control or neutralize a risk
Monte-Carlo	A particular type of simulation conducted on risks that have 3-points estimate values. It models the probability of different outcomes in a process that cannot be easily predicted due to the intervention of random variables. It is a technique used to understand

	impact of risk and uncertainty in prediction and forecasting models. The calculation is based on a triangular distribution of the consequence values. A uniform distribution is used for probability. For each simulation, for each risk, the probability decides whether the risk occurs or not. In a Monte-Carlo graph: • the X-Axis represents total values for the selected impact category grouped into intervals, • the left Y-axis shows the corresponding probability for a given X-value • the right Y-axis shows the cumulative probability
MTO	Man-Technology-Organization. A systemic approach to understanding Human factors within complex industrial contexts, rather than studying them in isolation. This methodology was developed following a series of major accidents that occurred during the 1980s (Bhopal, Chernobyl, Zeebrugge, King's Cross, Piper Alpha and Clapham Junction) which in most cases appeared to have originated in the managerial/organizational sphere.
NIST	National Institute of Standards and Technology, US-based (by extension, their widely used ERM theoretical framework & set of principles, especially targeted to cybersecurity domains)
NPV	Net Present Value
P10, P50, P90	P50 (and P90, Mean, Expected and P10) is the methodology based on simulating potential scenarios with Monte Carlo Simulations, where the P stands for Percentile. For example, in the oil & gas industry: P90 should be at least a 90% probability that the actually recovered quantities will equal or exceed the low estimate. P50 should be at least a 50% probability that the actually recovered quantities will equal or exceed the expected estimate. P10 should be at least a 10% probability that the actually recovered quantities will equal or exceed the high estimate. P50 is a good middle estimate, meaning it is the most expected.
PS	Performance Standard
QRA	Quantitative Risk Assessment. A formal and systematic risk analysis approach to quantifying the risks associated with the operation of an engineering process. QRA is an essential tool to support the understanding of exposure to risk to employees, the environment, company assets and its reputation.
Risk opportunity	A positive outcome that may bring additional value to a project by allowing achieving a performance improvement
RBS	Risk Breakdown Structure
RIMS	Risk and Insurance Management Society (by extension, their widely used ERM theoretical framework & set of principles)
Risk	The potential variability of expected returns (either in terms of time/schedule, safety goals/scope, financial costs, or other factors).
RRM	Risk Reducing Measure
Three-point estimate	Overall expected value for the consequence area of a risk, derived from minimum, most likely and maximum values for the risk.
UI	User Interface

UX	User eXperience
WBS	Work Breakdown Structure
X-domain risk	A risk extending to more than 1 project or domain. Note: a cross-domain risk is not necessarily an enterprise-wide risk (see enterprise risk)
Zero-training	An UI/UX concept focused on apps high intuitiveness, resulting in less training costs, faster adoption, wider scope, and usage pervasiveness