<PROJECT NAME>
RISK MANAGEMENT PLAN

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Document History

Document Version Control

Version	Version Date	Summary of Changes	Author

Review

Name	Role

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1 INTRODUCTION

1.1 PROJECT DESCRIPTION

Insert project description from project charter.

1.2 PROJECT BACKGROUND

Provide details on the background of your project here.

1.3 PURPOSE

This XXXXXXX Risk Management Plan provides the project a consistent method to manage risks to ensure success.

Risk management is the processes for identification, assessment, mitigation, tracking, control and management of the project's risks. It drives decisions that affect the development of the business capability and the management of the project.

1.4 OBJECTIVES

Specific objectives of this project's Risk Management Plan include:

- Ensure critical risks impacting scope, schedule, budget, business performance, and/or change management are proactively identified, communicated, mitigated, and escalated in a timely manner.
- Facilitate attention to key risks impacting the project and individual teams.
- Produce meaningful information that allows project management to focus efforts on the "right" (e.g., high likelihood and high impact) risks with an effective coordination of effort.
- Ensure appropriate stakeholders are informed and, if applicable, participate in the mitigation.
- Record an audit trail of discussions and mitigation of project risks.

1.5 SCOPE & CONTEXT

The XXXXXXXX Risk Management Plan consists of the process and timing for identifying and managing risks, mitigation actions required, and organizational responsibility for monitoring and managing the risks throughout the entire lifecycle.

1.6 GUIDING PRINCIPLES

- The risk manager is responsible for making an overall risk assessment and reviewing it with the team and stakeholders.

- Work and communicate progress on most severe risks first.
- Set realistic due dates and then work to meet the dates.
- Mitigate risks at the appropriate level (i.e., project, team, sub-team).
- Keep stakeholders informed on current risk status.
- Document the planned risk mitigation history and actual mitigation of a risk. This documentation serves as a key input to root cause analysis, key learning, metrics, and risk analysis.
- For high impact, impending risks, a rapid decision turnaround may be required, as determined by the Risk/Project Manager. In such cases, available applicable team members will make the decision.

2 RISK MANAGEMENT ORGANIZATION

2.1 PROCESS RESPONSIBILITY

The XXXXXX Project Risk Manager is _____.

The Risk Manager is responsible for the Risk Management Plan, its effective implementation throughout the project, trends and metric analysis, and training project personnel on risk management. The Risk Manager is also responsible for creating and maintaining the Risk Register (or Log), unless this task is delegated to a team member.

2.1.1 PMO RISK MANAGER/RISK MANAGEMENT TEAM

The Risk Manager has overall facilitative responsibility for the risk management process. The Risk Management Team is comprised of the Risk Manager and the Risk Management staff, if required. Specific responsibilities may include the following activities.

- Develop and implement the Risk Mitigation Plan.
- Maintain the Risk Management Plan in line with configuration management procedures.
- Generate risk reports, including trends and metric analysis, for risk meetings and ad-hoc requests.
- Clarify, consolidate and document risks.
- Maintain and monitor data in the risk register.
- Monitor the status of risk mitigation.
- Communicate status to risk owners.
- Escalate communication if expected mitigation action deadlines are not met.
- Execute the risk closure process.

2.1.2 RISK OWNER

The Risk Owner is the person to whom the Risk Management Team assigns primary responsibility for mitigating the risk. This assignment is based on the type of risk and should be assigned to the team member who is empowered to assure this risk is mitigated. This will typically be a team lead and/or their respective co-lead. Project sponsors, directors and/or managers may also need to be aligned with a risk to assure adequate support. The Risk Owner has the following responsibilities:

- Assess the risk and create a risk mitigation plan that meets Risk Management Team approval.
- Mitigate risk per the risk mitigation plan.
- Recommend risk closure to Risk Management Team.
- Present risk status at Risk Management Team meetings as required

2.1.3 STEERING COMMITTEE

The project's Steering Committee has overall responsibility for ensuring the Risk Management Plan is executed fully. Specific responsibilities include the following activities.

- Approve the mitigation of very high severity level risks.
- Support mitigation implementation.
- Assist in cross-organization and controversial risk mitigation to include determining the involvement of senior management and other organizational resources.

3 RISK MANAGEMENT PROCESS

Risk management involves four major phases: risk identification, risk analysis, risk response planning, and risk monitoring and control.

3.1 RISK IDENTIFICATION

Identify risks that may affect project outcome, document them in the project's Risk Register (Log). The Risk Register usually includes the following:

- Unique identifier for each risk.
- Description of each potential risk event and how it could affect the project.
- Assessment of the likelihood of occurrence and the impact/seriousness if it does.
- Grading of each risk according to a Risk Scoring Matrix.
- Who is responsible for managing the risk?
- Strategies proposed for dealing with the risk (preventative and contingency).
- (In larger projects) A sizing for each risk response/mitigation strategy.

3.2 RISK ANALYSIS

In this section, you will prioritize risks for subsequent ongoing management based on their likelihood of occurrence and degree of potential impact. Update the Risk Register with your prioritization and categorization of risks from the detailed analysis, plus an overall probabilistic assessment of the project achieving its cost, time, and quality objectives.

After being first identified, the risks are analyzed to determine how they could affect the project. Negative risks, for example, can impact a project in several basic ways: objectives reduced or delayed, schedule extended, cost increased, or quality reduced.

The scoring (grading) of the risks in the Risk Register is facilitated by use of a **Risk Scoring Matrix** (aka, Probability and Impact Matrix). Risks are first analyzed and evaluated in terms of **probability** (likelihood) of occurrence and the **impact** (seriousness) if they should occur. The probability of the risk occurring is assessed and given a rating of Very Low (VL), Low (L), Medium (M), High (H), or Very High (VH) likelihood. Separately the impact upon the project if the risk were to occur is given a rating of Very Low (VL), Low (L), Medium (M), High (H), or Very High (VH) seriousness. Then using these ratings in conjunction with the Risk Scoring Matrix, the risks can be graded to provide a measure of the project's risk exposure for each.

The table below is an example of a simple Risk Scoring Matrix that provides a standard method to calculate gradings based upon combination of probability and impact ratings.

Probability (Likelihood)	**Impact** (Seriousness)					
		Very Low	Low	Medium	High	Very High
	Very High					

	High					
	Medium					
	Low					
	Very Low					

Score	Definition
High	An event that is extremely or very likely to occur and whose occurrence will impact the project's cost (and/or schedule) so severely that the project will be terminated or will cause significant cost (and/or schedule) increases (e.g., increases of more than 5 percent) on the project; this risk should be escalated (where possible) and reviewed frequently
Medium	An event that has a 50-50 chance of occurring and, if it occurs, will cause noticeable cost (and/or schedule) increases (e.g., increases of not more than 5 percent) on the project; this risk should be reviewed regularly
Low	An event that is unlikely or very unlikely to occur and, if it occurs, will cause small or no cost (and/or schedule) increase that, in most cases, can be absorbed by the project

3.3 Risk Response Planning

Develop appropriate options and action plans to reduce the threats of specific risks to project objectives. Conduct reviews to develop strategies for responding to risks. Update the Risk Register with specification of proposed response plan for the occurrence of each risk event and an updated Project Management Plan.

3.4 Risk Monitoring and Control

Risk Monitoring and Control is the process of identifying, analyzing, and planning for newly identified risks, monitoring previously identified risks, and reevaluating existing risks to verify the planned risks response strategies for their effectiveness.

Activities involved in **Risk Monitoring** include:

- Establish periodic reviews and schedule them in the project plan.
- Ensure that all requirements of the Risk Management Plan are being implemented.
- Assess currently defined risks as defined in the Risk Register.
- Evaluate effectiveness of actions taken.
- Identify status of actions to be taken.
- Validate previous risk assessments (likelihood and impact).
- Validate previous assumptions and state any new assumptions.
- Identify new risks.
- Track risk response.

- Communicate risk management status and risk response follow-through as appropriate.

Activities involved in **Risk Control** include:

- Validate risk mitigation strategies and alternatives.
- Take corrective action when actual events occur.
- Assess impact on the project of actions taken (cost, time, resources).
- Identify new risks resulting from risk mitigation actions.
- Ensure the Project Plan (including Risk Management Plan) is maintained.
- Ensure change control addresses risks associated with the proposed change.
- Revise risk management documents to capture results of mitigation actions.
- Update Risk Register.
- Communicate risk management status and risk response follow-through as appropriate.
- Establish communications as appropriate.

3.4.1 Risk Escalation Procedures

Most decisions are made at the Team Lead level. The Risk Management Team escalates only those risks that significantly impact the project's scope, budget, schedule, change management, technical performance, and business performance objectives. Additionally, the Risk Management Team escalates those risks determined to need cross-organization involvement, are controversial, or require senior management involvement and/or decisions.

3.4.2 Risk Management Team Meeting

The Risk Management Team meeting is conducted and facilitated by the Risk Manager. Meeting attendees should include:

- _____
- _____
- _____

During the Risk Management Team meeting new and past due risks are discussed. The risk originators present the new risk and provide the necessary detail. The risk owners provide updates for all other risks.

In addition to the Risk Management Team meeting, the Risk Manager and the Risk Management Team will brief the Project Manager(s) on a regular basis regarding the status of risks.

3.4.3 Feedback and Reporting Processes

The Risk Management Team should generate standard reports as part of the risk management process. In preparation for the Risk Management meeting, the Risk Management Team prepares a Risk Register (see following table) listing the risks for review (i.e., new, open, and

ready-to-complete risks). After the Risk Management Team meets, the Risk Management Team notifies the Risk Originators and Risk Owners of the results of the meetings (i.e., status of new risks submitted, new risk assignments, and risks approved for closure) through the Risk Management Meeting Report.

3.5 RISK MANAGEMENT CLOSEOUT

Please refer to the Project Management Plan for the Project Closure process.

At the completion of the XXXXXXX project, the successful transition of any open risks, and capturing and harvesting lessons learned are important for Project Maintenance and Support and future project work.

- Validate the completion of identified risks. For any open risks assess whether there is ongoing operational risks that warrant communication of these risks to the operational transition team. Document remaining open risks and provide access to final report.
- Produce final risk management metrics and evaluate process effectiveness against established benchmarks.
- Capture risk factors and risk mitigation plans for inclusion in Risk Reference Models.