**[Insert Department Name]**

**Risk Management Plan**

**[Insert Project Name]**

Version History

| Version # | Date | Author | Key Differences |
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Introduction to the Risk Management Plan Template

Risk management can be defined as the processes and structures that are directed towards realizing potential opportunities, while simultaneously managing possible adverse impacts. From a project management perspective, risk management is a continuous activity conducted throughout the life of the project. It seeks to identify potential risks, evaluate their likely impact, develop mitigation plans, and monitor progress.

As described in PMI’s PMBOK, the objectives of project Risk Management are to increase the likelihood and impact of positive events while decreasing the likelihood and impact of negative events.

The Risk Management Plan is typically created early in the project’s Planning Process Phase. Risk management planning is the process of defining how to conduct risk management activities for a project. The plan includes how the organization will identify and address events or occurrences that could negatively or positively affect the success of a project. The plan outlines a methodology to identify, analyze, track, and mitigate risks during the project lifecycle. Identifying and managing risk increases the chance of a successful project completion by reducing uncertainty associated with the project.

This template provides the suggested structure for the Risk Management Plan along with instructions and descriptions to guide the reader in understanding how to complete it.

Template style conventions are as follows:

| Style | Convention |
| --- | --- |
| Normal text | Indicates placeholder text that can be used for any project. |
| [Instructional text in brackets] | [Indicates text that is be replaced/edited/deleted by the user] |
| *Example text in italics* | *Indicates text that might be replaced/edited/deleted by the user* |

As you complete the template, please remember to delete all instructional text (including this section) and update the following items, as applicable:

* title page
* version history
* table of contents
* headers
* footers

Update the document to a minor version (e.g., 1.1, 1.2) when minimal changes are made and a major version (e.g., 2.0, 3.0) when significant change are made.

# Introduction

[In the Introduction section of your Risk Management Plan, provide an overview regarding how the project will conduct risk management and describe the purpose, scope, high-level approach, and assumptions and constraints. The purpose should describe how the organization would identify and address events or occurrences that could negatively or positively impact the project. The scope should describe the extent to which the project will take in order to manage risk during the project life cycle. The high-level approach should introduce the methodology for risk planning, identification, analysis, monitoring and resolution. Include any organizational or project assumptions and constraints.]

# Roles and Responsibilities

[In the Roles and Responsibilities section of your Risk Management Plan, identify who, their role, and the corresponding responsibility for each Risk Management related activity. Utilize the pre-populated table below as a starting point. Add and subtract roles and responsibilities as appropriate for your project.]

*Example*

| Name | Role | Responsibility |
| --- | --- | --- |
| [Name] | *Project Sponsor* | * *Provides the necessary support to the Project Manager to ensure that resources are available to support the execution of this Plan.* * *Provides the necessary support to ensure that the project team and key stakeholders commit to the risk management efforts.* * *Monitors the efforts to address risks and provides leadership to focus resources on resolving open unplanned risk events.* * *Provides guidance on escalated risk events and assists in their resolution.* |
| [Name] | *Project Manager* | * *Tracks progress of the risk management effort by reviewing the Risk Register and/or risk management reports.* * *Escalates mitigation approaches for identified high severity risks that are beyond the Project Manager’s span of control and decision authority.* * *Ensures the entire project team, state and vendor, are following this Plan.* * *Ensures all other project processes that interact or provide input to the risk management effort are being adhered to.* * *Ensures there are sufficient resources to execute this Plan and that the risk management activities are being performed in a timely manner.* * *Assigns risks to owners.* |
| [Name] | *Executive Steering Committee (ESC) (if it exists)* | * *Reviews the Risk Register and/or risk reports provided to the Committee in accordance with this Plan.* * *Responsible for understanding the possible effects and impacts of identified risks.* * *Ensures the Project Manager has a sound plan for mitigating the impacts of risks that have been escalated to the ESC.* |
| [Name] | *Vendor Project Manager* | * *Performs reviews of the risk management work being performed by the vendor team.* * *Verifies the work complies with the risk management approach described in this Plan and the requirements in the vendor’s contract.* * *Shares responsibility for identifying risks and risk events in a timely manner to mitigate the risk and minimize impact to the Project.* |
| [Name] | *Risk Manager* | * *Responsible for maintaining the overall risk management process, the Risk Register containing the risk details.* * *Ensures the risks managed by this Plan are organized, managed, communicated and controlled.* * *Ensures that project related risks are identified and mitigated in a timely manner in order to minimize impact.* * *Periodically obtain status from Risk Owners on mitigation progress.* |
| [Name] | *Risk Owner* | * *Responsible for management, administration and delivery of assigned risks, including updating the Risk Register, the mitigation plan, and contingency plan details in the Risk Register.* * *Shared responsibility with the Risk Manager and the Project Manager for ensuring that risks are organized, managed, and controlled and that risks are identified and mitigated in a timely manner in order to minimize impact to the project.* * *Provide status updates to Risk Manager.* |

# Risk Management Processes

[In the Risk Management Processes section of your Risk Management Plan, describe the method for conducting risk management that includes: identifying risks, documenting risks, analyzing risks, planning and implementing risk responses, and controlling risks. Define the Risk Management Process clearly enough to identify the necessary steps, activities, and responsibilities to manage risk for the entire project lifecycle. Reference the Planning Chapter, Risk Management section for additional information regarding risk management processes.]

## Identify Risks

Risk identification is the first step in the risk management process that projects should employ. Risk identification involves identifying risks, identifying which of those risks are likely to affect the project and documenting characteristics of those risks. Spotting a potential risk is accomplished by recognizing that an event, state or condition within the boundaries of a project may occur with unplanned consequences, which are usually undesirable, however it may be desirable leading to a positive opportunity. All ‘Project’ team members including Stakeholders, end users, subject matter experts, customers and sponsors are encouraged to identify and report potential risks to the project immediately upon detection utilizing a Risk Submittal Form.

Identifying risks is an iterative process because new risks may become known as the project progresses through its project life cycle. Risk information can initially be gathered from the business case, accumulated Lessons Learned and an initial Risk Brainstorming Session. There are a number of Risk Identification techniques including reviewing project documentation, brainstorming, interviewing, root cause analysis, checklist analysis, assumption analysis, cause and effect diagrams, process flow charts, SWOT analysis, and expert judgment.

Crucial to risk identification is the input of project team members and other Stakeholders to recognize and report risks as soon as possible. Risks can also be identified during project team meetings and should therefore be incorporated into the meeting agenda and minutes templates for all project meetings.

[For the Risk Identification section of your Risk Management Plan, describe the processes the project team will use in identifying and recoding risks including the initial identification activities and subsequent efforts to update the identified risks.]

## Risk Register

The Risk Register is a tool used to document potential risks (risk candidates). A Risk Register can be created using a simple spreadsheet or a more sophisticated tool such as a Microsoft’s SharePoint list.

[Describe or reference the project Risk Register tool or template (e.g. SharePoint, Excel spreadsheet, etc.) and general expectations for use of the tool.]

## Analyze Risks

The main focus of analyzing risks is to examine each identified risk to assess the likelihood of the risk event occurring, and the probability outcomes associated with the risk event in order to determine its potential impact on the success of the project. This in turn provides the ability to prioritize each risk to ensure that the risks with the greatest potential impact to the project are dealt with first. The organization can then improve upon project performance by focusing on high priority risks.

[In the Analyze Risks section, describe the specific approaches the project will take to analyze risks and establish priorities for development of risk responses.]

## Risk Response Planning

Risk Response Planning is the process of selecting the appropriate response strategy for each identified risk. This in turn helps the project to avoid risks, transfer responsibility for risks, mitigate the consequences of risks, reduce the probability of occurrence of risks, accept the consequences of risks or enhance the opportunity to benefit from positive risks. There are strategies for both negative and positive risks and include:

**Strategies for Negative Risks:**

* **Avoid:** Risk Avoidance involves changing the project management plan to eliminate the threat posed by the risk. Some risks can be avoided by clarifying requirements, obtaining additional information, improving communication or acquiring expertise.
* **Transfer:** Transferring a risk requires moving, shifting or reassigning some or all of the negative impact and ownership to a third party. This does not eliminate the risk but gives another party the responsibility to manage it.
* **Mitigate:** Risk Mitigation implies a reduction in the probability and/or impact of a negative risk. Reducing the probability and/or impact of a risk occurring is often more effective than dealing with the risk after it has occurred.
* **Accept:** This strategy indicates that the project team has decided not to change the project management plan: schedule, approach or reduce project scope or is unable to identify another suitable response strategy.

**Strategies for positive risks or opportunities:**

* **Exploit:** This strategy may be selected for risks with positive impacts where the organization wishes to ensure that the opportunity is realized. This strategy eliminates the uncertainty associated with a positive risk by ensuring that the opportunity definitely happens.
* **Share:** Sharing a positive risk involves allocating some or all of the ownership of the opportunity to a third party who is best able to capture the opportunity for the benefit of the project.
* **Enhance:** This strategy is used to increase the probability and or the positive impact of an opportunity, identifying and maximizing key drivers of positive risks.
* **Accept:** Accepting a positive risk or opportunity is being willing to take advantage of it should the opportunity come along.

[In the Risk Response Planning section, describe the specific Risk Response Planning efforts that are to be undertaken by Risk Owners, the Risk Manager, and other roles on the project.]

## Risk Monitoring and Control

**Risk Monitoring Activities**

Once a risk is established, it is monitored on an ongoing basis:

* Monitor if a risk escalation trigger has occurred.
* Monitor if risk response actions are as effective as anticipated.
* Monitor if risk responses are implemented as planned.
* Monitor for Residual Risks (element of a risk that remains once the risk assessment has been made and responses implemented).
* Monitor systematically to:
  + Assess currently defined risks
  + Determine actions to be taken
  + Evaluate effectiveness of actions taken
  + Report on the status of actions to be taken
  + Validate previous risk assessment (likelihood and impact)
  + Validate previous assumptions
  + State new assumptions
  + Identify new risks

**Risk Control Activities**

Once a risk is established, it is controlled on an ongoing basis:

* Validate mitigation strategies and alternatives
* Assess impact on the ‘Project’ of actions taken (scope, cost, time, schedule, & resources)
* Identify new risks resulting from risk mitigation actions
* Ensure that the projects’ Risk Management Plan is maintained
* Revise Risk Response plan(s)

[In the Risk Monitoring and Control section, describe how the project will incorporate risk monitoring and control activities. Identify procedures for when a risk’s probability or impact changes significantly or if a risk is realized and actions are needed to trigger risk response plans or to consider other actions in response to what is now an issue facing the project.]