Project Risk Plan Instructions

A Risk *is an uncertain event that if it occurs has a negative impact on the project's objectives. Risks include the possibility of an error, omission, or any other undesirable event. In many cases, steps (mitigation) can be taken to reduce either the probability or consequences of the threat.*

The **Project Risk Plan** uses a **Risk Register** (Excel spreadsheet) to record information about project risks.

Risk Management is the process of identifying, assessing, and then selecting the risks you want to do something about - **mitigating**. The last step is the **mitigating** (plan and track) of the *high* risks related to your project.

Table 1 identifies the typical columns of a risk register used to document the identity and assessment of all risks.

#	Risk Name	Risk Description	Probability of Occurrence	Impact Level	Risk Score

Table 1 – Risk Register

A simple process for initiating a Risk Plan, utilizing the Risk Register follows:

Identify Project Risks. The project team can hold a brainstorming session. Prior to the brainstorming session, each team member reviews the project charter, current work plan, and other project plan details to help identify the things that could go wrong with the project.

Risks come from many sources, including:
- Assumptions.
- Constraints (e.g., funding, personnel, time).
- Integration with other IT systems.
- Incompatibilities between technical standards.
- Poorly documented business processes.

During the brainstorming session, the project team quickly reviews the charter, work schedule, and budget and identify the project risks. They record the risks names on a large sheet of paper, or other technique on walls, so the team members can read them.

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Identified risks are described and communicated to management in the form of risk statements. A risk statement provides the clarity and descriptive information required for a reasoned and defensible assessment of the risk's occurrence probability and areas of impact. A well-written risk statement contains two components. They are a statement of the Condition Present and the Associated Risk Event (or events).

Assess Project Risks. For each identified risk, the team determines the probability of the risks occurring. The team also scores the impact of each risk, if it were to occur, on a 1 to 5 scale (1-low, 5 High).

Select Project Risks to mitigate.

The next step is to select which risks require some action to occur - mitigation.   The two halves (probability and impact) are combined to create a total risk score. The weighting of each half is up to the project team. A simple criteria to use is:

- A Risk Score equal to or great than 1.00. (% Multiplied by the Impact Score).
- A Probability of Occurrence of 50 percent or greater.
- An Impact Level of 3 or greater.

Mitigating the Project's High Risks:

Once the ID, Assessment and Selection are performed using the first sheet, copy the names of the projects that meet the criteria of High Risks onto the Mitigation (handle) sheet. Here the project team identifies a plan to reduce the probability and/or impact of each high risk.

#	Risk Name	Risk Owner	Risk Mitigation Action	Risk Trigger	Risk Mitigation Score

Table 2 – Risk Mitigation Plan

Project Risk Register Terms

General Information

Project Name – Enter the proper name used to identify this project.

Prepared By – Enter the name of the person making this request. Typically the project Manager

Date Last Modified – Enter the date the risk register was last updated.

A. *Risk Identification*
List all potential risks that could impact your project. Assess the probability of occurrence and the impact level.

Risk Name – Enter a name for each risk evaluated.

Risk Description – Give a detailed description of the event that you are evaluating.

Probability of Occurrence – Enter a percentage of probability that this risk will occur if nothing is done to prevent it.

Impact Level – Enter a rating from 1 (low impact) to 5 (great impact).

Risk Score – Calculate the Risk Score by multiplying the Probability Percentage by the Impact Level.

High Risk Mitigation Plans

Enter data in this section for each risk listed in Risk Register as meets any "High" Risk criteria:

- A Risk Score equal to or great than 1.00.
- A Probability of Occurrence of 50 percent or greater.
- An Impact Level of 3 or greater.

Risk # and Name – COPY AND PASTE BOTH from sheet 1 (Risk Register)

The owner is the individual responsible for the actions to mitigate this risk.

Risk Mitigation Action – Provide a brief summary of the steps you can take to reduce the overall Risk Score (probability or impact level).

Risk Trigger – Describe the risk trigger. A risk trigger is a sign that a risk has occurred or is about to occur. Triggers may be discovered during the risk identification process and monitored as the project is executed. Once the risk trigger occurs, the project team needs to implement a risk response.

Total Mitigation Cost – The spreadsheet will add up the total cost of risk mitigation.

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