Cawangan ………………………………………..

Ibu Pejabat JKR Malaysia

Kuala Lumpur



**Risk Management Plan**

Version 2.0

12 October 2010



**(Project Name)**

**Jabatan Kerja Raya**

Malaysia

Build Status

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Version | Date | Author | Reason | Sections |
| 1.2 | 12 Nov 2008 | Yaakob AL | Review and update templates to include Endorsement page | Last page |
| 2.0 | 12 Oct 2010 | Yaakob AL | Review and update templates in accordance to current practices.   * Attachment A – new risk management planning template. Other Attachments renumbered. * Clauses amended to include client participation * Tools & Techniques amended to include check box. | * ATTACHMENTS * Para 1.4, 2.2 * Para 2.2.1 |

**Summary of (Project Name) Risk Profile**

*Provide a brief summary and overview of the risk profile of the project at the time of preparing the document.*

*Include a diagram listing all extreme (red) and high (amber) risks from risk register based on risk categories. eg*

*Risk No. 4.4*

*Risk No. 4.1*

*Risk No. 3.4*

*Risk No. 3.4*

*Risk No. 4.1*

*Risk No. 4.4*

*Risk No. 2.7*

*Risk No. 2.3*

*Risk No. 1.1*

*Risk No. 2.1*

*Cost Human Resources Schedule Political etc.*

*TABLE SUMMARY OF RISK PROFILE*

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# Introduction

## Background

*Some words on the background to risk management for the project i.e………..*

There are always risks associated with a project. The purpose of risk management is to ensure levels of risk and uncertainty are effectively managed, so that the project is completed successfully on time and within budget. The risk management process enables stakeholders involved in a project to identify possible risks and the manner in which these risks can be contained and the likely cost of mitigation strategies.

Proper risk management allows the project to prosper through taking and avoiding risks. Good risk management will greatly improve the transparency of how the project operates, providing a roadmap to achieve strategic goals and objectives and reassurance over the management of risks.

Successful management of the project requires informed, proactive, and timely management of risks. The specific objectives of this risk management plan and approach are:

* 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.

The goal of this Risk Management Plan (RMP) is to proactively identify and address risks early in the project and throughout its lifecycle in order to avoid surprises.

## Purpose

This document describes how the project team for *(Project Name)* will perform the job of managing risks for the project. It defines roles and responsibilities for stakeholders in the risk processes, the risk management activities that will be carried out, the schedule and subsequent budget for risk management activities and subsequently the tools and techniques that will be used.

This RMP presents the process for implementing proactive risk management as part of the overall management of the *(Project Name)* project. Risk management is a program management tool to assess and mitigate events that might adversely impact the project. Therefore, risk management increases the probability/likelihood of project success.

This RMP will:

* Serve as a basis for identifying alternatives to achieve cost, schedule, and performance goals
* Assist in making decisions on budget and funding priorities
* Provide risk information for milestone decisions
* Allow monitoring the health of the project as it proceeds.

The RMP describes methods for identifying, analyzing, prioritizing, and tracking risk drivers; developing risk-handling plans; and planning for adequate resources to handle risk.

It assigns specific responsibilities for the management of risk and prescribes the documenting, monitoring, and reporting processes to be followed.

## Project Summary

*Describe the Project (or where it fits in the program if part of a program) that the risk management plan applies to.*

### Project Governance

*Include the governance structure of the project here …….*

## Scope and Context

This RMP identifies the procedures used to manage risk throughout the project. In addition to documenting the approach to risk identification and analysis, the plan covers who is responsible for managing risks, how risks will be tracked throughout the project lifecycle, and how mitigation and contingency plans are developed and implemented.

Risk management starts at the beginning of the project (Initiation Phase) with initial planning and assessing and is carried out at all levels within the project: Project Manager and his team, client and contractor. The risk management process ensures that risks are mitigated at the appropriate level and communicated as appropriate. While this plan provides guidance on managing all levels of risks, the primary focus is on risks at the project level; assuming that similar processes are in effect within the individual teams and contractors that comprise the project.

Risk management is an integral part of overall project planning and management and effective project planning and management requires effective identification and assessment of risks and determining what mitigating actions are required. Managing the effective completion of mitigation actions should be integrated with overall project tasks and assignments.

Risk management also works in concert with issue management. The key difference between issue management and risk management is the element of uncertainty inherent in risks. Uncertain events that could impact the project should be identified and managed through this RMP. Note that risks could lead to identification of issues and issues could drive identification or resolution of risks.

In order to be successful, the principles listed below guide the use and implementation of the overall Risk Management process that is described in detail in Section of this document.

* Decisions will not be revisited once made (unless substantively new facts become available).
* A single owner is assigned responsibility for a risk even if several people work to mitigate it.
* 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 Manager, team, client and contractor).
* Responsible team leads, determine and agree on the risk severity level.
* 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, unanticipated risks, a 24-hour decision turnaround may be required or as determined by the Project Manager. In such cases, available applicable team members will make the decision.

## Definitions, Acronyms and Abbreviations

*Update Attachment D with any project specific definitions. Include in this section project specific acronyms or abbreviations that are used.*

|  |  |
| --- | --- |
| PM | Project Manager |
| RMgr | Risk Manager |
| PrgM | Program Manager |
| RMP | Risk Management Plan |
| WBS | Work Breakdown Structure |
| CPM | Critical Path Method |
| EPU | Economic Planning Unit |
| VO | Variation Order |

Specific risks definitions are shown at Attachment D.

# Risk Management Process

This section describes the JKR project risk management process and provides an overview of the *(Project Name)* risk management approach. Risk management is defined as the act or practice of controlling risk and includes risk planning, assessing risk areas, developing risk-handling options, monitoring risks to determine how risks have changed, and documenting the overall risk management program. shows, in general terms, the overall risk management process that has been followed in the *(Project Name)*. Each of the risk management functions shown in the figure is discussed in the following paragraphs, along with specific procedures for executing them.



Figure 1: JKR Project Risk Management Process

## Establish the Context

Establishing the context for the *Project Name)* consists of the up-front activities necessary to execute a successful risk management program. It is an integral part of normal project planning and management. The planning addresses each of the other risk management functions, resulting in an organized and thorough approach to assess, handle, and monitor risks. It also assigns responsibilities for specific risk management actions and establishes risk reporting and documentation requirements. This RMP serves as the basis for all detailed risk planning, which must be continuous. The risk planning is detailed out in the Risk Planning Template (see Attachment A).

### Responsibilities

The project manager (or delegate or risk manager if appropriate) is responsible for conducting risk planning, using this RMP as the basis. Planning covers all aspects of risk management to including assessment, handling options, and monitoring of risk mitigation activities. The project management monitors the planning activities of the team to ensure that they are consistent with this RMP and that appropriate revisions to this plan are made when required to reflect significant changes resulting from the team planning efforts.

Each person involved in the design, production, operation, and support of the project is a part of the risk management process. This involvement is continuous and should be considered a part of the normal management process.

### Documentation

This RMP establishes the basic documentation and reporting requirements for the project. Team members should identify any additional requirements that might be needed to effectively manage risk at their level. Any such additional requirements must not conflict with the basic requirements in this RMP.

## Risk Identification

Risk identification is the first step in the assessment process. The basic process involves reviewing the entire *(Project Name)* to determine those critical events that would prevent the project from achieving its objectives. All identified risks were documented in the Risk Register (see Attachment B).

Risks were identified by the team, including the client and contractors, which allowed the identification of significant concerns earlier than otherwise might be the case and the identification of those events in critical areas that need to be dealt with to avoid adverse consequences/impacts. Likewise, individuals involved in the detailed and day-to-day technical, cost, and scheduling aspects of the project are most aware of the potential problems (risks) that need to be managed.

For the purpose of this assessment, risks were identified in the Post Award stage of the project implementation.

### Tools and Techniques

Tools and techniques used in the risk identification and mitigation strategies for this project were as follows:

* Brainstorming, with a facilitator and range of stakeholders
* Interviews with stakeholders
* Scenario, business analysis and event tree modelling.
* Dependency modelling.
* Experience from other projects, metrics and published data norms
* Reviewing project information, including plans, analysis and designs.
* Checklists.
* Others : …………………………………

Note : Check [√] in appropriate boxes

### 2.2.2 Risk Register

The key output of the risk identification phase is the risk register. The risk register for the project is shown at Attachment B.

*Note: At this stage just a list of identified risks would appear in the risk register. The risk register Attachment B has had further analysis applied to the risks.*

## Risk Analysis

Risk analysis can be undertaken using similar methods as used for risk identification and is also a continuous process in the same way that risk identification is and the two may often be combined, in a structured way, into one activity.

Project or program risks are analysed to identify the:

* Estimated likelihood that the risk will occur (preferably probability using quantitative methods);
* Estimated impacts of the risk occurring in terms of its cost, schedule, ‘quality’ and other impacts on the project objectives including its products;
* The most appropriate risk owner; and
* Potential impact of the risk on third parties such as other projects and organisations.

It can also be useful at this stage of the analysis to conduct an initial high level assessment of whether the risk should be managed. There are three cases where a risk may not need managing by a project:

* The likelihood of it happening is extremely small.
* The impacts are insignificant and require no treatment
* The risk belongs outside the project; in this case the outside owners must formally take responsibility for it.

### Updated Risk Register

The risk register is updated with the likelihood and impact Information and the consequent risk rating as per Attachment B.

## Risk Evaluation

Typically an analysis or review of the risks associated with a project is made and a decision formed on what risks need treatment and what are their associated priorities. The first action is to sort the analysed risks by classifying them as one of:

* Accepted Risks, risks that are currently acceptable and do not require treatment, but will be kept under review.
* Rejected Risks, risks that are considered non-existent after analysis or of no significance.
* Significant Risks to be treated, these may need prioritisation.

## Risk Treatments

An initial identification and assessment of measures to modify the identified risks was performed and the preparation of treatments for the risks identified. Risk Owners should also be assigned and may be members of the project team, business or other managers elsewhere in JKR, participating agencies or other stakeholder bodies. They will require an appropriate allocation of resources for their task(s), which may require negotiation by the sponsor depending on their relationship to the project.

Treatments are aimed to either reduce the risk’s likelihood or impacts or both. Preparation of treatments requires inputs from stakeholders and coordination with the Project Manager. Normally if there is an unacceptable risk of a treatment failing (or not being found) or when a risk may reach an unacceptable level then a contingency plan must be developed.

### Risk Analysis Templates

The output of the identification and assessment of the high priority risks is shown at Attachment C. At this stage some implementation measures have been identified (New Risk Treatments) but actions arising from these strategies, should, where possible, be included as activities in the project management plan.

## Risk Monitoring and Reporting

The project manager has overall responsibility for monitoring and managing all aspects of the risk management process, unless the risk management activities have been assigned to a separate risk manager.

To ensure that significant risks are effectively monitored, risk-handling actions should be reflected in integrated project planning and scheduling. Identifying these risk handling actions and events in the context of Work Breakdown Structure (WBS) elements establishes a linkage between them and specific work packages, making it easier to determine the impact of actions on cost, schedule, and performance.

Risk status should be reported on an exception basis at the weekly project status meetings, with a full risk review conducted on a monthly basis or as appropriate.

# Risk Management Organisation

The risk organisation for the *(Project Name)* is not a separate organisation, but rather risk is integrated into the project’s existing structure. A role is typically assigned to a Risk Manager who in turn is the overall coordinator of the project’s Risk Management Program.

Note: This role in most projects will be performed by the Project Manager, but depending on the size of the project this role may be performed by a dedicated person.

The Risk Manager is responsible for:

* Maintaining this RMP
* Briefing the PM on the status of project risk
* Tracking efforts to reduce extreme and high risks to acceptable levels
* Providing risk management training
* Facilitating risk assessments/workshops
* Preparing risk briefings, reports, and documents required for project reviews and the acquisition milestone decision processes.

The program manager endorses the risk management plan and receives update reports on the status of project risks from the Project Manager or Risk Manager.

The project team is responsible for implementing risk management tasks as per this Plan. This includes the following responsibilities:

* Review and recommend to the Risk Manager changes on the overall risk management approach based on lessons learned
* As directed, update the project risk assessments made during the applicable project phase
* Review and be prepared to justify the risk assessments made and the risk mitigation plans proposed
* Report risk to the PM, with information to the Risk Manager via the Risk Register or Risk Analysis Templates
* Ensure that risk is a consideration at each project review.

It is also important that the user/owner organisation remains fully involved in the risk management process, and identifies risks associated with future operation of the project deliverable(s).

**Attachment A**

**Risk Planning Template**

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| **RISK MANAGEMENT PLANNING** | | | | | | | | | | | | | | | | | |
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| **1.0 PROJECT INFORMATION** | | | | | | | | | | | | | | | | | |
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| PROJECT TITLE : | | | | |  | | | | | | | | | | | | |
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| PROJECT REF. NO. : | | | | |  | | | | | | | | | | | | |
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| SKALA REF. NO. : | | | | |  |  | | | | |  | | | |  | | |
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| CLIENT MINISTRY : | | | | |  | | | | | | | | | | | | |
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| END USER : | | | | |  | | | | | | | | | | | | |
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| FUNDING : | | | | | FEDERAL / STATE / PFI / OTHERS | | | | | | | | | | | | |
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| PROGRAM MANAGER : | | | | |  | | | | | | | | | | | | |
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| PROJECT MANAGER : | | | | |  | | | | | | | | | | | | |
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| SITE SUPERVISION OFF : | | | | |  | | | | | | | | | | | | |
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| RISK MANAGER : | | | | |  | | | | | | | | | | | | |
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| PROJECT ENTRY DATE: | | | | |  | | | | | | | | | | | | |
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| PROJECT COMPLETION DATE : | | | | |  | | | | | | | | | | | | |
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| CONTRACT START DATE: | | | | |  | | | | | | | | | | | | |
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| CONTRACT END DATE: | | | | |  | | | | | | | | | | | | |
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| PROJECT CEILING COST: | | | | |  | | | | | | | | | | | | |
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| CONTRACT COST: | | | | |  | | | | | | | | | | | | |
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| TYPE OF CONTRACT: | | | | | CONVENTIONAL-JKR / CONVENTIONAL-CONSULTANT / | | | | | | | | | | | | |
|  | | | | | DESIGN & BUILD / OPEN TENDER / RESTRICTED TENDER / | | | | | | | | | | | | |
|  | | | | | DIRECT NEGOTIATION | | | | | | | | | | | | |
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| CONTRACTOR'S NAME: | | | | |  | | | | | | | | | | | | |
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| ADDRESS: | | | | |  | | | | | | | | | | | | |
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| CONSULTANT'S NAME | | | | |  | | | | | | | | | | | | |
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| ADDRESS : | | | | |  | | | | | | | | | | | | |
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| Need for Workshop? | | | | |  | Yes | | | | |  | | | | No | | |
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| **2.0 RISK MANAGEMENT WORKSHOP** | | | | | | | | | | | | | | | | | | | | | | |
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| DATE OF WORKSHOP: | |  |  | | | | | | | | | | | | | | | | | | | |
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| PARTICIPATING ORGANISATIONS : | | 1. |  | | | | | | | | | | | | | | | | | | | |
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| NO. OF PARTICIPANTS : | |  |  | | | | | | | | | | | | | | | | | | | |
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| NO. OF PRESENTER/FACILITATORS : | |  | Presenter: Facilitator : | | | | | | | | | | | | | | | | | | | |
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| ESTIMATED COST : | |  | RM | | | | | | | | | | | | | | | | | | | |
| *Go To Budget Template* | |  |  | | | |  |  | |  | | |  | | |  | |  | | | | | |
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| SOURCE OF FINANCING : | |  |  | | | | | | | | | | | | | | | | | | | |
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| ITINERARY TYPE : | |  | A / B / Other | | | | | | | | | | | | | | | | | | | |
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| PROJECT PHASES : | |  | INITIATION / PLANNING / DESIGN / | | | | | | | | | | | | | | | | | | | |
|  | |  | PROCUREMENT / CONSTRUCTION / HANDOVER | | | | | | | | | | | | | | | | | | | |
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| CURRENT PROJECT ISSUES : | | 1. |  | | | | | | | | | | | | | | | | | | | |
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| WORK PLAN : | |  | Q PLAN / WORK SCHEDULE / ........................ | | | | | | | | | | | | | | | | | | | |
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| LIST OF APPARATUS & EQUIPMENT | |  | 1. LAPTOP COMPUTER | | | |  | | nos. | | |  | | 6. WIRELESS MIC | | |  | | nos. | | | | | |
| AND NOS REQUIRED : | |  | 2. LCD PROJECTOR | | | |  | | nos. | | |  | | 7. LASER POINTER | | |  | | nos. | | | | | |
|  | |  | 3. PROJECTOR SCREEN | | | |  | | nos. | | |  | | 8. …………………… | | |  | | nos. | | | | | |
|  | |  | 4. FLIPCHART | | | |  | | nos. | | |  | | 9. …………………… | | |  | | nos. | | | | | |
| *Go To Workshop Checklist* | |  | 5. PA SYSTEM | | | |  | | nos. | | |  | | 10 …………………… | | |  | | nos. | | | | | |
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| **3.0 MONITORING & CONTROL** | | | | | | | | | | | | | | | | | | | | |
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| **3.1 RISK MANAGEMENT PLAN** | | |  | | | | | | | | | | | | | | | |  | |
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| DATE OF INITIAL RISK REVIEW | | |  | | | | | | | | | | | | | | | |  | |
| MEETING: | | |  | | | | | | | | | | | | | | | |  | |
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| DATE TO APPROVE RMP : | | |  | | | | | | | | | | | | | | | |  | |
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| DATE TO DISTRIBUTE RISK REGISTER : | | |  | | | | | | | | | | | | | | | |  | |
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| **3.2 MONITORING & FEEDBACK** | | |  | | | | | | | | | | | | | | | |  | |
|  | | |  | | | | | | | | | | | | | | | |  | |
|  | | | 1. PROJECT SITE MEETINGS | | | | | | | | | | | | | |  | | |
|  | | | 2. FOLLOW UP RISK REVIEW MEETINGS | | | | | | | | | | | | | |  | | |
|  | | | 3. TECHNICAL MEETINGS | | | | | | | | | | | | | |  | | |
|  | | | 4. E-MAIL | | | | | | | | | | | | | |  | | |
|  | | | 5. OTHERS ……………………………………………. | | | | | | | | | | | | | |  | | |
|  | | | *Mark* √ *on the appropriate methods to be used* | | | | | | | | | | | | | | | | | |
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| **3.3 REPORTING** | | |  | | | | | | | | | | | | | | | |  | |
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| FREQUENCY OF STATUS REPORT : | | | MONTHLY / BI MONTLY / QUARTERLY | | | | | | | | | | | | | | | |  | |
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| DATE TO COMPLETE FINAL REPORT : | | |  | | | | | | | | | | | | | | | |  | |
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| REPORTING OFFICER : | | |  | | | | | | | | | | | | | | | |  | |
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| VERIFYING OFFICER : | | |  | | | | | | | | | | | | | | | |  | |
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| **4.0 SIGN OFF** | | | | | | | | | | | | | | | | | | | | |
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| Prepared by | | |  | | | | | | | | | | | | | | | |  | |
| Project Manager : | | |  | | | | | | | | | | | | | | | |  | |
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| Approved by | | |  | | | | | | | | | | | | | | | |  | |
| Program Manager / Director : | | |  | | | | | | | | | | | | | | | |  | |
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| Date : | | |  | | | | | | | | | | | | | | | | | |

**Attachment B**

**Risk Register**

RISK REGISTER

|  |  |
| --- | --- |
| Project Title : | Date : |
| Project Ref. No. : | Compiled by : |
| Project Manager : | Reviewed by : |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
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| **CATEGORY OF PROJECT RISK** | |  | **Likelihood Rating** | **Impact Rating** | **Risk Rating** |  | **RISK MATRIX** | | | | | | |
| 1. Political | 9. Contractual | 5. Almost certain | V. Severe | E– Extreme risk, immediate action required | **LIKELIHOOD** | ***5*** | H | H | H | E | E |
| 2. Scope | 10. Technical | 4. Likely | IV. Major | H – High risk, will jeopardize project if not managed | ***4*** | M | M | H | E | E |
| 3. Schedule | 11. Environmental | 3. Possible | III. Moderate | M – Medium risk, will impact time, cost or quality if not managed | ***3*** | L | M | M | H | E |
| 4. Financial | 12. Suppliers | 2. Unlikely | II. Minor | L – Low risk, acceptable project management risk, monitor only | ***2*** | L | L | M | H | H |
| 5. Human Resources | 13. Industrial relations | 1. Rare | I. Insignificant |  | ***1*** | L | L | M | M | H |
| 6. Quality | 14. Organisational |  | | |  | ***I*** | ***II*** | ***III*** | ***IV*** | ***V*** |
| 7. Communications | 15. Occ. Health & Safety | **IMPACT** | | | | | |
| 8. Other resources | 16. Cultural & Social |

| Ref No.  (WBS) | Risk Event  There is a risk that ……….. | Category  of Risk | Likelihood  Rating | Impact  Rating | Risk  Rating | Treatment Measures | Responsible Party | Target Deadline |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **1.0** | **PLANNING RISK** |  |  |  |  |  |  |  |
| 1.1 |  |  |  |  |  |  |  |  |
| 1.2 |  |  |  |  |  |  |  |  |
| 1.3 |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| **2.0** | **DESIGN RISK** |  |  |  |  |  |  |  |
| 2.1 |  |  |  |  |  |  |  |  |
| 2.2 |  |  |  |  |  |  |  |  |
| 2.3 |  |  |  |  |  |  |  |  |
| 2.4 |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| **3.0** | **PROCUREMENT RISK** |  |  |  |  |  |  |  |
| 3.1 |  |  |  |  |  |  |  |  |
| 3.2 |  |  |  |  |  |  |  |  |
| 3.3 |  |  |  |  |  |  |  |  |
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| **4.0** | **CONSTRUCTION RISK** |  |  |  |  |  |  |  |
| 4.1 |  |  |  |  |  |  |  |  |
| 4.2 |  |  |  |  |  |  |  |  |
| 4.3 |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| **5.0** | **HAND OVER RISK** |  |  |  |  |  |  |  |
| 5.1 |  |  |  |  |  |  |  |  |
| 5.2 |  |  |  |  |  |  |  |  |
| 5.3 |  |  |  |  |  |  |  |  |

**Attachment C**

**Risk Analysis Template**

**Risk Analysis Template Sheet No. :**

|  |  |  |  |
| --- | --- | --- | --- |
| **Ref No (WBS):** | **Risk Title:** | | |
| **Risk Description:** | | | |
| **Risk Nature: Strategic/Operational** | **Risk Category:** | **Risk Manager:** | **Business Unit:** |

|  |  |
| --- | --- |
| **Risk Factors:** | **Possible Effects:** |
| * .. * .. * .. | * .. * .. * .. |

|  |  |
| --- | --- |
| **Existing Risk Treatments:** | **Effectiveness: (H**igh**/M**edium**/L**ow**)** |
| * .. * .. * .. | * .. * .. * .. |

|  |  |  |
| --- | --- | --- |
| **New Risk Treatments :** | **Responsible Party:** | **Target Deadline:** |
| * .. * .. * .. | * .. * .. * .. | * .. * .. * .. |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Risk Assessment Date** | **Inherent Risk** | | | **Assessed Risk** | | | **Target Risk** | | |
| **Likelihood** | **Impact** | **Risk Rating** | **Likelihood** | **Impact** | **Risk Rating** | **Likelihood** | **Impact** | **Risk Rating** |
|  |  |  |  |  |  |  |  |  |  |

**Risk Analysis Template Instructions:**

|  |  |  |
| --- | --- | --- |
|  | **Ref. No (WBS):** | Sequential numbering of each risk identified. |
|  | **Risk Title:** | Give the risk a title. |
|  | **Risk Description:** | Provide a brief description of the risk (risk statement) |
|  | **Risk nature:** | Select one of the following – Strategic or Operational. |
|  | **Risk Category:** | Select the appropriate category to classify the risk (ie based on the source of the risk) |
|  | **Risk Manager:** | Person responsible for managing the risk. |
|  | **Business Unit:** | Provide name of Business Unit or similar |
|  | **Risk factors:** | Describe the causes of the risk. |
|  | **Possible Effects:** | Describe the impacts of the risk arising. |
|  | **Existing Risk Treatments:** | Identify all existing risk treatments and controls that are in place and any mitigating factors. |
|  | **Effectiveness (H,M,L):** | Rate the effectiveness of the existing risk treatments as either High (H), Medium (M) or Low (L). |
|  | **NewRisk Treatments:** | Identify a new range of options or strategies for treating risks. |
|  | **Responsible Party:** | Specify person who is responsible for the implementation of each new/proposed risk treatments. |
|  | **Deadline:** | Specify a final date when the implementation of the strategy will be completed. |
|  | **Risk Assessment Date** | Specify date of risk being assessed. |
|  | **Inherent Risk:** | Determine the risk level by applying the risk matrix assuming no Existing Risk Treatments. |
|  | **Assessed Risk:** | Determine the risk level by applying the risk matrix after forming a judgment on the effectiveness of Existing Risk Treatments. |
|  | **Target Risk:** | Advise the target level that will be achieved after implementation of the new/proposed risk treatments. The target risk is the desired risk level after implementation of new/proposed risk treatments. There may be instances where the target risk remains high due to the nature of the activity undertaken. In this case new/proposed risk treatments should be closely monitored and reported. |

**Attachment D**

**Definitions**

**Definitions**

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| **Assumptions List** | A record of the assumptions embedded in the project plan. Assumptions that are not validated are potential risks. |
| **Business Case** | The document that justifies the need for the system to be delivered by a project, what the business changes will be and the resources required to deliver, operate and dispose of the system. It provides the basis for project funding and may undergo approved revisions during the project |
| **Impact** | The outcome of an event expressed in qualitative or quantitative terms (for example, financial or reputational) being a loss, injury, disadvantage or gain |
| **Inherent Risk** | A raw risk that is a risk that has no mitigation factors or treatments applied to it. |
| **Monitoring and Accountability** | The processes used to manage the Enterprise Risk Management Framework on an on-going basis to reduce risk and take advantage of risk as an opportunity. |
| **Opportunity** | The possibility of realizing a favourable outcome and the impact this outcome has on the involved party. Opportunity is positive risk and can be identified and managed in a similar way. |
| **Probability** | A qualitative description of the likelihood and/or frequency of a risk occurring. |
| **Residual risk** | The degree of risk left after mitigation factors have been identified. |
| **Risk** | Risk is anything that may happen that impacts the achievement of an organization’s objectives. Risk encompasses the following three dimensions:   * **Hazard -** preventing an exposure from turning into a loss * **Uncertainty -** coping with volatility and change; and * **Opportunity -** harnessing opportunities to one’s advantage. Risk is an event having a cause and a impact that could be either positive or negative. |
| **Risk Acceptance** | The informed decision to accept the impact and the likelihood of a particular risk. |
| **Risk Analysis** | A systematic use of available information to determine how often specified evens may occur and the magnitude of their impacts. |
| **Risk Appetite** | Risk appetite is the amount of risk, on a broad level, an entity of willing to accept in pursuit of objectives. It reflects that organization’s risk management philosophy and, in turn, influences the organization’s culture and operating style. |
| **Risk Avoidance** | An informed decision not to become involved in a risk situation. |
| **Risk Event** | The occurrence of an event, which has the potential to affect the viability of a project. |
| **Risk Management Framework** | A formalized process for managing risk on an explicit basis. The framework consists of a risk assessment, response and accountability for the risk and mitigation activities around it. |
| **Risk Manager** | The role responsible for operating the project’s risk management process and the custodian of the Risk Management Plan and Risk Register |
| **Risk Mitigation** | The processes built into the controls environment, such as policies, frameworks, accountabilities etc to lower the residual risk. |
| **Risk Owner** | A designated position in an organisation assigned the responsibility for managing a specific risk |
| **Risk Reduction** | A selective application of appropriate techniques and management principles to reduce either the likelihood of an occurrence or its impacts, or both. |
| **Risk Register** | A record, under formal change control, of all identified risks, their assessment, treatments and outcomes |
| **Risk Retention** | Intentionally or unintentionally retaining the responsibility for loss or financial burden or loss within the organization. |
| **Risk Response** | The decision to accept, decline, treat or mitigate a risk or share a risk with another party. |
| **Risk Sharing** | Sharing the responsibility for the impact of a risk with another party such as through an outsourcing contract or insurance policy. |
| **Strategic Risk** | Any risk event which has serious or catastrophic consequence even though the likelihood of occurrence may be quite low |
| **Uncertainty** | The gap between the information required to estimate an outcome and the information already possessed by the decision maker |

**ENDORSEMENTS**

**Project Manager / Risk Manager**

|  |  |  |
| --- | --- | --- |
| Name | Signature | Date |

Program Manager

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| --- | --- | --- |
| Name | Signature | Date |