

RISK MANAGEMENT PLAN

Version 1.1

PURPOSE:

A risk is an event or condition that, if it occurs, could have a positive or negative effect on a project's objectives. Risk Management is the process of identifying, assessing, responding to, monitoring, and controlling, and reporting risks. This Risk Management Plan defines how risks associated with projects will be identified, analyzed, and managed. It outlines how risk management activities will be performed, recorded, and monitored throughout the lifecycle of the project and provides templates and practices for recording and prioritizing risks by the Risk Manager and/or Risk Management Team. It also provides a Risk Register Template to be used as projects are identified and related to business activities. This plan applies to the M10 organization as well as contractors.

IT system or application weaknesses must be identified and tracked. Appropriate protective measures must be taken to safeguard sensitive IT system or application weaknesses or vulnerabilities from unauthorized disclosure.

RISK MANAGEMENT PROCEDURE

PROCESS

A project manager will ensure that risks are actively identified, analyzed, and managed throughout the life of the project. Risks will be identified as early as possible in the project to minimize impacts. The steps for accomplishing this are outlined in the following sections. The project manager will serve as the Risk Manager for this project.

ROLES AND RESPONSIBILITIES

Role	Responsibilities
Risk Manager or Project Manager (PM)	The Risk Manager or PM determines if the Risk is unique, identifies risk interdependencies across projects, verifies if risk is internal or external to project, assigns risk classification and tracking number. During the life of the project, they continually monitor the projects for potential risks.

Risk Owner(s)	The risk owner determines which risks require mitigation and contingency plans, he/she generates the risk mitigation and contingency strategies and performs a cost benefit analysis of the proposed strategies. The risk owner is responsible for monitoring and controlling and updating the status of the risk throughout the project lifecycle. The risk owner can be a member of the project team.
Other Key Stakeholders	The other stakeholders assist in identifying and determining the context, consequence, impact, timing, and priority of the risk.

RISK IDENTIFICATION

Risk identification will involve the project team, appropriate stakeholders, and will include an evaluation of environmental factors, organizational culture and the project management plan including the project scope, schedule, cost, or quality. Careful attention will be given to the project deliverables, assumptions, constraints, work breakdown structure (WBS), cost/effort estimates, resource plan, and other key project documents.

METHODS FOR RISK IDENTIFICATION

The following methods will be used to assist in the identification of risks associated with a project:

- Brainstorming
- Interviewing
- SWOT (Strengths, Weaknesses, Opportunities and Threats)
- Diagramming
- Other methods

A Risk Register will be generated and updated as needed and will be stored electronically in a location available to stakeholders.

RISK ANALYSIS

All risks identified will be assessed to identify the range of possible project outcomes. Risks will be prioritized by their level of importance.

QUALITATIVE RISK ANALYSIS

The probability and impact of occurrence for each identified risk will be assessed by the project manager, with input from the project team using the following approach:

Risks are scored by the likelihood of occurrence and the impact of the risk, should it occur. The overall risk score is the likelihood x impact. An example has been provided below:

Low Impact

	Low	Moderate	High
High	Moderate	Moderate	High
Moderate	Moderate	Moderate	High
Low	Low	Moderate	High

Moderate
likelihood

Moderate Risk
Level

RISK RESPONSE PLANNING

Each major risk will be assigned to a risk owner for monitoring and controlling purposes. For each major risk, one of the following approaches will be selected to address it:

- **Avoid** – Eliminate the threat or condition or to protect the project objectives from its impact by eliminating the cause
- **Mitigate** – Identify ways to reduce the probability or the impact of the risk
- **Accept** – Nothing will be done
- **Transfer** – Shift the consequence of a risk to a third party together with ownership of the response by making another party responsible for the risk (buy insurance, outsourcing, etc.)

For each risk that will be mitigated, the project team will identify ways to prevent the risk from occurring or reduce its impact or probability of occurring. This may include prototyping, adding tasks to the project schedule, adding resources, etc. Any secondary risks that result from risk mitigation response will be documented and follow the risk management protocol as the primary risks.

For each major risk that is to be mitigated or that is accepted, a course of action will be outlined if the risk does materialize to minimize its impact.

RISK MONITORING, CONTROLLING, AND REPORTING

The level of risk on a project will be tracked, monitored, and controlled and reported throughout the project lifecycle.

Risks will be assigned a risk owner(s) who will track, monitor, and control and report on the status and effectiveness of each risk response action to the Project Manager and Risk Management Team periodically.

As Risk Events occur, the list will be re-prioritized during weekly reviews and risk management plan will reflect all changes to the risk lists including secondary and residual risks.

Management will be notified of important changes to risk status as a component to the project status report bi-weekly.

The Risk Manager (PM) will:

- Review, reevaluate, and modify the probability and impact for each risk item as needed.

- Analyze any new risks that are identified and add these items to the risk list (or risk database).
- Monitor and control risks that have been identified
- Escalate issues/ problems to management

The Risk Owner will:

- Help develop the risk response and risk trigger and carry out the execution of the risk response, if a risk event occurs.
- Participate in the review, re-evaluation, and modification of the probability and impact for each risk item on a weekly basis.
- Identify and participate in the analysis of any new risks that occur.
- Escalate issues/problems to PM that,
 - Significantly impact the projects triple constraint or trigger another risk event to occur.
 - Require action prior to the next weekly review
 - Risk strategy is not effective or productive causing the need to execute the contingency plan.

TOOLS AND PRACTICES

A Risk Register will be maintained by the project manager and will be reviewed as a standing agenda item for project team meetings. Risk activities will be recorded and stored electronically on OneDrive for stakeholders.

CLOSING A RISK

A risk will be considered closed when it meets the following criteria:

- Risk is no longer valid
- Risk event has occurred
- Risk is no longer considered a risk
- Risk closure at the direction of the Project Manager

LESSONS LEARNED

The lessons learned will be captured, recorded, and stored electronically on OneDrive and available to stakeholders.