Realising Project Benefits

Risk Management Plan

Version 1.0 (28/7/07)

Inter Agency Policy and Projects Unit
Department of Premier and Cabinet

Tasmania
Explore the possibilities

Acknowledgements

The contribution of the following individuals in preparing this document is gratefully acknowledged:

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This document has been derived from a template prepared by the Department of Premier and Cabinet, Tasmania. The structure is based on a number of methodologies as described in the *Tasmanian Government Project Management Guidelines*.

For further details, refer to *www.egovernment.tas.gov.au*

DOCUMENT ACCEPTANCE and RELEASE NOTICE

Version 1.0 of the *Realising Project Benefits* Project Risk Management Plan.

The Risk Management Plan is a managed document. For identification of amendments each page contains a release number and a page number. Changes will only be issued as complete replacement. Recipients should remove superseded versions from circulation. This document is authorised for release once all signatures have been obtained.

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Table of Contents

1 Executive Summary 4

2 Introduction 4

3 Risk Assessment 4

3.1 Identification 4

3.2 Analysis and Evaluation 5

4 Risk Mitigation 5

5 Risk Monitoring 5

6 Roles and Responsibilities 6

6.1 Project Sponsor 6

6.2 Project Manager 6

6.3 Project Team 6

Appendix A: *Realising Project Benefits* Risk Register (as at 26/6/07) 7

Appendix B: *Realising Project Benefits* Risk Register (as at 26/6/07) 8

1 Executive Summary

The purpose of this document is to provide a management framework to ensure that levels of risk and uncertainty are properly managed for the remainder of the project. As risk management is an ongoing process over the life of a project, the Risk Register must be considered a 'snap shot' of relevant risks at one point in time.

This document will achieve this by defining the following:

- the process that will be/has been adopted by the Project to identify, analyse and evaluate risks during the remainder of the project;
- how risk mitigation strategies will be developed and deployed to reduce the likelihood and/or impact of risks;
- how often risks will be reviewed, the process for review and who will be involved;
- roles and responsibilities for risk management;
- how reporting on risk status, and changes to risk status, will be undertaken within the Project and to the Steering Committee;
- a complete Risk Register containing all risks identified for the Project, their current gradings and the identified risk mitigation strategies to reduce the likelihood and seriousness of each risk.

2 Introduction

The objectives of the risk management approach in the *Realising Project Benefits* Project are to identify, assess and mitigate risks where possible and to continually monitor risks throughout the remainder of the project as other risks or threats emerge or a risk's impact or likelihood changes.

As risk management is an ongoing process over the life of a project, this Risk Management Plan and Risk Register must be considered a 'snap shot' of relevant risks at one point in time.

Where required, the process of risk identification, assessment and the development of countermeasures will involve consultation with the Inter Agency Steering Committee (IASC), the Project Management Advisory Committee (PMAC), the *Realising Project Benefits* Project Team and other relevant stakeholders.

3 Risk Assessment

3.1 Identification

During the development of the Project Business Plan the Project Team undertook an initial risk identification. The methodology for the risk identification was a brain storm facilitated by the Project Manager. The Risk Register was developed from this activity.

3.2 Analysis and Evaluation

Risks have been analysed by determining how they might affect the success of the project. Generally the impact of a risk will realise one or any combination of the following consequences:

- Project outcomes (benefits) are delayed or reduced;
- Project output quality is reduced;
- Timeframes are extended;

Risks have been evaluated to determine the **likelihood** of a risk or threat being realised and the **seriousness**, or impact, should the risk occur.

'Likelihood' is a qualitative measure of probability to express the strength of our belief that the threat will emerge (generally ranked as Low (L), Medium (M) or High (H)).

'Seriousness' is a qualitative measure of negative impact to convey the overall loss of value from a project if the threat emerges, based on the extent of the damage (generally ranked as Low (L), Medium (M), High (H) or Extreme).

Risks have been graded as A, B, C, D or N according to the following matrix. The result of this grading provides a risk exposure profile for the Project.

		Seriousness			
		Low	**Medium**	**High**	**EXTREME**
Likelihood	**Low**	N	D	C	A
	Medium	D	C	B	A
	High	C	B	A	A

4 Risk Mitigation

Actions to reduce the likelihood that a threat will occur (preventative action) and/or reduce the impact of a threat that does occur (contingency action) have been included in the Risk Register. Responsibility for actions to mitigate risks are identified in the risk register.

5 Risk Monitoring

The Risk Register will be reviewed at the fortnightly scheduled meetings between Project Manager and Project Sponsor. The risk register will also be reviewed as required at Project Team meetings.

The risk register will be maintained as a separate document, and the most recent version included as an appendix as the Project Business Plan is updated and amended.

Changes to risk status and new risks will be reported to the IASC and PMAC through the bimonthly reporting arrangements.

6 Roles and Responsibilities

6.1 Project Sponsor

Ultimate responsibility for ensuring appropriate risk management processes are applied rests with the Project Sponsor. The Project Sponsor has been involved in the initial risk identification and analysis process, and will continue to monitor and assist with analysis and mitigation strategies.

6.2 Project Manager

The Project Manager will be responsible for:

- Development and implementation of a Project Risk Management Plan;
- Organisation of regular risk management sessions so that risks can be reviewed and new risks identified;
- Assessment of identified risks and developing strategies to manage those risks for each phase of the project, as they are identified;
- Ensure that risks given an A grading are closely monitored; and
- Providing regular Status Reports to the Project Sponsor noting any 'A' Grade risks and specifying any changes to the risks identified during each phase of the project and the strategies adopted to manage them.

6.3 Project Team

All members of the Project Team will be responsible for assisting the Project Manager in the risk management process. This includes the identification, analysis and evaluation of risks and continual monitoring through out the project life cycle.

Appendix A: *Realising Project Benefits* Risk Register (as at 26/6/07)

Rating for Likelihood and Seriousness for each risk			
L	Rated as Low	E	Rated as Extreme (Used for Seriousness only)
M	Rated as Medium	NA	Not Assessed
H	Rated as High		

Grade: Combined effect of Likelihood/Seriousness					
	Seriousness				
Likelihood		low	medium	high	EXTREME
	low	N	D	C	A
	medium	D	C	B	A
	high	C	B	A	A

Recommended actions for grades of risk	
Grade	**Risk mitigation actions**
A	Mitigation actions, to reduce the likelihood and seriousness, to be identified and implemented as soon as the project commences as a priority.
B	Mitigation actions, to reduce the likelihood and seriousness, to be identified and appropriate actions implemented during project execution.
C	Mitigation actions, to reduce the likelihood and seriousness, to be identified and costed for possible action if funds permit.
D	To be noted - no action is needed unless grading increases over time.
N	To be noted - no action is needed unless grading increases over time.

Change to Grade since last assessment			
NEW	New risk	↓	Grading decreased
—	No change to Grade	↑	Grading increased

Appendix B: *Realising Project Benefits* Risk Register (as at 26/6/07)

Id	Description of Risk Identification of consequences	Likelihood	Seriousness	Grade	Change	Impact	Mitigation Actions (Preventative or Contingency)	Individual/Group Responsible for Mitigation Action	Timeline for Mitigation Action
1	Lack of championship from the highest level	M	H	B	N/A	Jeopardise Outcome 2	• Project Business Plan signed off by IASC. • Communication strategy • tailored seminar series	Project sponsor/business owners	• complete • ongoing • Oct 07
2	Forums not fit for purpose to meet Outcome 1	L	H	D	N/A	Does not meet need of target audience. Target audience may disengage from forums	• Ensure presenters are adequately briefed. • QA of presentations prior to delivery	Project Manager	Oct 07
3.1	Poor attendance by Senior Execs and Dep Secs at tailored seminar series	M	H	B	N/A	Jeopardise Outcome 2	• Marketing strategy for tailored seminar series • Use high profile presenters	Project Manager/Project Sponsor	Oct 07
3.2	Poor attendance at Forums	L	H	D	N/A	Awareness raising limited	Ensure Forums are relevant and well marketed	Project Manager	Oct 07

Id	Description of Risk Identification of consequences	Likelihood	Seriousness	Grade	Change	Impact	Mitigation Actions (Preventative or Contingency)	Individual/Group Responsible for Mitigation Action	Timeline for Mitigation Action
4	Lack of availability of staff from other agencies to support resources development and QA	L	M	C	N/A	• Less resources are reviewed and developed. • Timeline for resources development and revision blows out	• Regular reports to IASC. • Formal and informal Consultation	Project Manager/Sponsor	Ongoing
5	Unwillingness or lack of readiness of projects to participate in targeted QA service and case study development	L	H	D	N/A	Not enough projects to participate in targeted QA service No case study material	Direct approach to specific projects	Project Manager/Sponsor	
6	Better Practice team members not available to assist Project	H	H	A	N/A	Work does not progress in a timely fashion. Missed deadlines compromise Outputs.	• Sponsor ensures that the Project work has priority over other team work. • Create a schedule for development	Project Sponsor Project Manager	• Ongoing through project • Create schedule by end May.