

Risk Management

Oregon Child Support Program

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Oregon Department of Justice

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Topics

- Risk and Risk Management Definitions
- Components of a Risk
- Risk Management Process
 - Risk Identification
 - Initial Risk Analysis
 - Risk Response Planning
 - Risk Maintenance
- Risk Register
- Example

What is Risk Management?

- Risk
 - Threats
 - Opportunities
- Risk Management
 - Minimize consequences
 - Ongoing process

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Risk Components

Component	Description
Risk Description	<i>Expressed in terms of Event...caused by...resulting in...</i>
Impact Description	<i>Potential adverse effects (in terms of cost, time, scope, quality)</i>
Mitigation Plan	<i>Action Plan to reduce the impact or probability of risk occurring</i>
Trigger	<i>Event indicating the risk has occurred</i>
Contingency Plan	<i>Action Plan to reduce the impact of risk after occurrence</i>

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Risk Components

Component	Description
Status	<i>New, Open, Occurring, Closed</i>
Timing	<i>Near-term, Mid-term, Long-term, Ongoing</i>
Impact Rating	<i>1-5</i>
Probability Rating	<i>1-5</i>
Score	<i>1-25 (Impact X Probability)</i>
Assigned To	<i>Name of Risk Owner</i>
Risk Strategy	<i>Mitigate, Accept, Avoid, Transfer</i>
RBS Category	<i>From Risk Breakdown Structure</i>
Updates	<i>Notes about changes made, date, initials</i>
Issue #	<i>Corresponding Issue Number if risk occurred</i>

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Risk Management Process

Risk Identification

Sources/Inputs

- Business Case
- Charter
- Risks from Other Projects
- Lessons Learned
- Meetings
- Risk Identification Work Session

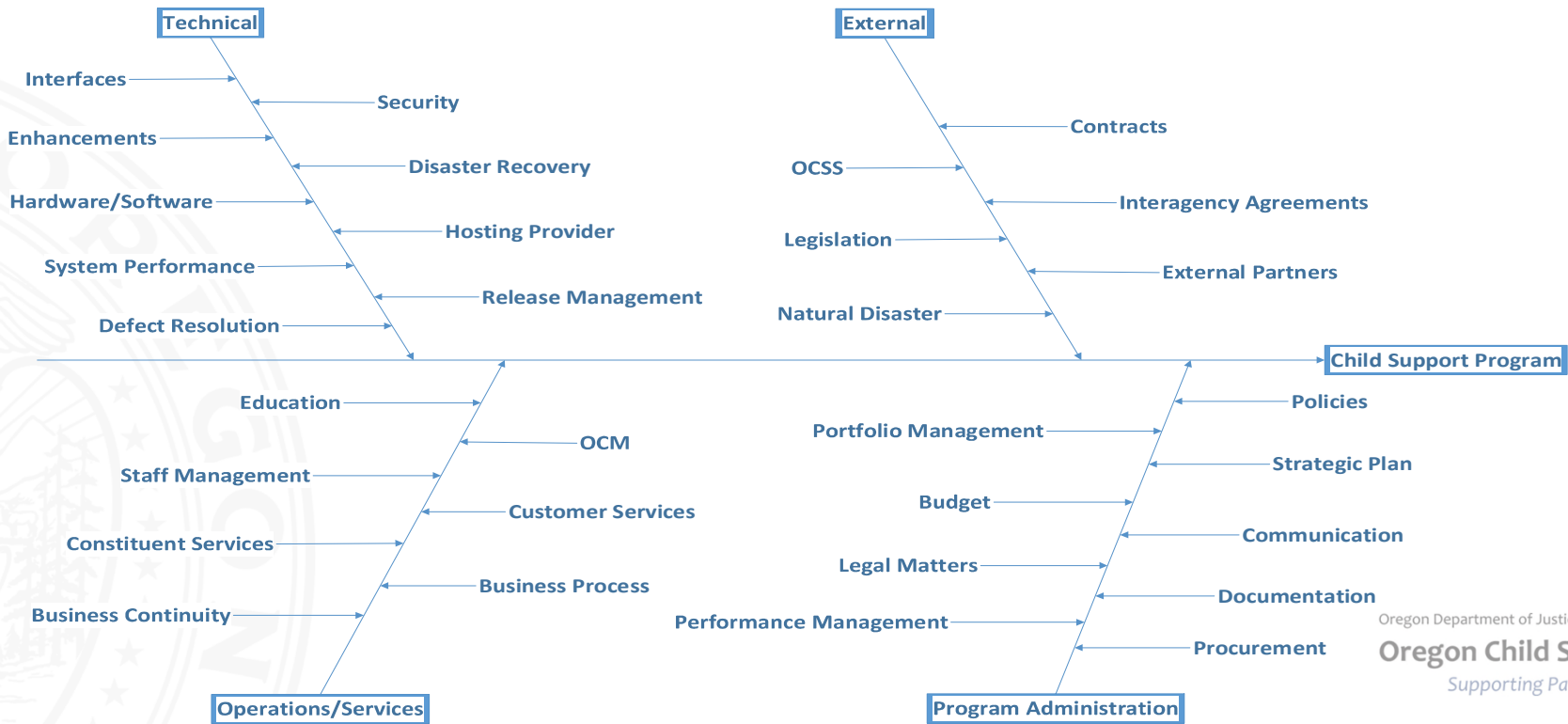
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Risk Management Process

Risk Breakdown Structure



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Risk Management Process

Initial Risk Analysis

- Identify Impact Description
- Assess Probability
- Assess Impact
- Identify Timeframe

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Risk Rating

Score	Impact	Impact Description	Likelihood	Probability
1	Insignificant	Minimal impact to stakeholders or budget, schedule, scope, quality, or benefits of the project.	Highly Unlikely	10%
2	Minor	Low impact to stakeholders, occurrence of risk causes slight deliverable delay that does not affect the critical path, or causes minor increase in cost, scope, minor decrease in quality, or ability to achieve project benefits.	Unlikely	25%
3	Moderate	Moderate impact to stakeholders, occurrence of risk threatens to negatively affect the project's budget, schedule, or scope by 10%, or decreases in quality or likelihood of achieving one or more of the project benefits.	Likely	50%
4	Major	Major impact to stakeholders, occurrence of risk causes significant delay in project schedule, significant cost overrun, or scope increase by 15%, or threatens the quality of one or more project benefits.	Very Likely	75%
5	Critical	Critical impact to stakeholders, occurrence of risk causes extreme delay in schedule, unacceptable cost overrun, or scope increase of more than 15%, unacceptable reduction in quality, or prevents achievement of one or more project benefits.	Almost Certain	100%

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Risk Management Process

Risk Response Planning

- Response Strategies
 - Accept, Avoid, Escalate, Mitigate, Transfer
 - Share, Enhance, Exploit, Escalate, Accept
- Mitigation Plan
- Contingency Plan
- Trigger

Risk Management Process

Risk Maintenance

- Ongoing Risk Monitoring
- Regular Risk Review Meetings
- Update As Appropriate

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Risk Priority

Probability and Impact Matrix

			Impact				
			Insignificant 1	Minor 2	Moderate 3	Major 4	Critical 5
Probability	Highly Unlikely	1	1	2	3	4	5
	Unlikely	2	2	4	6	8	10
	Likely	3	3	6	9	12	15
	Very Likely	4	4	8	12	16	20
	Almost Certain	5	5	10	15	20	25

Key

1-6

Low

8-12

Medium

15-25

High

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Risk Register

Template

ID	Risk Description	Prob Rating	Impact Rating	Risk Score	Assigned To	Impact Description	Status	Timeframe	Risk Strategy	Mitigation Plan	Contingency Plan	Risk Trigger	Category	Risk Update
Unique number	Description of the threat or opportunity	Scale of 1-5	Scale of 1-5	Prob X Impact	The owner of the risk	Description of the adverse effect the risk poses to project objectives should it occur.	New, Open, Closed	Near-Term, Mid-Term, Long-Term, Ongoing	<u>Threat</u> : Avoid, Escalate, Transfer, Mitigate, Accept; <u>Opportunity</u> : Share, Enhance, Exploit, Escalate, Accept	Action plan to reduce the probability of the risk occurring or the severity of the impact.	Steps that can be taken to reduce the impact if the risk occurs.	Event or threshold that indicates the risk has occurred.	Derived from Risk Break-down Structure	Date, initials, and description of updates made.

Risk Register

Example

ID	Risk Description	Prob Rating	Impact Rating	Risk Score	Assigned To	Impact Description	Status	Timeframe	Risk Strategy	Mitigation Plan	Contingency Plan	Risk Trigger	Category	Risk Update
1	Staff assigned to the project may leave unexpectedly, leaving key project positions vacant.	3	4	12	Jane D.	Some project activities may be delayed as new staff members are identified or hired and acclimated to their new role and responsibilities.	Open	Ongoing	Mitigate	Ensure processes are documented and provide sufficient cross-training among staff to quickly fill vacant key positions on the project.	Re-assign responsibilities to the cross-trained staff member to take on the duties until another staff member is hired or assigned.	Key project team member left the project; newly assigned staff member is struggling to acclimate to their project role or is unable to fulfill their project responsibilities.	Resources	9/10/24 AB: Re-assigned from John D. to Jane D.

The background is a light blue gradient. There are six decorative squares: two dark blue squares and four orange squares. The dark blue squares are located at approximately (91, 224), (817, 244), (178, 691), and (817, 644). The orange squares are located at approximately (611, 234), (171, 531), (524, 704), and (524, 704).

Thank you!