

How to use:

Note: This template was created with Microsoft Word. Follow the prompts (in [...] brackets).

Instructions

1. When the template is complete, the document can be printed and approved.
2. Prior to printing, you should delete all [...] prompt text.
3. Save the document by selecting the "Save As" command. You must specify your own directory for your project.

Quality criteria

Once the document is complete check it against the quality criteria below. (Note: these quality criteria are taken from *Managing Successful Projects with PRINCE2* (Axelos Limited. (2017). *Managing Successful Projects with PRINCE2 (6th Edition)*. London: The Stationery Office Ltd.).

- Responsibilities are clear and understood by both customer and supplier.
- The risk management procedure is clearly documented and can be understood by all parties.
- Scales, expected value and proximity definitions are clear and unambiguous.
- The chosen scales are appropriate for the level of control required.
- Risk reporting requirements are fully defined.

Risk management approach

Project:

Release:

Date:

Author:

Owner:

Client:

Document Ref:

Version No:

1 Document history

1.1 Document location

This document is only valid on the day it was printed. The source of the document will be found at this location – *[insert project folder structure]*

1.2 Revision history

Date of this revision:

Date of next revision:

Revision date	Previous revision date	Summary of Changes	Changes marked
		First issue	

1.3 Approvals

Name	Signature	Title	Date of Issue	Version

1.4 Distribution

This document has been distributed to:

Name	Title	Date of Issue	Version

2 Introduction

[States the purpose, objectives and scope, and identifies who is responsible for the approach.]

3 Risk management process or procedure

[Describes (or refers to) the risk management process or procedure to be used. Any variance from corporate, programme management or customer standards should be highlighted, together with a justification for the variances. The process or procedure must describe how:

- risks are identified and assessed
- risk responses are planned and implemented
- risk management activities are communicated.]

4 Tools and techniques

[Refers to any risk management systems or tools to be used, and any preference for techniques that may be used, for each step in the risk management procedure.]

5 Records

[Defines the composition and format of the risk register and any other risk records to be used by the project.]

6 Reporting

[Describes any risk management reports, including their purpose, timing and recipients.]

7 Timing of risk management activities

[States when formal risk management activities are to be undertaken (e.g. at the end of management stages).]

8 Roles and responsibilities

[Defines the roles and responsibilities for risk management activities.]

9 Scales

[Defines the scales for estimating probability and impact for the project to ensure that the scales for cost and time (for instance) are relevant to the cost and timeframe of the project. These may be shown in the form of probability impact grids giving the criteria for each level within the scale (e.g. for 'very high', 'high', 'medium', 'low' and 'very low').]

10 Proximity

[Provides guidance on how proximity for risk events is to be assessed. Proximity reflects the fact that risks will occur at particular times and the severity of their impact will vary according to when they occur. Typical proximity categories will be: imminent, within the management stage, within the project, beyond the project.]

11 Risk categories

[Defines the risk categories to be used (if at all). These may be derived from a risk breakdown structure or prompt list. If no risks have been recorded against a category, this may suggest that the risk identification has not been as thorough as it should have been.]

12 Risk response categories

[Defines the risk response categories to be used, which themselves depend on whether a risk is a perceived threat or an opportunity.]

13 Early warning indicators

[Defines any indicators to be used to track critical aspects of the project so that if certain predefined levels are reached corrective action will be triggered. They will be selected for their relevance to the project objectives.]

14 Risk tolerance

[Defines the threshold levels of risk exposure which, when exceeded, require the risk to be escalated to the next level of management. (For example, a project-level risk tolerance could be set as any risk that, should it occur, would result in loss of trading. Such risks would need to be escalated to corporate, programme management or the customer.) The risk tolerance should define the risk expectations of corporate, programme management or customer and the project board.]

15 Risk budget

[Describes whether a risk budget is to be established and, if so, how it will be used.]