Risk Management Plan

Development of the Risk Management Plan - Developing a formal risk management plan document is a matter of documenting the process and decisions made throughout the process. As discussed previously, this is a living document which should be updated as the project progresses. Low and Mid-Range projects might use a risk register as the only formal Risk Management Plan, whereas High-Range projects should have a formal Risk Management Plan following the outline provided in the next section. On Major Projects, the Project Management Plan includes the Risk Management Plan and must adhere to FHWA Project Management Plan Guidance: https://www.fhwa.dot.gov/majorprojects/pmp/

What's in the formal Risk Management Plan? - The Risk Management Plan report documents specific actionable items to deal with threats and opportunities. Additionally, it provides a consistent format for assigning and documenting these resources. The plan consists of management actions to:

- proactively mitigate specific high priority risks
- establish and maintain adequate budget and schedule to accommodate remaining risks
- modify the project as necessary if the established budget or schedule is inadequate despite proactive management actions

Risk Management Plan Essentials	
Answer the essential questions about risk management:	
• Who will manage the risk?	• How will they do it?
• What will be done?	• What resources are likely to be required?
• When will it be done?	• What are the likely benefits?

A Risk Management Plan should contain the following items:

1. Introduction (brief project summary with respect to risk management and any notes relevant to project structuring, contingencies, and base assumptions)
2. Risk management strategy and approach
   a. Team member risk management roles and responsibilities
   b. Communication strategy (basic, what are the communication needs and how will each be met)
3. Risk register including
   a. Risk identification
   b. Risk assessment, and analysis
   c. Risk Response Planning (risk owners identified and responsible if a risk is triggered)
4. Implementation strategy (including risk monitoring and updating, information gathering and distribution)
5. Supporting documentation and reports (can include output from risk management workshops, meetings, etc.)

Risk Management Plan Outline - This section contains a general outline for a typical Risk Management Plan. However, on Major Projects, the Project Management Plan (including the Risk Management Plan) must adhere to FHWA's Project Management Plan Guidance: www.fhwa.dot.gov/majorprojects/pmp/

1. **Introduction**
   - Project Name and Location
   - Brief project summary with respect to risk management
   - Potential macro-level risks and any considerations for mitigation/minimization

2. **Risk Management Strategy and Approach**
   - Provide a brief summary overview of the strategy that will be used to manage, mitigate and minimize potential risks, involved with the particular risk.
   - Team member risk management roles and responsibilities
   - Communication strategy – basic listing of communication needs and how each will be met

3. **Risk Register**
   a. **Risk Identification (Reference Risk Model/Register)**
      Using this guide, procedures and risk register model, identify all potential risks.
   b. **Assessment and Analysis**
      - **Qualitative -** Use the techniques outlined in this guide to perform the assessment.
      - **Quantitative -** When necessary, use the techniques outlined in this guide to perform the assessment.
   c. **Risk Response Planning (Reference Risk Model/Register)**
      Determining who, what group or groups will have responsibility for avoiding or mitigating identified risks. Risk owners identified and responsible if a risk is triggered.

4. **Implementation**
   Including risk monitoring and updating, information gathering and distribution.

5. **Supporting documentation and reports.**
   Include output from risk management workshops, photographs, meetings, newspaper articles, community documents (e.g., local government meeting minutes) etc.