

Use our “Project risk management template” to define and document the risk management process for a project. It describes how risks will be identified and assessed, what tools and techniques can be used, what are the evaluation scales and tolerances, the relevant roles and responsibilities, how often risks need to be revisited, etc.

The table contains 3 blocks:

- RISK IDENTIFICATION AND DESCRIPTION
- RISK ASSESSMENT
- RISK RESPONSE

You can describe the identified risks in the “RISK IDENTIFICATION AND DESCRIPTION” block.

- “Risk name” - in this column, enter the name of the risk that you have identified;
- “Category” - in this column, select the appropriate risk category related to the area affected by the risk from the drop-down list;
- “Description” - in this column should provide a detailed description of the risk, its causes, the kinds of problems that it could result in (potential effects), and risk dependencies;

Financial
Financial
Operational
Technology
Economic
Environmental

Proposed
Assessing
Waiting for approval
Approved
Rejected
Closed

- “Status” - in this column, select the appropriate value for the current status of the identified risk from the drop-down list. During the project implementation, the status may change, and it is necessary to change its value to reflect the current status. The risk status can be any of the following:

- **Proposed:** this is the initial status. Use this while the risk is still being specified.
- **Assessing:** use this status to initiate an assessment.
- **Waiting for Approval:** use this to request approval. Before doing this, make sure that the assessment is complete and that the estimates are reliable.
- **Approved:** this status is set once the risk possibility has been accepted.
- **Rejected:** this status is set if the risk was rejected as not relevant.

- **Closed:** this status is set once the risk has been managed (e.g., mitigation actions have been implemented), and it is no longer a risk for the project.
- **“Identified by”** - in this column, enter the person who identified the risk;
- **“Identification date”** - in this column, enter the date on which the risk was identified;
- **“Risk Trigger”** - in this column, enter a condition or other event that will cause a risk to take place.

Block filling example:

Category	Description	Status	Identified by	Identification date	Risk Trigger
Financial	Description 1	Proposed	Name 1	01/01/21	Trigger 1
Operational	Description 2	Assessing	Name 2	01/10/21	Trigger 2
Technology	Description 3	Approved	Name 3	01/17/21	Trigger 3
Economic	Description 4	Waiting for approval	Name 4	01/19/21	Trigger 4
Environmental	Description 5	Rejected	Name 5	01/22/21	Trigger 5

In the **“RISK ASSESSMENT”** block, you can assess the level of risk:

- **The likelihood** is the state of being probable or chance of a threat occurring. Select a suitable value from the drop-down list; a numerical value will be displayed in the adjacent column; it is necessary for the calculation, do not delete or change it.
 - **Very low:** less than 5% chance of occurrence;
 - **Low:** between 5% to 10% chance of occurrence;
 - **Medium:** between 10% to 25% chance of occurrence;
 - **High:** between 25% to 50% chance of occurrence;
 - **Very high:** more than 50% chance of occurrence.
- **The impact** estimates the potential losses associated with an identified risk. Select a suitable value from the drop-down list; a numerical value will be displayed in the adjacent column; it is necessary for the calculation, do not delete or change it.
 - **Very low:** less than 1% of project budget affected, or/and other project baselines are nearly not impacted, or/and few individuals affected (only internal to project team), or/and no reputational impact or/and easy and quick capacity to react and resolve the issue.

- **Low:** 1% to 2% of project budget affected, or/and low impact in other project baselines, or/and only one milestone affected, or/and projects stakeholders may be affected, or/and reputational impact in the organization or unit or/and sufficient project competencies to resolve the issue (if a risk occurs).
 - **Medium:** 2% to 5% of project budget affected, or/and medium impact in other project baselines, or/and one or more milestones affected, or/and projects stakeholders will be to some extent affected, or/and project objectives may be affected, or/and reputational impact amongst technical staff in other organizations or units, or/and formal complaints, or/and limited project competencies to resolve the issue (if a risk occurs).
 - **High:** 5% to 10% of project budget affected, or/and high impact in other project baselines, or/and several milestones affected, or/and projects stakeholders will be affected/concerned, or/and project objectives will be affected, or/and reputational impact in several organizations or units, or/and formal and legal complaints, or/and insufficient project internal competencies to resolve the issue (if a risk occurs).
 - **Very high:** more than 10% of project budget affected, or/and very high impact in other project baselines, or/and several milestones affected, or/and projects stakeholders will be very affected/concerned, or/and the overall project will be affected, or/and external reputational impact, or/and significant formal and legal complaints, or/and external competencies are needed to address the issue (if a risk occurs).
- “Risk levels” are calculated as the product of the **Likelihood** and **Impact** and the value is displayed automatically in the range from Low to Extreme with the appropriate color reflection;
 - “Risk owner” in this column indicate the individual who is ultimately accountable for ensuring the risk is managed appropriately.

Block filling example:

Likelihood		Impact		Risk level	Risk owner
Very Low	▼ 1	Very Low	▼ 1	Low	Name 1
High	▼ 4	Medium	▼ 3	High	Name 2
Medium	▼ 3	Medium	▼ 3	High	Name 3
Very High	▼ 5	Very High	▼ 5	Extreme	Name 4
Very Low	▼ 1	High	▼ 4	High	Name 5

In the “RISK RESPONSE” block, it is necessary to indicate the required actions with the identified risk, depending on the level of its assessment.

- “Risk response Strategy” - in this column, select the appropriate risk response value from the drop-down list:
 - Risk avoidance is the elimination of hazards, activities, and exposures that can negatively affect a project;
 - Risk transfer is the transfer of risk to a third party;
 - Risk mitigation is a strategy to prepare for and lessen the effects of threats faced by an organization;
 - Risk exploiting is a strategy whereby the project team acts to ensure that an opportunity occurs;
 - Risk sharing means that the premiums and losses of each member of a group of a team are allocated within the group based on a predetermined formula;
 - Risk enhancement is a risk response strategy aimed at increasing the probability of a positive risk occurrence;
 - Risk acceptance occurs when an organization acknowledges that the potential loss from risk is not great enough to warrant spending money to avoid it.

- “Action details” - in this column, provide detailed actions of the risk response;

- “Target date” - in this column, indicate the date on which the action is expected to be implemented.

Block filling example:

Risk response Strategy	Action details	Target date
Avoid ▾	Details 1	03/02/21
Transfer ▾	Details 2	03/11/21
Mitigate ▾	Details 3	03/18/21
Exploit ▾	Details 4	03/20/21
Share ▾	Details 5	03/23/21