
Project Management Office

**Risk Management Plan for
Enterprise Data Definitions and
Chart of Accounts Project**

Revision #1.2

Office of Financial Management

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Statement

The risk plan described in this document is meant to aid the planning for establishing a set of Enterprise Data Definitions and analyzing the Chart of Accounts necessary for Washington state financial and administrative business. The document will describe risk-related project roles and responsibilities and the processes that will be used to identify, analyze, track, and manage risks. The anticipated risks and their mitigation strategies are listed separately as they are identified, as described in the Risk Management Worksheets section of this document.

Project management must take a proactive approach in the management of risks related to this business project.

For the purpose of this project, risks are the potential disruptions to the project that may arise from some present process or from some future event. The management of risks will follow a continuous risk management model. Tasks identified for the mitigation of risks will be included in the work plan, as appropriate. This will ensure tracking of the progress occurs, and necessary and appropriate resources identified.

Risk identification, management, and resolution are the responsibility of all members of the project team and project stakeholders. The involvement of all the roles on the project team is extremely significant to having a successful risk management process. This approach will ensure all aspects of the project are appropriately represented.

Objectives

- Develop consistent methods and tools for the risk management process.
- Establish roles and responsibilities of all participants in the risk management process.

Roles and Responsibilities

Executive Project Sponsors

Sadie Rodriguez-Hawkins and Candace Espeseth

The role of the **Executive Project Sponsors** is to review, analyze, and approve mitigation strategies for risks with a “high” risk-impact rating.

Project Manager (Project Risk Manager)

Ann Bruner

The role of the **Project Manager** is to review, analyze, and approve mitigation strategies for all levels of risk-impact rating, to provide the overall project risk strategy, and to coordinate with the Risk Management Team. The **Project Manager** has a direct link to **Executive Project Sponsors**. In this project, the **Project Manager** will perform the duties of the **Risk Manager**.

The **Risk Manager** fulfills the same role within the risk management context as a project manager does in a project context.

Responsibilities include:

- Select and implement a project risk management methodology
- Develop a project risk management strategy
- Implement a project risk management infrastructure
- Generally manage within the risk management context, for example setting objectives, forecasting, planning, organizing, directing, coordinating, controlling and communicating
- Back up for Risk Custodian

Risk Management Team (Project Team)

Michelle Paul, Lee Hall, and others to be determined.

The role of the **Risk Management Team** is to collect; capture and coordinate the necessary risk information. The **Risk Management Team** identifies and analyzes risks and reports to **Risk Manager**.

The **Risk Management Team** executes the risk management process.

Responsibilities include:

- Ensure project success
- Report any new risks that might appear during the life cycle of the project
- Facilitate the risk identification, analysis, quantification, and qualification of risks
- Provide integrated interpretation and basic recommendations
- Develop risk action plans
- Consolidate, document, report, and provide feedback on risks
- Ensure that risks are updated and made available to the Risk Manager and Project Team
- Monitor risks
- Provide general guidance on any facet of the risk management process
- Assist with the implementation of action plans as specified by the Risk Owners

Project Risk Custodian

(To be determined)

The role of a **Risk Custodian** is to oversee and consolidate all the risks within a specific risk category and report to the **Risk Manager**.

Risk Custodians perform a quality control function.

Responsibilities include:

- Consolidate all risks within a specific risk category
- Coordinate all **Risk Owners** within risk category
- Provide feedback to **Risk Manager** on progress with the implementation of action plans
- Provide **Risk Owners** with necessary information to implement action plans

Project Risk Owners (Appropriate person)

The role of the **Risk Owners** is to address the specific risk. **Risk Owners** address one to many risks and report to the **Risk Custodian**. Anyone reporting a risk is a **Risk Owner**. In the event a person reporting a risk does not know how or unable to address the risk, the most appropriate member of the **Risk Management Team** will be the **Risk Owner**.

Risk Owners must ensure that action is taken to address risks.

Responsibilities include:

- Implement risk action plans
- Provide comments on additional risks and communicating changes to risk measures to the Risk Custodian for consolidation and reporting
- Communicate with team members regarding specific risks

External Quality Assurance

Julie Boyer, Sterling Associates

The role of **External Quality Assurance** is to provide an impartial review of project risks and risk management processes.

Responsibilities include:

- Ensure risk management tools are being applied properly to assure project success
- Provide recommendations for improvements to risk management processes
Advise the Project Manager and the Executive Sponsor on the adequacy of project risk management processes
- Communicate with the Project Manager about additional high impact risks that may have been overlooked by the project team

Risk Process

The Project Team will use this risk management process to identify and handle the risks of this project. It provides appropriate attributes, which will allow the Project Team to proactively manage their project.

Risk identification – will begin at the planning phase of this project. All projects involve some degree of risk. It is seldom cost effective to try to eliminate risk altogether, or even to reduce it to a very low level. It is, however, critical to conduct risk analysis to identify the key risk factors before an effective risk management plan can be put in place. For each risk factor identified, its likelihood of being relevant to the project and its damage potential must be considered. Based on this analysis, the project manager can derive a relative measure of importance associated with each risk factor identified. The goal of risk management is to reduce project risk to an acceptable level.

Risks will be recorded in TestTrack Pro and the Risk Management Team will review risks on a weekly basis. As scheduling and resource planning occur, the TestTrack Pro will be updated to reflect any new risks identified and will continually be updated throughout all phases of this project, as the team identifies new risks.

When the probability of a risk increases, or when a risk becomes a reality and the Project Manager must deal with a real problem, re-planning occurs. At this point, the Project Manager and Project Team develop strategies that assess the impact of the problem. Re-planning will result in adjustments to budget, schedule, or resources in order to complete the project.

During this phase, a risk management checklist of potential risks is used to stimulate the identification of specific risks that may affect the project and document their characteristics. These initial risks will be categorized and added to the Risk Tracking Worksheet.

Risk Mitigation (analysis) – For each key risk factor, the Risk Management Team considers options for reducing the likelihood and damage potential of the risk. For each option, the Risk Management Team considers the consequences of implementing the option.

During this phase, the details of the specific risk listed within TestTrack Pro will be used to perform a qualitative analysis of risks and conditions, prioritizing their effects on the projects objectives, followed by a quantitative analysis to measure the probability, consequences, and impact on the project's objectives. The Risk Management Team will use the tools listed in the Risk Analysis section to evaluate the impact area and consequences, estimate the severity, and determine the risk impact rating.

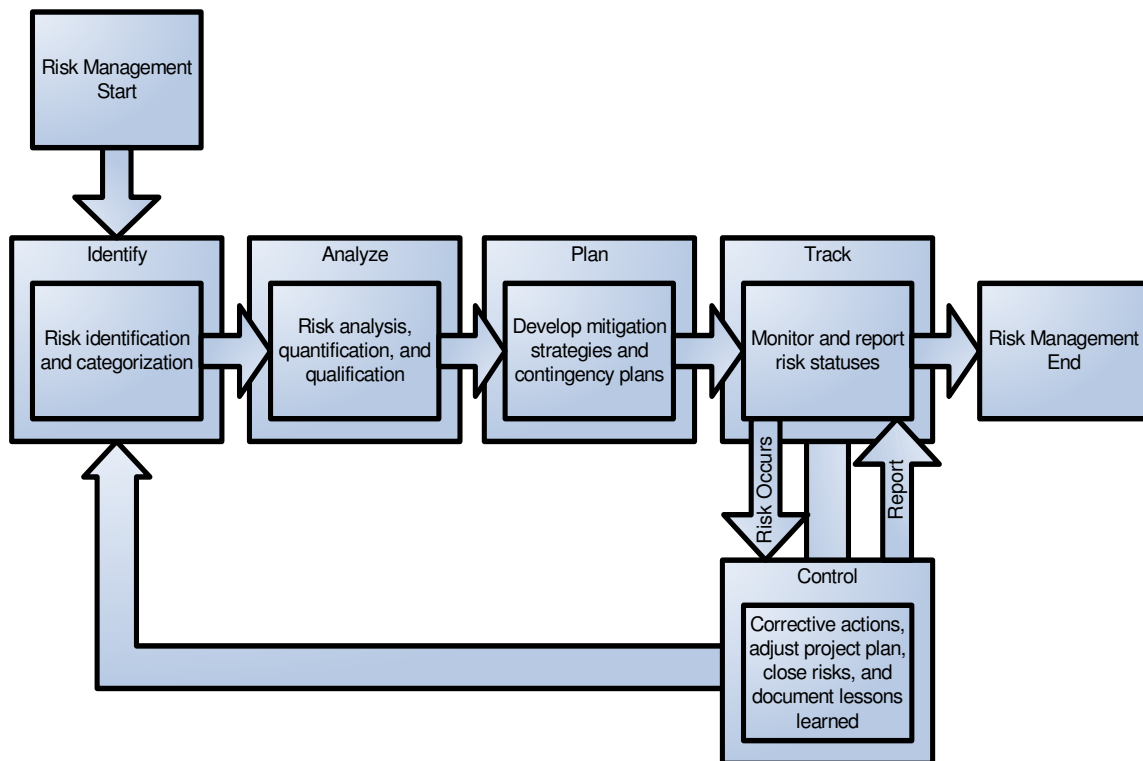
Risk Management (plan) – Once the key risk factors have been determined, the Risk Management Team will create and implement a risk management plan. The risk

management plan itself forms part of the project plan. Ensuring the project plan is appropriately implemented is part of the quality assurance process. An effective Risk Management Plan has two characteristics; it is kept current and it is well communicated. A significant component of each risk management plan is identifying and implementing key performance indicators capable of providing early warning signs where management action is required.

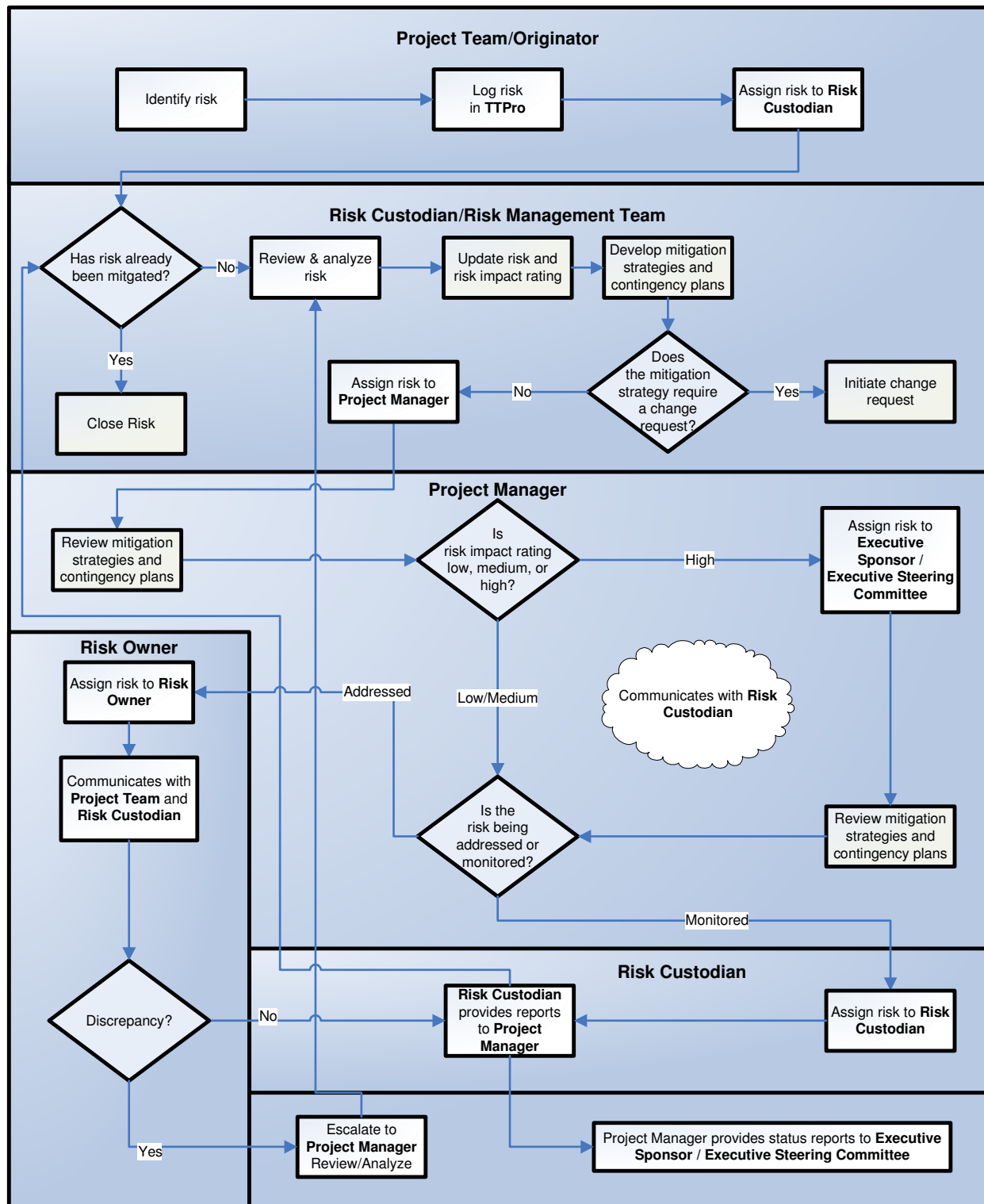
During this phase, procedures and options will be explored, documenting a structured, proactive, and comprehensive strategy to deal with risk, reducing the risk’s threat to the project’s objectives.

Risk Management (Track and Control) – The day-to-day activities that reduce the likelihood or damage potential of the risk factors include: documenting assumptions, assigning responsibility, breaking large segments of the project into smaller parts, involving the client, qualified estimating, qualified team personnel, progress monitoring, change management and quality assurance.

During this phase, the process of tracking known risks, monitoring residual risks, identifying new risks, executing mitigation strategies, adjusting the project schedule, documenting lessons learned, and reporting the statuses to the team will be exercised.



Risk Management Process Flowchart



Risk Analysis

Evaluating Consequences of a Risk			
Impact Area	Low (1)	Medium (2)	High (3)
Schedule	Minimal or no impact Additional resources required – able to meet dates	Minor slip in key milestone – unable to meet dates	Major slip in key milestone or critical path impacted Cannot achieve major project milestones
Cost	Minimal or none <5% cost increase	5-10% cost increase	>10% cost increase
Scope/ Functionality	Insignificant change in scope	Minor areas of change in scope	Major areas of change in scope Scope changes unacceptable to client or significantly alters the project or deliverables.
Quality	Insignificant quality reduction Quality reduction in minor areas only	Quality reduction requires client approval	Quality reduction unacceptable to client Project end item is effectively unusable
Impact on other teams	None/Some	Medium	Major/ Unacceptable

Risk Severity = Potential Consequence * Probability of Occurrence

Risk Severity				
Consequence	High (3)	(3)	(6)	(9)
	Medium (2)	(2)	(4)	(6)
	Low (1)	(1)	(2)	(3)
		1	2	3
	Probability			

Probability of Occurrence

1. Minimal /Unlikely/Rarely
2. Probable/Likely/Sometimes
3. Significant/Highly Likely/Always

Risk Impact Rating	
High (6-9)	High: <ul style="list-style-type: none"> Significant impact on cost, schedule, and scope Significant action required High priority management attention required
Medium (3-4)	Medium: <ul style="list-style-type: none"> Some impact Special attention may be required Additional management attention may be required
Low (1-2)	Low: <ul style="list-style-type: none"> Minimal impact Normal oversight needed to ensure risk remains low

Risk Management Worksheets

This project will use TestTrack Pro to track risks. The link to TestTrack Pro is: <http://198.238.39.8/scripts/ttcgi.exe?command=loginscreen>

The TestTrack Pro risk will be identified as:

Risk Category

Issue Type: Risk
 Business Unit: Accounting Mainframe
 Product: EDD/COA
 Project: TBD
 Sub-product: TBD
 Sub-Sub-product: TBD

The Risk Custodian is responsible for managing the contents of the dropdown lists for project, product, sub-products, and sub-sub products in TestTrack Pro.

The Risk Custodian is also responsible for creating reports needed for tracking and training team members on the use of TestTrack Pro.

The following are additional fields used in TestTrack Pro to articulate risks:

Risk	TestTrack Pro Screen
Risk ID	Number
Risk Description	Issue Summary
Impact Area	Impact
Consequence Score	Severity
Probability	Likelihood
Risk Severity Score	Priority
Signs and Symptoms	Issue Details
Status	Status
Action Plan	Steps to Reproduce
Assigned to	Currently Assigned To
Comments	Comment Notes
Risk Category	Issue Source
Due Date	Reminder

A sample Risk Tracking worksheet may be used as a working tool when working with risks, but all risks must be entered into TestTrack Pro.

Acceptance

We, the undersigned project members, have reviewed this document and approve its contents:

Name and Title	Signature	Date
Candace Espeseth Executive Sponsor		
Sadie Rodriguez-Hawkins Executive Sponsor		
Ann Bruner Project Manager		

Appendix A: Revision History

<u>Revision</u>	<u>Date</u>	<u>Author</u>	<u>Description of change</u>
1.0	11/20/2007	Ann Bruner	Drafted
1.1	1/11/2008	Lee Hall	Correction of team members, titles
1.2	1/15/2008	Lee Hall	Removed reference to Roadmap principles; other minor changes.