

# RISKS AND ISSUES

## Initiation



### Risks and issues

Every project has some level of risk that could take it off course. The success of your project will depend on your ability to manage these risks and resolve any issues along the way. A risk is something that may happen in the future, while an issue is something that has happened or is happening now.

### Initiation

The purpose of this phase is to develop a clear understanding of what your project is, what you want to achieve and how you plan to get there.

## Key points

### 1. Identify risks

Identify the top five risks that may negatively impact your project. Ask 'what if' questions to develop a list of risk scenarios for each stage of the project. For example, one of your risks could be if your project team doesn't have time to catch up regularly. To determine your risks, consider the people involved, the project timing, the quality of work, and the budget and costs.

### 2. Analyse and evaluate risks and issues

A risk is something that might happen, an issue is something that has actually happened. Look at each risk scenario and determine how likely it is to occur (rare, unlikely, possible, likely or almost certain). Then work out what the consequences would be to the project if that risk did occur (minimal, minor, moderate, major or extreme). Use a risk matrix to determine an overall risk and issue rating. You will need to consider the consequence of issues as they emerge.

### 3. Treat risks

Consider what you can do before the risk occurs, to prevent it from happening or reduce its impact. Use your risk register to develop a detailed plan to reduce the risks that are extreme or high, including what specific action will be taken, by who and when. You may need different people to manage different risks. For example, a team member can manage a minimal risk, while an extreme risk often needs to be escalated to the sponsor or steering committee.

### 4. Evaluate

The actions you take to reduce a risk should be evaluated regularly to see if the risk has been reduced or removed, or if there has been no change and additional action is required. Issues are managed in the same manner and dealt with as they arise.

## Considerations and tips

When reviewing the risks and issues that may impact on your project, consider the following.

### Seek support

Don't assume you can identify and manage all the risks by yourself. Use your team, sponsor, stakeholders and experts to consider the main risks and issues.

### Is the risk too high?

If you find that you have a large number of high or extreme risks that are difficult to mitigate, seek advice from your sponsor on whether it is the right time to proceed with this project.

### Highlight and address risks

Don't be afraid to identify and highlight project risks and issues. Dealing with them appropriately will reduce the risk of project failure.

### Risk register

Consider the importance of maintaining a risk register. This helps you organise and keep track of your risk rating and mitigation planning. Your organisation may have a preferred template or you can refer to Gem for examples.

## Risks and Issues Rating Matrix

			Impact				
			1	2	3	4	5
Likelihood		Frequency	Catastrophic	Major	Moderate	Minor	Minimal
Probability							
1 Almost Certain	96% - 100%	Is expected to occur in most circumstances	Extreme	Extreme	High	Medium	Medium
2 Likely	71% - 95%	Will probably occur in most circumstances	Extreme	Extreme	High	Medium	Medium
3 Possible	31% - 70%	"Might occur at some time"	Extreme	High	Medium	Medium	Low
4 Unlikely	5% - 30%	"Could occur at some time"	High	High	Medium	Low	Low
5 Rare	< 5%	May only occur in exceptional circumstances	High	Medium	Medium	Low	Low

**Catastrophic** Likely catastrophic events resulting in project failure and benefits not being realised

**Major** Likely to cause significant disruption to the project, resulting in the need to conduct re-planning and re-estimating. In the extreme, it may result in failure of the project

**Moderate** Likely to cause delays or additional work that would exceed existing contingencies, resulting in exceeded time scales, additional resource and/or additional budget requirements

**Minor** Likely to cause delays or additional work that could be contained within existing contingencies

**Minimal** Likely to cause negligible delays

## Further information

[My Health Learning Log in Form](#) – Redesign Initiation (202464923): Risk and Issue Management

## Next Steps

Now that you've determined the risks associated with your project, it's important to monitor them on a regular basis. Allocate time for project team meetings to review your risk register to determine if you need to take action or if the strategies you've developed are still effective.