

Achievement of Market-Friendly Initiatives and Results Program
(AMIR 2.0 Program)
Funded by U.S. Agency for International Development

Jordan e-Government Programme's Risk Management Process

Final Report

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This report was prepared by Tariq Mahmood, in collaboration with Chemonics International Inc., prime contractor to the U.S. Agency for International Development for the AMIR Program in Jordan.

0 Document Control

Table of Contents

0	DOCUMENT CONTROL	3
0.1	Document History	4
0.2	Changes From Last Issue	4
0.3	Acknowledgements	4
0.4	Distribution List	4
0.5	Referenced Documents.....	4
0.6	Abbreviations	4
0.7	Glossary.....	4
1	INTRODUCTION	5
2	RISK MONITORING PROCESS	6
3	APPENDIX A – RISK MANAGEMENT FLOW DIAGRAM	9
4	APPENDIX B – RISK ABCD FORM.....	10
5	APPENDIX B – RISK ABCD LOG	11
6	APPENDIX C – RISK ABCD BUBBLECHART	12

0.1 Document History

Version	Status	Date
0.1	Draft	31 March 2002
0.2	Draft	03 April 2002

0.2 Changes From Last Issue

First Draft

0.3 Acknowledgements

N/A

0.4 Distribution List

Dave Arthur	EDS
Kendall Lott	EDS
Reginald Miller	AMIR
Mahmoud Ali Khasawneh	MoICT
Roger Guichard	MoICT

0.5 Referenced Documents

Number	Title	Reference	Note
	N/A		

0.6 Abbreviations

AMIR	Access to Microfinance & Improved Implementation of Policy Reform
JOG	Jordan e-Government Programme
MoICT	Ministry of Information, Technology and Communications (previously MoPC).
PMO	Programme Management Office
PO	Project Office

0.7 Glossary

N/A

1 Introduction

A risk represents uncertainty in a project. It is a possible future event that, if it occurs, affects the project's outcome. It is frequently a product of an assumption. Risks can occur at any point during the project. Therefore Risk Management must occur throughout the project life cycle. It is one of the first processes followed when planning a project.

A risk is a possible event, action, or decision that would have an impact on the project. A risk can be either positive or negative. Risk identification should address both internal and external risks. Internal risks are events, actions, or decisions that the project team can control or influence, such as resource assignments, priorities, cost estimates, etc. External risks are those events, actions, or decisions beyond the control or influence of the project team, such as government regulations, market shifts, customer imposed deadlines, etc.

Risk Management is the formal process where project risks are identified, analysed, and managed. It includes documenting and communicating information about risk to all interested or potentially affected parties. Risk Management involves preparing for possible events rather than reacting to events as they occur.

The purpose of this document is to:

- Provide Project Managers with the information and tools to effectively manage risk on projects.
- Facilitate the consistent deployment of Risk Management across all projects.
- Increase the probability of the successful completion of all account's projects.

The purpose of Risk Management is to:

- Identify, quantify, and manage risks and associated/independent assumptions and/or constraints.
- Determine the actions required when handling risk:
 - **Avoidance:** Eliminating a specific threat, usually by eliminating the cause
 - **Mitigation:** Reducing the expected cost/schedule impact of a risk event by reducing the probability of occurrence, reducing the risk event value, or both. Includes transference and rejection may be used to mitigate a risk
 - **Acceptance:** Accepting the consequences of the risk event's occurrence and preparing a Contingency Plan

2 Risk Monitoring Process

1. OBJECTIVE

Describe the occurrence of an event that could adversely affect the successful completion of the programme/project.

2. DEFINITIONS

Risk Any factor or threat that may adversely affect the successful completion of the programme/project.

3. PROCEDURE

The risk form is produced and maintained as a result of Risk Management, using the content standard listed below.

Topic	Content Standards	Required / Optional
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Risk Identification Information

Title	Brief title of risk	Required
Submitted By	Name of the person who submitted the risk	Required
Date Submitted	Date the risk was submitted	Required
Programme/Project Name	The official name of the programme/project	Optional
Risk Event Description (If; / Then:)	A paragraph description of the risk	Required
Risk Assessment	Identify the impact that best describes impact of the risk in terms of Time, Impact Size, Proximity, Probability, that is: <ul style="list-style-type: none"> ▪ Time = How soon must action be taken? A = There is time to analyse/plan risk mitigation; B = Needs attention – not urgent, C = Needs attention – impact will be felt very soon; D = Immediate action required. ▪ Impact = what is the overall impact, considering all factors? A = Low impact; B = Medium impact; C = High; impact; D = Crisis ▪ Proximity = what are the boundaries of the potential risk? A = Programme/Project specific; B = Localized; C = Widespread; D = Global ▪ Probability = Likelihood of becoming a problem? A = Low; B = Medium; C = High; D = Crisis 	Optional
Potential Risk Impact	Indicate the areas of the programme/project that would be impacted by this risk; e.g., Schedule, Quality, Procurement, Technical, Contract, Scope Change, Human Resources, Organization, Communication, Sub-contractor, Cost, etc.	Optional

Assignment Information

Risk Identification #	A unique identification number that is allocated to a risk when the event is recognized as a risk.	Required
Assigned To	Person made responsible to either mitigate it or confront it.	Required
Date Assigned	Date when the risk is assigned to a person	Required

Risk Plan - Prevention

Plan	Describe the plan to tackle the risk	Required
Objective of Plan	State the desired purpose of the plan	Required
Resources Required	Identify resource needs in order to mitigate risk (people and material)	Optional
Success (closure criteria)	State proof of results needed to achieve success	Optional
Trigger	Identify all potential scenarios that would make the risk a reality	Required
Monitoring Procedures	Describe approach of what is to be monitored, how monitored, when and by whom	Required
Residual Risk	Identify subsequent or minimized risks may still be present even upon monitoring	Required
Plan Owner, Approval Date, Risk Manager and Approval Date	Obtained by programme manager review and dates	Required

Risk Plan - Contingency

Objective of Risk Plan	State desired purpose of the plan	Required
Resources Required	Identify resource needs in order to mitigate risk (people and material)	Optional
Success (Closure) Criteria	State proof of results needed to achieve success	Optional
Triggers	Identify all potential scenarios that would make the risk a reality	Required
Monitoring Procedures	Describe approach of what is to be monitored, how monitored, when and by whom	Required
Residual Risk	Identify subsequent or minimized risks may still be present even upon monitoring	Required
Plan Approval and Approval Date	Obtained by programme manager review and dates	Optional

Start Date	Date monitoring is effective (usually begins upon plan approval but could start later i.e., if risk is only valid during testing or implementation phase then identify applicable dates)	Required
Monitoring Frequency	Identify how often reviews will be necessary	Required
Estimated Completion Date	Date the anticipated duration of the life of the risk i.e., only during test (4 weeks) or for the duration of the project	Required
Closure Acceptance, Programme Manager and Closure Date	Acceptance that the risk is no longer valid, obtained from the program manager, with closure date	Required

A risk form is either filled by the person who submits the risk, or following information is provided to the PMO so that the risk form can be filled by the PMO:

- A short title of the risk
- Project/Program name
- Date risk is submitted

Risk event description. It is submitted in the form *IF the event, THEN the risk*

Submitter's assessment of the risk based on the time, the impact size, the proximity and the probability of the event happening

The risk event is then analysed. Risk owner and the risk manager are identified. A risk plan is prepared to accept, transfer or mitigate (prevention and contingency) the risk. The risk plan is prepared by the PMO. If it is decided to mitigate the risk, then risk prevention and risk contingency plans are documented.

As part of the contingency plan, following information is documented for prevention and contingency plans:

- Objective of the risk plan
- Resources required
- Success criteria
- Triggers
- Monitoring procedures
- Residual risk

After the plan is prepared, it is then sent to the risk manager for his approval.

PMO or the Program Manager determines the frequency to monitor the risk. Risk is then continuously monitored in the status meetings. When in monitoring phase, risk is prevented by following the risk prevention plan.

Once risk event occurs, then the contingency plan kicks-in and it has to be followed.

The information from Risk ABCD Form is then copied to the Risk ABCD Log to monitor it and update its status in status update meetings.

For reporting to the higher management, the risks are then drawn on the Risk ABCD Bubble chart. The bubble chart is a two dimensional graphical representation of the risks. The risks are drawn as circles in different colours, sizes and at varying distances from the origin (0,0) on the chart. The determination of risk circle attributes (colour, size and distance from the origin) is based on the following criteria:

Impact Size – Size of the circle varies as the impact of the risk varies, i.e., smaller the risk means smaller the circle, bigger the risk means bigger the circle.

Probability – Colour schema is based on the probability of the occurrence of the risk, i.e., Red - high probability, Yellow - medium probability, Green - little probability, White - no probability.

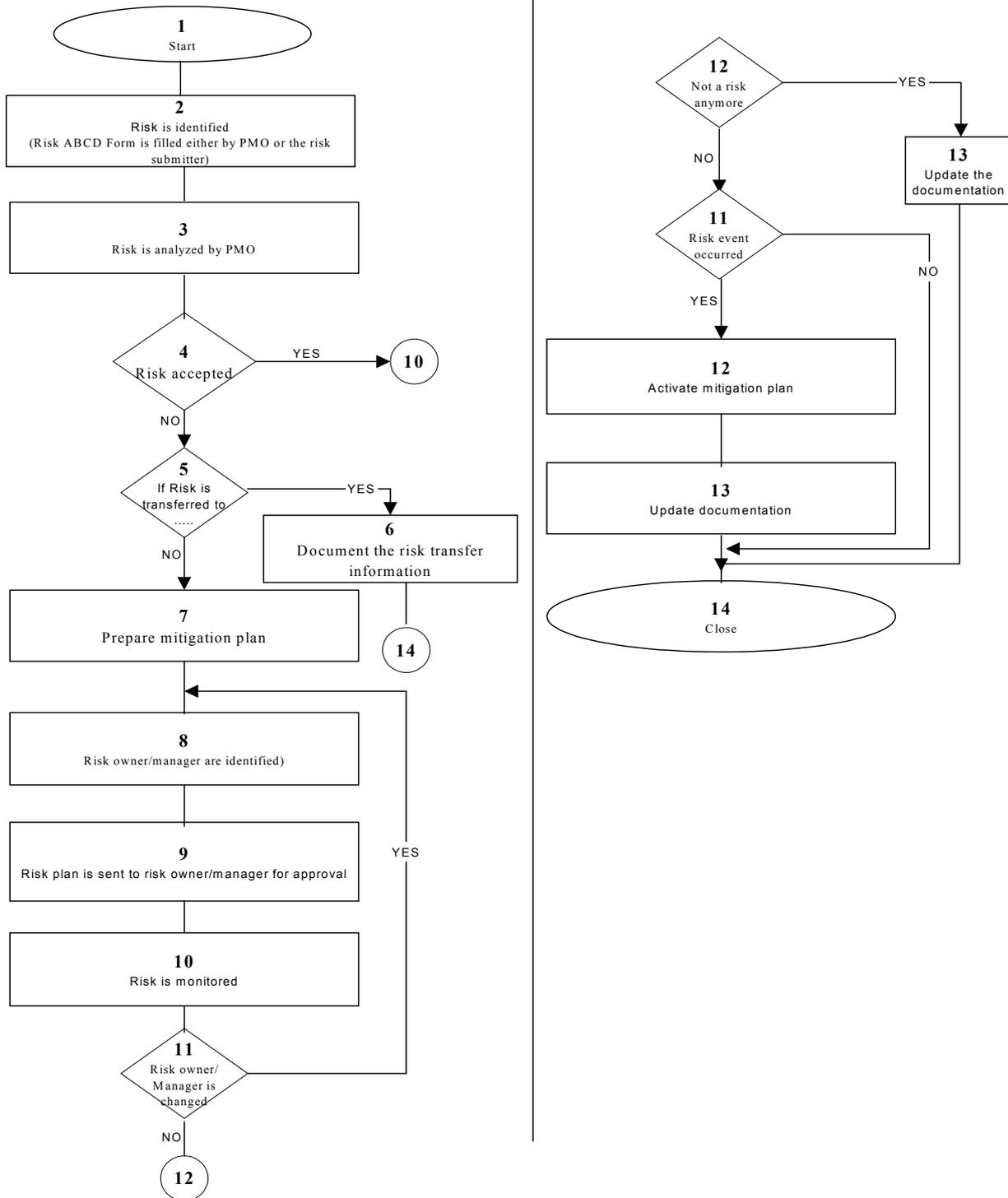
Time – As the time-remaining (in the occurrence of the risk) decreases, the circle is moved/drawn closer to the origin on X-axis and vice versa as the time-remaining increases, the circle is moved/drawn away from the origin on X-axis.

Proximity – As the effect of the risk on the project increases, the circle is moved/drawn closer to the origin on Y-axis and vice versa as the effect of the risk decreases; the circle is moved/drawn away from the origin on the Y-axis.

Risk should be monitored until it is mitigated, transferred, accepted or not a risk any more.

3 Appendix A – Risk Management Flow Diagram

Risk Management Process Flow



4 Appendix B – Risk ABCD Form

Details of the Risk ABCD Form are:

File name: JOG Risk ABCD Form.xls
File location: //Poweredge_nt/eds/pmo/tmpl/draft
(On the MOICT Network)

5 Appendix B – Risk ABCD Log

Details of the Risk ABCD Log are:

File name: JOG Risk ABCD Log.xls
File location: //Poweredge_nt/eds/pmo/tmpl/draft
(On the MOICT Network)

6 Appendix C – Risk ABCD Bubblechart

Details of the Risk ABCD Bubblechart are:

File name: JOG Risk ABCD Bubblechart.xls
File location: //Poweredge_nt/eds/pmo/tmpl/draft
(On the MOICT Network)