

## Overview

This is a guide to assist agencies in the development of their Risk and Issues Management Plan. Use this guide to develop your initial plan or supplement your agency's current strategy for assessing, evaluating, and managing risks and issues as your agency implements Florida PALM.

## Definitions

Risks may impact a project whereas issues are or have impacted a project; therefore, the main difference between the two is timing and likelihood.

***Risk: A potential event or condition that may impact the project's objective positively (opportunity) or negatively (threat). Risks have a reasonable likelihood of coming true and are beyond what is normally managed on a project (i.e., risks may become issues).***

***Issue: an event or condition that is certain or has already happened that could affect project success***

## Risks and Issues Management Team

Consistent collaboration is key to successful risk and issue management. A Risks and Issues Management Team (team) should be comprised of subject matter experts within an agency to regularly discuss potential or known threats / opportunities (risks) and blockers / realized risks (issues) to the project.

The team is responsible for managing risks and issues activities, including:

- Identifying and logging risks and issues
- Developing mitigation plans for risks and resolution plans for issues
- Reviewing and updating logged risks and issues
- Providing status updates and escalating risks and issues to leadership as needed

## Risk Management Overview

Risk management actively identifies and manages potential events that can adversely affect the agency's ability to achieve its stated goals or objectives. Risk management employs mitigation strategies to prevent risks becoming Issues. Identification, tracking, and remediation of risks is crucial to any project's success.

The risk management process includes three components, each comprising of two elements as shown in the table below.



Figure 1: Risk Management Process Overview

## Risk Assessment

### Identification

Risk identification produces a list of specific risk items. Risks can be identified through observations, surveys, interviews, assessment meetings, personal experience, or other means. Identified risks should be discussed and agreed upon with the identified Risk and Issues Management team prior to logging. Identified risks and related information should be recorded in the method determined by the agency. Most commonly a risk log is used for this purpose.

Questions to consider when identifying risks:

- Is the agency-specific project schedule at risk of delay?
- Is the projected cost of the project impacted?
- Is the scope of the agency-specific implementation plan at risk of ‘scope creep’?
- Are staff at risk of not having the necessary resources to complete their work?
- Is technology at risk of being retired or not updated timely and completely?
- Is data at risk of being migrated in whole or in part, as determined by agency needs?
- Are agency specific business processes at risk of completion?

### Analysis

Use a qualitative risk analysis method to analyze and score risks based on your team’s collective perception of the severity of consequences and likelihood of occurrence. The team can characterize an identified risk as high, medium, or low on two dimensions: impact (severity) and probability (likelihood). Ensure the identified risk owner or coordinator is part of the risk analysis process.

All projects are constrained by three components: cost, schedule, and scope. Determine guidelines for your agency to assess and score risk impacts that allow uniformity of analysis. Use the table below as a guide to establish your agency’s risk impacts. As a rule, when a risk impacts more than one impact rating criteria, the highest impact rating should be used for the risk.

Table 1: Risk Impact Rating Table

Impact Rating	Value	Impact Rating Criteria
Low	1	No impact to cost No or minimal impact to schedule No impact to scope
Medium	2	Minimal variance to current cost projections Moderate impact to schedule Minimal impact to scope
High	3	Significant variance to current cost projections Extensive impact to schedule Moderate impact to scope

Risks are a forecast of potential issues; a probability value must be derived. The table below provides a guide the agency can use to assign values for scoring a risk probability.

Table 2: Risk Probability Rating Table

Probability Rating	Value	Probability Rating Criteria
Low	1	Unlikely but possible to occur
Medium	2	Likely to occur at some time
High	3	Likely to occur often or soon

The risk impact and probability values are updated in the Risk Log and the Risk Evaluation process begins.

## Risk Evaluation

### Prioritization

The team should confirm/revise the risk impact analysis documented by the qualitative process to begin the evaluation process. A risk score is determined for each risk by multiplying the impact and probability values. The score determines prioritization of the risk, aids mitigation and response planning, and supports risk monitoring frequency. The table below is an example of derived calculations.

Table 3: Risk Rating Matrix

Risk Rating Matrix		Risk Probability		
		Low = 1	Medium = 2	High = 3
Risk Impact Rating	Low = 1	1	2	3
	Medium = 2	2	4	6
	High = 3	3	6	9

When the risk score is determined, the team should determine whether the risk will be mitigated or monitored.

### Planning

Risk planning determines criteria for mitigating, monitoring, and closing risks. The results of analysis and scoring should be considered when developing action plans for each risk.

Risk resolution techniques typically include subject matter expert judgment and/or lessons learned from previous projects. Consider documenting the following information for risk resolution:

- Close criteria associated with a schedule milestone, decision, or action item
- Sequence of action steps to achieve the close criteria
- Staff who will own action steps
- Expected completion dates for action steps
- Action step status reporting (e.g., *Not Started, In Progress, Completed*)

## Risk Control

### *Risk Action*

Risk actions most typically come in the form of monitoring and mitigation. Risks should be 'monitored' when actions required for mitigating are outside the control of the agency. Risks should be 'mitigated' when the agency has direct control of outcomes. Mitigation includes identifying steps to meet risk closure criteria. Risks identified for monitoring may have an event occur that results in the need to identify risk response actions to minimize risk impact.

The team should track risk actions for closure and take corrective action as appropriate. The team should review risk actions and trends on a regular cadence to evaluate further action toward risk closure.

### *Risk Resolution*

Risk resolution successfully resolves risks by executing identified mitigating or monitoring activities described during risk planning. Resolution activities are designed to prevent adverse impacts to project success and address events that may lead to a risk becoming an issue. A risk should be closed when the team documents completion of monitoring/mitigating activities and close criteria are achieved.

## Issue Management

Issue Management establishes the process used to identify and resolve issues that arise due to unplanned or unexpected events, or a materialized risk. An issue is the realization of a risk or problem creating a negative impact on project scope, schedule, or cost and therefore will have a resolution plan to minimize or prevent negative effects on the project. Key steps in a project's issue management approach are identification, evaluation, and resolution.

### Issue Identification

Issue management begins when an identified issue impacting project scope, schedule, or cost is communicated to the team. The team should review the issue with agency subject matter expert(s) to determine if the issue should be logged.

Use an issue log to document and track issues, including steps for resolution. Resolution steps can focus on effective and efficient closure of issues to mitigate impacts to scope, schedule, and cost. Title issues with standard 'condition and impact' format (e.g., *Delayed Funding Required Contractor Staff Stop Work.*) The consequence is a result of an event. Include status comments in the issue log to document reasoning for due date closure.

## Issue Evaluation

The team or the identified delegate(s) should review valid issues for priority, due date, and resolution activities. Issues should be evaluated and categorized by priority according to impact:

- **Critical** – work has or will come to a complete stop in next 24 hours
- **High** – impacts either cost, schedule, scope, or any combination of three
- **Low** – all impacts not listed as critical or high

The agency should determine pre-defined escalation protocol. For example, issues that are high or critical should be escalated to identified or designated agency leadership or stakeholders.

## Issue Resolution

Issues should be managed to resolution by following the steps identified in an action plan developed by the team for each issue. An action plan should include:

- Resolution approach, including action steps
- Resources responsible for the actions
- Expected due dates for the actions
- Reporting and communication requirements
- Escalation schedule dates
- Contingency actions, in the event of failure

Agencies should define a cadence for monitoring and documenting issue status from identification through closure.