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**ORGANIZATION FOR PROMOTION OF HEALTH
AND COMMUNITY DEVELOPMENT (OPHCD)**

RISK MANAGEMENT POLICY

**ORGANIZATION FOR PROMOTION OF HEALTH AND COMMUNITY
DEVELOPMENT (OPHCD)**

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ABOUT OPHCD:

INTRODUCTION AND LEGAL STATUS:

Organization for Promotion of Health & Community Development (OPHCD) is a non-government, non-profit, non-political, impartial and independent organization registered with:

- The NGOs Department of the Ministry of Economy of the Government of Islamic Republic of Afghanistan with registration **No: 4160**
- The Ministry of Public Health of the Government of Islamic Republic of Afghanistan with Registration **No:762**

The organization established to serve the community and advocate for better coordinating and directing the available resources and activities for provision of quality services to the communities with an equitable manner. OPHCD, as a non-governmental organization committed for a joint mission with having dedicated and expert staff in public health, Water Sanitation and Hygiene, education, community development as well as volunteers who have been working in technical and managerial positions with national and international NGOs since more than one and half decade.

The members of the Board of Directors, senior Management Team (SMT) as well as the volunteers of the organization having appropriate experience, dedication and voluntarism which is a professional contribution to the health, education and development sector for achieving of more sustainable results. The core staff of OPHCD have more than one and half decade of successful experience of being directly involved in developing different policies and strategies as well as designing and implementation of projects in the areas of health, WASH, education and community development sectors such as; Primary Health care (PHC), Basic Package of Health Services (BPHS), Essential Package of Health Services (EPHS), Water & Sanitation and Hygiene, Primary education and Literacy programs, youth awareness and development, Public Nutrition, emergency preparedness and response and disaster risk reduction, trainings and coordination of different humanitarian Aids. Furthermore, the SMT and core Technical, Administration and Finance staff of the organization have up to date knowledge and rich experience of Grant Management, Project Management as well as conducting professional tasks of supportive Supervision, Monitoring, Evaluation, and Researches. Likewise, developing and on-time reporting (monthly, quarterly, annual, end of project and ad-hoc reports) to the donors and stakeholders, presenting the results of the aforementioned programs at the community, organizational, national and international levels are the expertise of the organization's technical and administrative staff.

OPHCD VISION:

An empowered society with sustainable and self-reliance health, social and economic stability at the community level.

OPHCD MISSION STATEMENT:

OPHCD, as a non-governmental organization is striving for well-being of the society with promotion of health and sustainable development of the communities through advocating for better coordinating and directing the national policies and strategies as well as available resources and activities for provision of quality health, educational, social safety, human right and social welfare, economic, environmental and development services to the communities with the focus on the women and children, drugs users, IDPs and other marginalized group of the society with an equitable manner.

EXECUTIVE SUMMARY

1. INTRODUCTION:

The nature of development work, particularly in a fragile state such as Afghanistan, means that risk management is an integral process which needs to be carried out correctly to ensure positive progress is achieved. OPHCD approaches development work with a serious understanding of the need to manage risks and the organization uses a comprehensive risk management policy to reduce the possibility of negative events impacting on development work, beneficiaries we work with, and the organization's objectives, reputation, personnel and partners.

OPHCD wishes to see a peaceful and prosperous Afghanistan and believes that the development work we undertake is essential to achieving this vision. With this in mind, any program or project being undertaken in Afghanistan must go through the appropriate risk management checks to ensure that all those involved are conducting their work in a safe and legal manner, with a focus on child protection, financial accountability, transparency and good governance.

2. PURPOSE:

The purpose and goal of this policy is to establish a structured and consistent approach, and comprehensive framework to **identifying, assessing, mitigating, and monitoring risks** across the organization. This policy ensures that organizational objectives are achieved while minimizing potential negative impacts, and risks are managed proactively to protect the organization's assets, reputation, and stakeholders while supporting the achievement of strategic objectives. Through adhering to this policy, the organization will effectively manage risks, safeguard its interests, and achieve its strategic objectives in a dynamic and uncertain environment.

3. OBJECTIVES:

Through achieving the following objectives, the organization can ensure that its resilience enhanced, ensure sustainable growth, and protect its assets, reputation, stakeholders, and aligned with its overall strategic goals.

- **Risk Identification:** To systematically identify potential risks that could affect the organization's ability to achieve its objectives.
- **Risk Assessment:** To evaluate the likelihood and potential impact of the identified potential risks that could affect the organization's ability to achieve its objectives.
- **Risk Mitigation:** To develop and implement strategies to reduce the likelihood of risks occurring and to minimize their impact if they do occur.
- **Compliance:** To ensure that the organization complies with relevant laws, regulations, and ethical standards related to risk management.
- **Resource Allocation:** To optimize the allocation of resources by prioritizing risks and focusing on those that could have the most significant impact on the organization.
- **Stakeholder Confidence:** To build and maintain confidence among stakeholders, including employees, customers, investors, and regulators, by demonstrating a proactive approach to managing risks.
- **Business Continuity:** To ensure the organization can continue operating in the face of adverse events, thereby protecting its assets, reputation, and long-term viability.

- **Cultural Integration:** To foster a risk-aware culture within the organization, where risk management is an integral part of daily activities and decision-making processes.
- **Strategic Alignment:** To align risk management with the organization's overall strategy, ensuring that risks are managed in a way that supports the achievement of strategic objectives.
- **Value Protection and Creation:** To protect the organization's value by managing risks that could erode it and to create value by identifying and exploiting opportunities that arise from a well-managed risk environment.

4. SCOPE:

This policy applies to all OPHCD employees, contractors, departments, projects, and processes within the organization. It encompasses all types of risks, including but not limited to strategic, operational, financial, compliance, and reputational risks.

5. POLICY STATEMENT:

OPHCD acknowledges that risks exist and we are committed to seek, identify and manage risks early and effectively to ensure long-term sustainability and success, and to determine the appropriate course of action needed to mitigate or prevent risks impacting our work. Before implementing any project, OPHCD will assess the size or degree of all potential risks that may arise during implementation and operation as per the Risk Matrix. These risks will be documented in a Risk Management Checklist for that specific project. Risks will be ranked in a common and consistent manner and monitored throughout the project lifecycle. Appropriate action will be taken to mitigate risks. Should a risk be ranked 'Very High' or 'High', any project work will cease and a project re-evaluation will be conducted. Communication between all stakeholders involved with a project will be maintained throughout the project lifecycle to monitor risks. The effectiveness of the risk management system will be reviewed on a regular basis and we will communicate and consult with relevant stakeholders on our approach to managing risk.

This OPHCD risk management policy provides the framework for embedding risk management into all organizational activities and decision-making processes. The OPHCD will:

- Identify and assess risks systematically.
- Implement appropriate risk mitigation strategies.
- Monitor and review risks continuously.
- Foster a risk-aware culture across all levels of the organization.

6. RISK MANAGEMENT METHODOLOGY:

The OPHCD project risk management plan is a systematic approach for identifying, assessing, managing and monitoring risk within the project. It provides a structured framework for decision-making and helps project team to minimize the negative impacts through maximizing opportunities. This methodology will define the tools and approaches that will be used to perform risk management activities such as risk assessment, risk analysis and risk mitigation strategies which includes the Risk Governance, Risk Tolerance, Risk Reporting, Risk Assessment.

- **Risk Governance:** The framework and processes used to identify, assess, manage and communicate risks.

- **Risk Tolerance:** The level of risk that an organization or project is willing to accept in pursuit of its goals.
- **Risk Reporting:** The process of communicating information about identified risks, their assessments and the status of risk management activities to stakeholders.
- **Risk Assessment Methods:** Risk assessment methods can be broadly categorized into qualitative and quantitative approaches. The former includes a risk matrix, SWOT analysis, interviews, brainstorming, etc. The latter includes probability and impact assessment, decision tree analysis, cost-benefit analysis, etc.
- **Risk Mitigation Strategy:** The plans and actions put in place to reduce the likelihood or impact of risks within a project.

The OPHCD project team will use the risk assessment methods categorized into qualitative and quantitative approaches, through a risk matrix, SWOT analysis, interviews, brainstorming, probability and impact assessment, decision tree analysis, cost-benefit analysis, and etc. The project team will use the risk mitigation strategy to reduce the likelihood or impact of risks within a project.

7.TYPES OF RISKS:

Types of risks that may impact on OPHCD work include but are not limited to:

- **Health and Safety:** The wellbeing of staff and the people we seek to serve. Child protection and addressing any risks to the children in our care is of the highest priority.
- **Social and Cultural:** Community support and involvement in a project. Cultural appropriateness of a project.
- **Financial:** Maintaining ongoing income generation, dealing with foreign exchange and inflation, corruption and fraud.
- **Environmental:** Natural disasters, such as floods, earthquakes, season fluctuations or the impact of climate change.
- **Legal and Compliance:** The work of OPHCD and its implementing partners is subject to the laws in Afghanistan, as well as other compliance and regulatory requirements.
- **Human Resources:** The organization's success and compliance currently depend on a few key people, including the founder of OPHCD and the CEO of OPHCD.

8.COMMON RISK FACTORS:

Common risk factors in a project can be categorized into various types, and these factors vary depending on the nature of the project, industry, and specific circumstances. Here are some common categories of risk factors often encountered in project management:

Common Risk Factor	Examples of Risks
Project Scope and Requirements:	• Inadequate or unclear project requirements. • Scope changes during the project lifecycle. • Ambiguous or evolving project objectives.
Schedule and Time:	• Unrealistic project timelines or deadlines. • Dependencies on external factors or third parties.

	• Delays in the delivery of critical components or resources.
Resource Management:	• Insufficient or misallocated resources (human, financial, equipment). • Lack of skilled or experienced team members. • Dependencies on key personnel.
Technology and Complexity:	• Technological uncertainties or challenges. • The complexity of the project's technical aspects. • Integration issues with existing systems or technologies.
Communication and Stakeholders:	• Poor communication among project team members. • Stakeholder conflicts or changing priorities. • Misalignment between project goals and stakeholder expectations.
External Risks:	• Economic uncertainties or market fluctuations. • Regulatory changes impacting the project. • Environmental factors, geopolitical events, or natural disasters.
Quality and Performance:	• Inadequate testing and quality assurance processes. • Performance issues with deliverables. • Changes in quality standards or requirements.
Financial Risks:	• Budget overruns or insufficient funding. • Currency exchange rate fluctuations. • Cost estimation errors.
Procurement and Suppliers	• Issues with suppliers, vendors, or subcontractors. • Delays in procurement processes. • Dependency on a single source for critical components.
Human Factors:	• Team member turnover or resignations. • Lack of motivation or commitment. • Team conflicts and collaboration challenges
Legal and Regulation:	• Contractual disputes or legal challenges. • Intellectual property issues. • Non-compliance with laws and regulations.
Health and Safety:	• Safety hazards or accidents. • Occupational health concerns. • Adverse health impacts on project team members.

It's important for project managers and teams to conduct a thorough risk analysis at the beginning of a project and regularly revisit and update the risk assessment throughout the project's lifecycle. This proactive approach enables the identification and management of potential risks, contributing to the overall success of the project.

9. KEY PRINCIPLES:

The OPHCD's risk management approach is guided by the following principles:

- **Proactive Approach:** OPHCD project team anticipate and address risks before they materialize.
- **Integration:** OPHCD project team embed risk management into all organizational activities and decision-making processes.
- **Proportionality:** OPHCD project team align risk management efforts with the significance of the risk and organizational objectives.

- **Accountability:** OPHCD project team assign clear roles and responsibilities for risk management.
- **Continuous Improvement:** OPHCD project team regularly review and enhance the risk management process and framework.

10. RISK MANAGEMENT PROCESS AND FRAMEWORK:

The OPHCD project manager will work with the project team and will ensure that risks are actively identified, analyzed, managed, and monitored throughout the life of the project. The potential risks will be identified as early as possible in the project so as to minimize their impact. The project manager will also serve as the Risk Manager for the project. The project risk management will be done through the following steps:

- **Risk Identification:** Identify potential risks through brainstorming sessions, SWOT analysis and historical data of the similar projects that could affect the project activities and objectives.
- **Risk Assessment:** Evaluate the likelihood and impact of each identified risk through risk matrix to prioritize the risk, and qualitative and quantitative analysis.
- **Risk Prioritization and Evaluation:** Rank risks based on their severity, and contingency plans will be established for high-priority risks.
- **Risk Mitigation and Response Planning:** Develop and implement strategies to reduce the likelihood or impact of high priority risks, and to mitigate, avoid, transfer, or accept risks.
- **Risk Monitoring and Control:** Track identified risks, monitor residual risks, and identify new risks. A risk register will be maintained and updated regularly.
- **Risk Communication:** Ensure stakeholders are informed about risks and mitigation efforts.
- **Risk Control:** Take corrective actions when risks materialize or new risks emerge.
- **Risk Closure:** Closing risks that have been mitigated or are no longer relevant

A **Risk Management Process Table** provides a structured overview of the steps involved in managing risks throughout a project. It typically includes the key stages of the risk management process, along with examples of activities and outputs for each stage.

Risk Management Process Table:

Stage	Description	Example Activities	Outputs
1. Risk Identification	Identify potential risks that could impact the project.	- Brainstorming sessions with the project team. - Reviewing historical project data. - Conducting interviews with stakeholders.	- Risk Register (list of identified risks).
2. Risk Analysis	Assess the likelihood and impact of identified risks.	- Using a risk matrix to prioritize risks. - Conducting qualitative and quantitative risk analysis.	- Prioritized Risk List (risks ranked by severity).
3. Risk Evaluation	Determine which risks require action based on their severity and impact.	- Comparing risks against predefined thresholds. - Deciding which risks to mitigate, transfer, or accept.	- Risk Response Plan (list of risks to address and how).
4. Risk Mitigation	Develop and implement strategies to reduce the likelihood or impact of risks.	- Creating mitigation plans for high-priority risks. - Assigning owners to mitigation	- Mitigation Strategies (detailed actions for each risk).

Stage	Description	Example Activities	Outputs
		actions. - Allocating resources.	
5. Risk Monitoring	Track and review risks throughout the project lifecycle.	- Updating the risk register regularly. - Conducting risk review meetings. - Monitoring triggers and thresholds.	- Updated Risk Register (current status of risks and mitigation efforts).
6. Risk Communication	Share risk information with stakeholders to ensure transparency and collaboration.	- Preparing risk reports for stakeholders. - Holding risk review meetings. - Using dashboards to visualize risk status.	- Risk Reports (shared with stakeholders).
7. Risk Control	Take corrective actions when risks materialize or new risks emerge.	- Activating contingency plans. - Adjusting project plans to address new risks. - Documenting lessons learned.	- Contingency Plans (activated as needed). - Lessons Learned (documented for future projects).

10.1 Risk Identification:

Purpose: The purpose of risk identification is to proactively uncover potential risks that could negatively impact the project's scope, schedule, budget, or quality. Early identification allows the project team to develop mitigation strategies and reduce the likelihood of negative outcomes in the project lifecycle. It is the first step in risk management and involves recognizing sources of risk, their causes, and potential consequences.

The OPHCD project team, and appropriate stakeholders will be involved and will include an evaluation of environmental factors, organizational culture and the project management plan including the project scope, schedule, cost, or quality. Careful attention will be given to the project deliverables, assumptions, constraints, WBS, cost/effort estimates, resource plan, and other key project documents.

A Risk Management Log (Risk Register) will be generated and updated through project team as needed and will be stored electronically in the project library located at project risk management folder.

Methods: The Project relevant risks will be identified through Brainstorming, Interviewing, SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis, Lessons learned from previous healthcare projects, Regulatory audits and compliance reviews, Stakeholder and patient feedback, Diagramming, Checklists, and Scenario analysis during the project kickoff meeting, and identified risks will be documented in the risk register. The risks will be categorized by the project team into relevant types (e.g., strategic, operational, financial, compliance, reputational, social).

- **Brain Storming:** The project team will conduct brainstorming sessions during the project kickoff meeting to identify risks related to technology, resources, and external factors e.g.; such as vendor delays and technical challenges).
- **Interview:** Interviews will be conducted with key stakeholders to gather insights on potential risks, such as regulatory changes or market conditions (Example: Interviews with the procurement team will identify risks related to supplier reliability)

- **Checklist:** A risk checklist from previous projects will be used to ensure common risks, such as resource shortages or vendor delays, are not overlooked (Example: A checklist from previous projects will be used to identify risks such as resource shortages and communication breakdowns).
- **SWOT Analysis:** A SWOT analysis will be performed to identify internal weaknesses (e.g., lack of expertise) and external threats (e.g., economic downturns, and regulatory challenges).
- **Historical Data Analysis:** Lessons learned from previous projects will be reviewed to identify risks such as scope creep, budget overruns or communication breakdowns.
- **Assumption Analysis:** If the project assumes that a key resource will be available, the risk of their unavailability will be identified and documented.
- **Delphi Techniques:** A panel of experts will provide, anonymous feedback on potential risks, which will be aggregated and analyzed.

Participants: The OPHCD Project team members, stakeholders, and subject matter experts will be involved in the risk identification process.

Tools: Risk registers, SWOT analysis, and assumption analysis will be used.

Roles and Responsibilities: The project manager will lead risk identification efforts, with input from the project team, stakeholders, and subject matter experts.

Timing of Risk Identification: Risk identification will occur during the project initiation phase and will be revisited during weekly team meetings and major project milestones.

Documentation: All identified risks will be documented in the project risk register, which will include details such as risk description, category, likelihood, impact, and owner.

A **Risk Identification Examples Table** is a tool used to systematically identify potential risks that could impact a project. It helps project teams brainstorm and document risks across various categories, ensuring that all possible risks are considered.

Risk Identification and Categorization Examples Table:

Risk Category	Risk Description	Potential Impact	Example Risk
Technical Risks	Risks related to technology, tools, systems, or processes used in the project.	Delays, cost overruns, or failure to meet project objectives.	- Software bugs or defects. - Technology failure (e.g., server crash, hardware failure). - Integration challenges with existing systems and third-party system
Example	Software bugs may delay the release of the product.	Delays in product launch and increased testing costs.	A critical bug is discovered during user acceptance testing, requiring additional development time
Schedule Risks	Risks that could cause delays in the project timeline.	Missed deadlines, extended project duration.	- Delays in task completion. - Resource shortages. - Unrealistic deadlines. - Dependencies on external vendors
Example	Delays in vendor deliveries could push back the project timeline.	Missed project deadlines and increased costs	A key component from a vendor is delayed by two weeks, impacting the project schedule.

Risk Category	Risk Description	Potential Impact	Example Risk
Cost Risks	Risks that could lead to budget overruns or financial losses and constraints.	Increased project costs, financial strain.	- Unexpected cost increases in supplier price. - Currency fluctuations. - Poor cost estimation.
Example	Unexpected cost increases due to inflation.	Budget overruns and financial strain.	The cost of raw materials increases by 10%, exceeding the project budget.
Resource Risks	Risks related to the availability or capability of project resources.	Delays, reduced productivity, or increased costs.	- Key team members leaving the project mid-way. - Lack of skilled personnel. - Equipment shortages.
Example	A key developer may leave the project.	Delays in development and increased costs for hiring replacements.	A senior developer resigns, leaving a knowledge gap in the team.
External Risks/ Environmental Risks	Risks arising from external factors outside the project team's control. Risks related to environmental factors	Disruptions, delays, or increased costs.	- Changes in laws and regulations. - Vendor delays. - Natural disasters (e.g., floods, earthquake) impacting construction timelines. - Economic downturns.
Example	A natural disaster could disrupt operations.	Project delays and increased costs for recovery.	A flood damages the project office, halting work for several days.
Organizational Risks	Risks related to the organization's structure, culture, or processes.	Misalignment, lack of support, or inefficiencies.	- Lack of stakeholder support. - Poor communication. - Changes in organization priorities, and leadership leading to reduced funding.
Example	Lack of stakeholder support could lead to project delays.	Misalignment and delays in decision-making.	A key stakeholder withdraws support, causing delays in approvals.
Operational Risks	Risks related to processes, workflows, or day-to-day operations.	Delay Operation activities and increased costs	-Inefficient processes. -Communication breakdowns between teams. -Lack of clear roles and responsibilities.
Scope Risks	Risks related to changes or ambiguities in project scope.	Scope creep, missed deliverables, or rework.	- Unclear requirements. - Scope creep. - Misaligned expectations.
Example	Scope creep could increase project complexity.	Increased project scope and costs.	Additional features are requested by the client, expanding the project scope.
Quality Risks	Risks that could impact the quality of project deliverables.	Poor-quality deliverables, rework, or customer dissatisfaction.	- Inadequate testing processes. - Poor quality control. - Non-compliance with standards. - Defects in deliverables.
Example	Inadequate testing could result in poor-quality deliverables.	Rework and customer dissatisfaction.	A critical defect is found after product release, requiring a recall.

Risk Category	Risk Description	Potential Impact	Example Risk
Strategic Risks	Risks related to the alignment of the project with organizational goals.	Misalignment with business objectives, wasted resources.	- Changes in market conditions. - Misalignment with business goals. - Competitive pressures.
Example	Changes in market conditions could render the project obsolete.	Wasted resources and misalignment with business goals.	A new competitor enters the market, reducing demand for the project's deliverables.
Operational Risks	Risks related to day-to-day project operations and processes.	Inefficiencies, delays, or increased costs.	- Process inefficiencies. - Lack of documentation. - Poor risk management practices.
Example	Poor documentation could lead to knowledge gaps	Inefficiencies and delays.	Lack of documentation causes confusion during handover to the operations team.

10.2 Risk Assessment and Analysis:

Purpose: The purpose of the project risk assessment is to evaluate the likelihood and impact of identified risks to prioritize them effectively by their level of importance, and determine appropriate mitigation strategies. It involves analyzing the severity of risks, their likelihood and probability of occurrence, and their potential impact.

Key Components of Risk Assessment:

- **Likelihood:** The probability of the risk occurring (e.g., High, Medium, Low).
- **Impact:** The potential consequences if the risk occurs (e.g., financial loss, operational disruption, reputational damage).
- **Risk Level:** A combination of likelihood and impact, often represented as a risk matrix.
- **Priority:** The ranking of risks based on their risk level to determine which risks need immediate attention.

Risk Assessment Methods:

1. **Qualitative Risk Assessment:** The probability and impact of occurrence for each identified risk will be assessed by the project manager, with input from the project team. Risks will be scored on a scale of 1-5 for **likelihood and impact**, and a risk matrix will be used to categorize them as **low, medium, or high priority**.
2. **Quantitative Risk Assessment:** Analysis of risk events that have been prioritized using the qualitative risk analysis process and their effect on project activities will be estimated, a numerical rating is applied to each risk based on quantitative analysis, and then documented in this section of the risk management plan.

The following definitions are used by OPHCD to evaluate risks when completing risk management and risk assessment work. All staff, volunteers and partners involved in program design and implementation are responsible for knowing and understanding these definitions and using them correctly when undertaking risk management work.

Using numerical data and statistical methods to evaluate risks. For high-priority risks, quantitative techniques such as Monte Carlo simulations will be used to estimate the potential impact on the project schedule and budget.

3. **Risk Matrix:** A 5x5 risk matrix will be used to visualize, categorize, and prioritize risks into low, medium, and high priority based on their likelihood and impact scores.

Likelihood and Impact Criteria: Define the criteria for assessing likelihood and impact. Use scales (e.g., 1-5 or Low/Medium/High) to standardize evaluations.

Likelihood and Probability		Impact	
Very unlikely	(Less than 10% chance of occurring).	Minimal impact.	(Minor disruption to the project), Minimal impact on project objectives
Unlikely	(10-30% chance)	Low impact	(Small delay or cost overrun).
Possible	(30-50% chance)	Moderate impact	(Noticeable delay or cost overrun). Moderate impact on project objectives.
Likely	(50-70% chance)	High impact	(Major delay or cost overrun).
Very likely	(More than 70% chance).	Critical impact	(Project failure or significant financial loss). Significant impact on project objectives.
OR		OR	
High	Greater than 70% probability of occurrence	High – Risk	that has the potential to greatly impact project cost, project schedule or performance
Medium	Between 30% and 70% probability of occurrence	Medium – Risk	that has the potential to slightly impact project cost, project schedule or performance
Low	Below 30% probability of occurrence	Low – Risk	that has relatively little impact on cost, schedule or performance

Risks that fall within the **RED** and **YELLOW** zones will have risk response plan which may include both a risk response strategy and a risk contingency plan.

Risk Scoring: Each risk will be scored by multiplying its likelihood and impact scores. Risks with a score of 1-4 will be considered low priority, 5-12 medium priority, and 15-25 high priority.

Impact	H			
	M			
	L			
		L	M	H
		Probability		

Risk Prioritization:

- High-priority risks (score of 15-25) will be addressed immediately.
- Medium-priority risks (score of 5-12) will be monitored.
- Low-priority risks (score of 1-4) will be accepted with minimal action.

Roles and Responsibilities: The project manager will lead the risk assessment process, with input from the project team and subject matter experts.

Documentation: The results of the risk assessment will be documented in the risk register, including the likelihood, impact, risk score, and priority level for each risk.



A **Risk Assessment Examples Table** is a tool used to evaluate and prioritize identified risks based on their likelihood and impact. This table helps project teams focus on the most significant risks and develop appropriate mitigation strategies.

Risk Assessment Examples Table

Risk Description	Likelihood (High/Medium/Low)	Impact (High/Medium/Low)	Risk Level (High/Medium/Low)	Mitigation Strategy
Software bugs delay release	High (Frequent issues during development).	High (Delays in product launch and increased costs).	High	Implement rigorous testing and quality assurance processes.
Vendor delivery delays	Medium (Vendor has a history of minor delays).	High (Delays in project timeline and increased costs).	High	Establish backup suppliers and monitor delivery schedules.
Key team member attrition	Medium (High turnover in the industry)	High High (delays in development and increased costs for hiring replacements)	High	Cross-train team members and document processes.
Unexpected cost increases	Low (Stable market conditions)	High (Budget overruns and financial strain).	Medium	Include a contingency budget in the project plan.
Natural disaster disrupts work	Low (Rare occurrence in the region).	High (Project delays and increased costs for recovery).	Medium	Develop a business continuity plan.

Risk Description	Likelihood (High/Medium/Low)	Impact (High/Medium/Low)	Risk Level (High/Medium/Low)	Mitigation Strategy
Lack of stakeholder support	Medium (Some stakeholders are disengaged).	Medium (Delays in decision-making and approvals).	Medium	Engage stakeholders early and communicate regularly.
Scope creep increases complexity	High (Frequent changes requested by client)	Medium (Increased project scope and costs)	High	Define clear project requirements and implement a change control process.
Inadequate testing	Medium (Limited testing resources).	High (poor-quality deliverables and rework)	High	Allocate sufficient time and resources for testing.
Changes in market conditions	Low (Stable market conditions).	High (Wasted resources and misalignment with business goals)	Medium	Conduct regular market analysis and adjust project goals as needed.
Poor documentation	High (Lack of documentation standards).	Medium (Inefficiencies and delays).	High	Implement a documentation standard and review process.

Risk matrix:

Likelihood	Impact				
	Negligible	Minor	Moderate	Major	Severe
Almost Certain	Moderate	Moderate	High	Very High	Very High
Likely	Moderate	Moderate	High	High	Very High
Possible	Low	Moderate	High	High	High
Unlikely	Low	Low	Moderate	Moderate	High
Rare	Low	Low	Moderate	Moderate	High

Understanding 'likelihood'

Likelihood	Description
Almost Certain	Expected to occur in most circumstances: - Has occurred on an annual basis in the past - Circumstances are in train that will cause it to happen
Likely	Will probably occur in most circumstances: - Has occurred in the last few years or has occurred recently - Circumstances have occurred that will cause it to happen in the next few years

Possible	Might occur at some time: Has occurred at least once in OPHCD history or in the history of similar organizations
Unlikely	Not expected to occur: Has never occurred in our experience but has happened to other projects
Rare	May occur only in exceptional circumstances Has not occurred to date

Understanding 'Consequences'

Consequence	Description
Negligible	Result in consequences that can be dealt with by routine operations
Minor	- Minor delays in achieving objectives - Threaten the efficiency or effectiveness of some aspect of the project/activity but can be dealt with internally - Have minor political/community sensitivity - Minor dissatisfaction of beneficiaries, partners or other key stakeholders - Project suffers minor adverse financial impact - Minor damage to property
Moderate	- Moderate delays in achieving objectives - Project subject to unplanned review of changed ways of operation - Have moderate political/community sensitivity resulting in limited adverse publicity or criticism - Limited dissatisfaction of beneficiaries, implementing NGO partner or other key stakeholders, moderately damaging OPHCD reputation - Project suffers moderate adverse financial impact - Moderate damage to property - One serious injury or multiple minor injuries
Major	- Major delays in providing services or achieving key objectives - Threaten the survival or continued effective function of the project - Have major political/community sensitivity resulting in significant adverse publicity or criticism - Significant dissatisfaction of beneficiaries, implementing NGO partners or other key stakeholders, significantly damaging OPHCD reputation and relationships - Project suffers major adverse financial impact - Major breaches of legislative/contractual obligations - Major damage to property or moderate damage to multiple properties - One life-threatening injury or multiple serious injuries

Severe	• Critical business failure resulting in non-achievement of key objectives • Project subject to unplanned external review/inquiry • Have severe political/community sensitivity resulting in extensive adverse publicity or criticism • Extensive dissatisfaction of beneficiaries, implementing NGO partners or other key stakeholders, severely damaging
	OPHCD reputation and loss of stakeholder confidence in OPHCD • Project suffers severe adverse financial impact • Severe breaches of legislative/contractual obligations • Extensive damage to property resulting in loss of property or major damage to multiple properties • One death or multiple life-threatening injuries

Risk Rating

Risk Rating	Description
Very High	• Prevent risk from occurring at all costs – avoid undertaking the activity completely OR executive response required OR new controls must be implemented in response
High	• Consideration needs to be given to suspending / ending activity OR consider implementing additional controls to prevent risk from occurring. Executive attention to risk needs to be maintained throughout project cycle.
Moderate	• Ensure controls are in place and operating
Low	• Continue activity as normal

10.3. Risk Prioritization:

The Risk prioritization is the process of ranking identified risks based on their severity, likelihood, and potential impact to determine which risks require immediate attention and resources. It helps project team to focus on the most critical risks with the highest potential impact, and allocate resources effectively to mitigate them and improves decision-making by providing a clear action plan and to enhance risk management efficiency and effectiveness. The risk prioritization is typically done after risk identification and assessment.

Steps for Risk Prioritization:

- **Assess Likelihood and Impact:** Use the Risk Assessment Form to evaluate each risk.
- **Determine Risk Level:** Use a risk matrix to classify risks as High, Medium, or Low.
- **Rank Risks:** Assign a priority level (1 = Urgent, 2 = Important, 3 = Monitor) based on the risk level and urgency.
- **Develop Mitigation Plans:** Focus on high-priority risks first and allocate resources accordingly.
- **Monitor and Review:** Regularly review and update the prioritization as risks evolve.



Key Factors in Risk Prioritization:

- **Likelihood:** The probability of the risk occurring.
- **Impact:** The potential consequences if the risk occurs.
- **Risk Level:** A combination of likelihood and impact (e.g., High, Medium, Low).
- **Urgency:** How quickly the risk needs to be addressed.
- **Resources Required:** The cost and effort needed to mitigate the risk.

Examples of Risk Matrix for Prioritization:

High-Priority Risk:		Medium-Priority Risk:		Low-Priority Risk:	
Risk:	Data breach due to weak cybersecurity.	Risk:	Delay in product launch due to supply chain disruptions.	Risk:	Minor employee turnover in a non-critical department.
Likelihood:	High	Likelihood:	Medium	Likelihood:	Low
Impact:	High (financial loss, reputational damage, legal penalties)	Impact:	High (loss of market share, revenue impact)	Impact:	Low (minimal disruption to operations)
Risk Level:	High	Risk Level:	High	Risk Level:	Low
Priority:	1 (Urgent)	Priority:	2 (Important)	Priority:	3 (Monitor)

A prioritization matrix (also known as a “priority matrix”) is a task management tool used to categorize tasks by impact and effort. A prioritization matrix helps you determine which items to tackle first—so you can be confident you’re always focusing on the right work.

A basic priority matrix can be split up into the following categories:

Prioritization Category	Impact	Level of work effort
Do now	High	Low effort work
Do next	High	High effort work
Do later	Low	Low effort work
Don’t do	Low	High effort work

Example of a Completed Risk Prioritization Form

Risk ID	Risk Description	Likelihood	Impact	Risk Level	Priority	Mitigation Strategies	Responsible Person
001	Data breach	High	High	High	1	Strengthen cybersecurity measures	IT Manager
002	Supply chain disruption	Medium	High	High	2	Diversify suppliers	Procurement Manager
003	Employee turnover	Low	Low	Low	3	Improve employee retention programs	HR Manager

10.4 Risk Response Planning and Mitigation Strategy:

The OPHCD project team will develop strategies to address identified risks based on their priority and potential impact (identify ways to prevent the risk from occurring or reduce its impact or probability of occurring). This may include prototyping, adding tasks to the project schedule, adding resources, to reduce the likelihood of negative risks (threats) and maximize the opportunities of positive risks (opportunities). It involves selecting the most appropriate response strategy and creating an actionable plan to implement it. Any secondary risks that result from risk mitigation response will be documented and follow the risk management protocol as the primary risks.

Steps for Risk Response Planning:

- **Review Identified Risks:** Use the Risk Assessment and Prioritization results.
- **Select Response Strategies:** Choose the most appropriate strategy for each risk.
- **Develop Action Plans:** Define specific steps, timelines, and resources required.
- **Assign Responsibilities:** Designate individuals or teams to execute the plans.
- **Monitor and Review:** Track progress and adjust plans as needed.

Risk Mitigation Approaches and Strategy: OPHCD project team will use the following strategies and approaches for mitigating risks.

- **Avoidance:** Eliminate the threat or condition or to protect the project objectives from its impact by eliminating the cause or by discontinuing the project activity. (Canceling a project in a high-risk area).
- **Reduction/Mitigate:** Take steps to reduce the likelihood or impact of the risk (Example: Implementing safety protocols to reduce workplace accidents).
- **Transfer/Shifting:** Shift the responsibility and the risk to a third party together with ownership of the response by making another party responsible for the risk (e.g., through insurance or outsourcing). (Example: Purchasing insurance to cover potential financial losses.)
- **Acceptance:** Acknowledge, and monitor the risk and prepare a contingency plan for critical risks to manage it if it occurs. (Example: Accepting the risk of minor delays in a low-priority project)
- **Contingency** –Define actions to be taken in response to risks

Specific Mitigation Actions: Detail the specific steps or actions that will be taken to address each identified risk. These actions should be clear, actionable, and tied to specific risks.

Responsibility Assignment: Assign ownership for each mitigation action. Clearly state who is responsible for implementing the mitigation strategy.

Timeline for Mitigation Actions: Specify when mitigation actions will be implemented. Some actions may need to be taken early in the project, while others may be ongoing.

Resource Allocation: Identify the resources (e.g., budget, tools, personnel) required to implement the mitigation strategies.

Contingency Plans: Outline backup plans in case the mitigation strategies fail or the risk materializes despite efforts to mitigate it.

Monitoring and Review: Describe how the effectiveness of the mitigation strategies will be monitored and reviewed throughout the project lifecycle.

Communication Plan: Specify how information about risks and mitigation efforts will be communicated to stakeholders.



A **Risk Mitigation Examples Table** is a tool used to outline specific strategies and actions to reduce the likelihood or impact of identified risks. This table helps project teams proactively address risks and ensure that mitigation efforts are clearly defined and actionable.

Risk Mitigation Examples Table

Risk Description	Mitigation Strategy	Specific Actions	Responsible Person	Timeline
Software bugs delay release	Implement rigorous testing and quality assurance processes.	- Conduct unit testing, integration testing, and user acceptance testing. - Allocate dedicated QA resources.	QA Manager	Ongoing
Vendor delivery delays	Establish backup suppliers and monitor delivery schedules.	- Identify and contract with backup suppliers. - Track vendor performance weekly.	Procurement Manager	Month 1
Key team member attrition	Cross-train team members and document processes.	- Develop a knowledge-sharing program. - Document critical processes and workflows.	Project Manager	Month 1-2
Unexpected cost increases	Include a contingency budget in the project plan.	- Allocate 10% of the budget as contingency funds. - Monitor expenses monthly.	Finance Manager	Month 1
Natural disaster disrupts work	Develop a business continuity plan.	- Identify alternative work locations. - Backup critical data and systems.	IT Manager	Month 1
Lack of stakeholder support	Engage stakeholders early and communicate regularly.	- Hold monthly stakeholder meetings. - Provide regular project updates.	Project Manager	Ongoing
Scope creep increases complexity	Define clear project requirements and implement a change control process.	- Document and approve project requirements. - Establish a formal change request process.	Project Manager	Month 1
Inadequate testing	Allocate sufficient time and resources for testing.	- Develop a detailed test plan. - Assign dedicated testing resources.	QA Manager	Month 2
Changes in market conditions	Conduct regular market analysis and adjust project goals as needed.	- Monitor market trends quarterly. - Review project alignment with business goals.	Business Analyst	Quarterly
Poor documentation	Implement a documentation standard and review process.	- Develop documentation templates. - Conduct monthly documentation reviews.	Project Coordinator	Month 1

Delays in vendor deliveries	Reduction	Establish backup suppliers and monitor delivery schedules	Procurement Manager	Ongoing
Key team member attrition	Reduction	Cross-train team members and document processes	Project Manager	Month 1-2
Technology failure	Transfer	Purchase insurance and set up redundant systems	IT Manager	Month 1
Regulatory changes	Monitoring	Monitor regulatory updates monthly and adjust compliance processes	Compliance Officer	Ongoing

10.5 Risk Monitoring, Controlling, Reporting, and Reviewing:

The OPHCD project team will be tracked, monitored and controlled the potential project risks and the status of the risk will be reported to relevant stakeholders and organizational management throughout the project lifecycle. Risks will be assigned a risk owner(s) who will track, monitor and control and report on the status and effectiveness of each risk response action to the Project Manager and Risk Management Team on a monthly basis.

The project team ensures that risks are managed proactively and that new risks are identified and addressed promptly. This process is critical for maintaining the effectiveness of risk management efforts throughout a project process the list will be re-prioritized during weekly reviews and risk management plan will reflect any and all changes to the risk lists including secondary and residual risks.

Key Activities in Risk Monitoring and Control:

Track Identified Risks: Monitor the status of known risks and their response plans.

Evaluate Risk Response Effectiveness: Assess whether the implemented strategies are working as intended.

Identify New Risks: Detect and analyze new risks that may arise during the project or process.

Update Risk Registers: Maintain an up-to-date record of all risks, including changes in likelihood, impact, or response plans.

Communicate Risk Status: Share updates with stakeholders to ensure transparency and alignment.

Take Corrective Actions: Adjust response plans or implement new strategies as needed.

Steps for Risk Monitoring and Control:

Regular Reviews: Conduct periodic reviews of risks and response plans.

Track Progress: Monitor the status of risks and the effectiveness of response actions.

Identify Changes: Detect new risks or changes in existing risks.

Update Plans: Adjust response strategies and action plans as needed.

Communicate: Share updates with stakeholders to ensure alignment and transparency.

Document: Maintain accurate records of all monitoring and control activities.

Benefits of Risk Monitoring and Control:

- Ensures risks are managed proactively throughout the project or process.
- Improves the effectiveness of risk response plans.
- Helps identify and address new risks promptly.

- Enhances decision-making by providing up-to-date risk information.
- Increases stakeholder confidence through transparent communication.

Risk Monitoring and Control:

- Risks will be reviewed weekly in project meetings.
 - A risk log will be maintained and updated regularly.
 - Risk owners will provide updates on mitigation actions
- ❖ **Risk Tracking and Monitoring:** OPHCD will continuously track, monitor, and control risks and the effectiveness of mitigation measures throughout the project lifecycle by identifying any upcoming actions to be undertaken to prevent the risk from eventuating or minimizing impact and report on the status and effectiveness of each risk response action to the Project Manager and Risk Management Team on a given timeline.
- ❖ **Risk Register:** OPHCD project and risk management team will update the **risk register** regularly to reflect changes in the internal and external environment.
- ❖ **Risk Reporting:** OPHCD will ensure risks are consistently addressed in all field monitoring reports and findings are made aware to the management committee.
- Example:** Use a risk register to log all identified risks, their status, and mitigation actions. Conduct weekly risk review meetings to update the register and assess progress.
- Example:** Provide a monthly risk report to stakeholders, including a summary of high-priority risks, mitigation progress, and any new risks identified.
- ❖ **Risk Triggers and Thresholds:** Define triggers or thresholds that indicate when a risk is escalating or when a contingency plan should be activated.
- Example:** If the probability of a risk (e.g., vendor delay) exceeds 70%, escalate it to the project sponsor and activate the contingency plan.
- ❖ **Risk Audits:** Plan for periodic risk audits to evaluate the effectiveness of risk management processes and ensure compliance with the risk management plan.
- Example:** Conduct a **quarterly risk audit** to assess whether risks are being managed effectively and whether mitigation strategies are working as intended.
- ❖ **Change Control Process:** Describe how changes to the project scope, schedule, or resources will be evaluated for new risks and integrated into the risk management plan.
- Example:** If a change request is submitted, the **Change Control Board** will assess its impact on project risks and update the risk register accordingly.
- ❖ **Contingency Plan Activation:** Outline the process for activating contingency plans when a risk materializes despite mitigation efforts.
- Example:** If a critical team member resigns, the contingency plan (e.g., reassigning tasks to cross-trained team members) will be activated immediately.
- ❖ **Risk Reviews and Updates:** OPHCD project and risk management team will conduct periodic reviews and audits to reassess existing risks, identify new risks, and update the risk management plan as needed and to ensure compliance with the risk management framework. **Example:** Hold **bi-weekly risk review meetings** with the project team to discuss the status of risks and update the risk register.
- ❖ **Metrics and Key Performance Indicators (KPIs):** Define metrics or KPIs to measure the effectiveness of risk monitoring and control activities.
- Example:** Track the percentage of risks that have been successfully mitigated and the number of new risks identified each month.
- ❖ **Stakeholder Communication:** Specify how stakeholders will be kept informed about risk status and any changes to the risk management plan.

Example: Include a **risk dashboard** in the monthly project status report, highlighting top risks and their current status.

❖ **Lessons Learned:** Document lessons learned from risk management activities to improve future projects.

Example: At the end of the project, conduct a **lesson learned session** to identify what worked well and what could be improved in the risk management process.

A **Risk Monitoring and Control Table** is a tool used to track and manage risks throughout the project lifecycle. It ensures that risks are continuously monitored, mitigation strategies are effective, minimizing their impact and increasing the likelihood of project success, and new risks are identified and addressed promptly.

Risk Monitoring and Control Table:

Risk Description	Monitoring Activity	Frequency	Responsible Person	Status	Notes
Software bugs delay release	Review test results and bug reports.	Weekly	QA Manager	Open	Critical bugs identified; additional testing resources allocated.
Vendor delivery delays	Track vendor performance and delivery schedules.	Weekly	Procurement Manager	Closed	Backup supplier contracted; deliveries on track.
Key team member attrition	Monitor team member satisfaction and turnover rates.	Monthly	Project Manager	Open	Cross-training program in progress; attrition rate stable.
Unexpected cost increases	Review project expenses and budget utilization.	Monthly	Finance Manager	Open	Contingency funds utilized; expenses within budget.
Natural disaster disrupts work	Conduct regular reviews of the business continuity plan.	Quarterly	IT Manager	Closed	Business continuity plan implemented; no disruptions reported.
Lack of stakeholder support	Hold stakeholder meetings and review feedback.	Monthly	Project Manager	Open	Stakeholder engagement improved; regular updates provided.
Scope creep increases complexity	Monitor change requests and scope changes.	Weekly	Project Manager	Open	Change control process in place; scope changes documented and approved.
Inadequate testing	Review test coverage and defect resolution rates.	Weekly	QA Manager	Closed	Testing resources allocated; defect resolution rate improved.
Changes in market conditions	Conduct market analysis and review project alignment with business goals.	Quarterly	Business Analyst	Open	Market conditions stable; project goals aligned with business objectives.
Poor documentation	Conduct documentation reviews and audits.	Monthly	Project Coordinator	Open	Documentation standards implemented; monthly reviews ongoing.

Example of a Risk Monitoring and Control Table:

Activity	Description	Frequency	Responsible Person
Risk Register Updates	Update the risk register with new risks, status changes, and mitigation progress	Weekly	Project Manager
Risk Review Meetings	Discuss risk status, mitigation progress, and new risks	Bi-weekly	Risk Manager
Risk Reporting	Prepare and distribute risk reports to stakeholders	Monthly	Project Coordinator
Risk Audits	Evaluate the effectiveness of risk management processes	Quarterly	Quality Assurance Team
Contingency Plan Activation	Activate contingency plans when risks materialize	As needed	Project Manager
Lessons Learned Documentation	Document lessons learned from risk management activities	End of project	Project Team

Example Scenario:

- **Risk:** Delays in software development due to resource shortages.
 - **Monitoring:** Track resource allocation weekly using a resource management tool.
 - **Trigger:** If resource utilization exceeds 90%, escalate to the project sponsor.
 - **Reporting:** Include resource risk status in the weekly project status report.
 - **Contingency Plan:** If the risk materializes, hire temporary contractors to fill the gap.

The **Risk Contingency Plan** section of a **Project Risk Management Plan** outlines the predefined actions that will be taken if identified risks materialize. Contingency plans are proactive measures designed to minimize the impact of risks on the project's objectives (scope, schedule, cost, quality), ensuring that the project can recover quickly and stay on track, and maintaining stakeholder confidence.

- ❖ **Trigger Conditions:** Specify the conditions or thresholds that will activate the contingency plan. These are often based on risk probability, impact, or specific events.
Example: If a vendor fails to deliver critical components within 48 hours of the agreed deadline, the contingency plan will be activated.
- ❖ **Contingency Actions:** Detail the specific steps that will be taken to address the risk if it materializes. These actions should be clear, actionable, and tied to specific risks.
Example: Risk: Delays in software development due to resource shortages. Contingency Action: Hire temporary contractors to fill the resource gap and reassign tasks to available team members.
- ❖ **Resource Allocation:** Identify the resources (e.g., budget, personnel, tools) required to implement the contingency plan.
Example: Allocate a budget of \$20,000 for temporary contractors and assign the HR team to manage the hiring process.
- ❖ **Roles and Responsibilities:** Define who is responsible for executing the contingency plan
Example: The **Project Manager** is responsible for activating the contingency plan, while the **HR Manager** is responsible for hiring temporary contractors.
- ❖ **Timeline for Implementation:** Specify the timeline for implementing the contingency plan, including any critical deadlines.

Example: Temporary contractors must be hired within 5 business days of the contingency plan being activated.

- ❖ **Communication Plan:** Outline how stakeholders will be informed about the activation of the contingency plan and its progress.

Example: Notify the **Project Sponsor** and **Client** immediately when the contingency plan is activated, and provide daily updates on progress.

- ❖ **Fallback Plans:** Define alternative actions if the initial contingency plan fails or is insufficient to address the risk.

Example: If hiring temporary contractors does not resolve the resource shortage, extend the project timeline by 2 weeks and renegotiate deliverables with the client.

- ❖ **Monitoring and Review:** Describe how the effectiveness of the contingency plan will be monitored and reviewed.

Example: Conduct a review meeting after the contingency plan is implemented to assess its effectiveness and document lessons learned.

Example of a Contingency Plan Table:

Risk	Trigger Condition	Contingency Action	Responsible Person	Timeline
Vendor delivery delays	Vendor fails to deliver within 48 hours	Source components from an alternative supplier and expedite shipping	Procurement Manager	Within 3 days
Resource shortages	Key team member resigns	Hire temporary contractors and reassign tasks	HR Manager	Within 5 days
Technology failure	Critical system outage for more than 4 hrs	Switch to backup servers and engage IT support for resolution	IT Manager	Immediate
Regulatory changes	New regulation impacts project compliance	Adjust project processes to comply with new regulations and notify stakeholders	Compliance Officer	Within 1 week

Example Scenario:

- **Risk:** Delays in software development due to resource shortages.
 - **Trigger Condition:** If two or more developers are unavailable for more than 5 business days.
 - **Contingency Action:** Hire temporary contractors and reassign tasks to available team members.
 - **Resource Allocation:** Budget of \$20,000 for temporary contractors.
 - **Responsible Person:** HR Manager to hire contractors, Project Manager to reassign tasks.
 - **Timeline:** Contractors must be hired within 5 business days.
 - **Communication Plan:** Notify the Project Sponsor and Client immediately, provide daily updates.
 - **Fallback Plan:** If contractors are unavailable, extend the project timeline by 2 weeks.
 - **Monitoring and Review:** Conduct a review meeting after implementation to assess effectiveness.

10.6 Risk Communication, Reporting Regularly, and Documentation:

The OPHCD Project Risk Communication Plan outlines how risk-related information will be communicated to stakeholders throughout the project lifecycle. Effective communication ensures that stakeholders are informed about risks, mitigation strategies, and any changes to the risk landscape, enabling timely decision-making and collaboration.

The objective of the OPHCD risk communication plan is to ensure that all stakeholders (Project team members, Project sponsors, Clients or customers, Vendors or suppliers' Regulatory bodies) are aware of high-priority risks and their potential impact on the project.

OPHCD will share the updates on high-priority risks, and any significant changes will be escalated to the senior management, stakeholders, project team, and project sponsor immediately during monthly project reports, field or monitoring reports, included weekly or monthly project staff coordination meetings, a monthly risk report will be emailed to stakeholders. OPHCD will ensure transparency and accountability in risk management activities and reports.

OPHCD project team will review the final risk evaluation report which needs to be completed and to know about the progression of the risk management procedure for the project. It is beneficial to include any comments, observations or lessons learnt for the future reference.

OPHCD will Specify the methods and tools that will be used to communicate risk information. This may include:

- Meetings (e.g., risk review meetings, status updates)
- Reports (e.g., risk registers, dashboards)
- Emails or newsletters
- Collaboration tools (e.g., SharePoint, Trello)

The OPHCD project monthly risk report will include a summary of high-priority risks, their current status, and any actions taken to mitigate them, changes to the risk landscape, and escalated risks and contingency plans and will be prepared and distributed by risk manager, while the Project Manager is responsible for communicating escalated risks to the Project Sponsor. If a risk exceeds the defined threshold (e.g., high impact and high probability), the Project Manager will escalate it to the Project Sponsor within 24 hours. All OPHCD risk reports and meeting minutes will be stored in the project's risk management folder on SharePoint.

Example of a Risk Communication Plan Table:

Stakeholder	Information to Communicate	Method	Frequency	Responsible Person
Project Team	Detailed risk updates, mitigation progress	Weekly team meetings	Weekly	Risk Manager
Project Sponsor	High-level risk summaries, escalated risks	Monthly risk report	Monthly	Project Manager
Clients/Customers	Risks impacting deliverables or timelines	Email updates	As needed	Project Manager
Vendors/Suppliers	Risks related to deliverables or dependencies	Email or phone calls	As needed	Procurement Manager

Stakeholder	Information to Communicate	Method	Frequency	Responsible Person
Regulatory Bodies	Compliance-related risks	Formal reports	Quarterly	Compliance Officer

Example Scenario:

- **Risk:** Delays in software development due to resource shortages.
- **Project Team:** Receive updates on resource allocation and mitigation efforts during weekly meetings.
- **Project Sponsor:** Receive a monthly report summarizing the risk and its impact on the project timeline.
- **Clients:** Notified via email if the risk will impact project deliverables.
- **Vendors:** Contacted to discuss potential delays in dependent tasks.

10.7 Risk Contingency Budgeting:

A risk contingency budget can be established to prepare in advance for the possibility that some risks will not be managed successfully. The risk contingency budget will contain funds that can be tapped so that your project doesn't go over budget.

There is a total of <\$X> in the <Project Name> Project budget allocated for Risk Management activities. These activities may include, but are not limited to, identifying, analyzing, tracking, controlling, managing, and planning for risks. This also includes creating and updating the risk response strategies and contingency plans.

10.8. Risk Closure:

The OPHCD Project team (through the direction of the project manager) will close the risk once a risk has been mitigated or is no longer relevant. The risk owner will document the outcome in the risk register and mark the risk as closed. A risk will be considered closed when it meets the criteria such as: (**Risk is no longer valid, Risk Event has occurred, and Risk is no longer considered a risk**)

11. ROLES AND RESPONSIBILITIES:

The **Risk Roles and Responsibilities** defines the key stakeholders involved in risk management and outlines their specific duties and accountabilities. This section ensures that everyone understands their role in identifying, analyzing, mitigating, and monitoring risks throughout the project lifecycle.

Risk Management Team Members: Identify the individuals or groups responsible for risk management activities. This typically includes (Project Manager, Risk Manager (if applicable), Project Team Members, Stakeholders, Sponsors, Subject Matter Experts (SMEs).

Example: The **Project Manager** is responsible for overall risk management, while the Risk Manager focuses on maintaining the risk register and facilitating risk assessments.

Roles and Responsibilities: Clearly define the specific responsibilities of each role in the risk management process. This includes:

- **Risk Identification:** Who will identify risks?
- **Risk Analysis:** Who will assess the likelihood and impact of risks?
- **Risk Mitigation:** Who will develop and implement mitigation strategies?
- **Risk Monitoring:** Who will track and report on risks?
- **Risk Communication:** Who will communicate risk information to stakeholders?

Example: The Project Team is responsible for identifying risks during weekly meetings, while the Risk Manager is responsible for analyzing and prioritizing risks using a risk matrix.

Accountability: Specify who is accountable for ensuring that risk management activities are completed effectively and on time.

Example: The **Project Manager** is accountable for ensuring that all risks are documented in the risk register and that mitigation plans are implemented as needed.

Decision-Making Authority: Define who has the authority to make decisions related to risk management, such as approving mitigation strategies or activating contingency plans.

Example: The **Project Sponsor** has the authority to approve budget allocations for risk mitigation activities, while the **Project Manager** can activate contingency plans without additional approval.

Escalation Process: Outline the process for escalating risks that cannot be resolved at the project team level.

Example: If a risk exceeds the project team's authority (e.g., a high-impact risk requiring additional funding), it will be escalated to the Project Sponsor for resolution.

Training and Support: Specify any training or support required for team members to effectively perform their risk management roles.

Example: The **Risk Manager** will provide training to the project team on how to use the risk register and conduct risk assessments.

Example of a Risk Role and Responsibilities Table:

Role	Responsibilities
Board of Directors:	Oversee the risk management framework and ensure alignment with organizational objectives.
Senior Management	• It is the responsibility of the OPHCD Management Committee to ensure that: • OPHCD Implement the risk management process and allocate necessary resources. • Effective risk management procedures are in place, applicable to all relevant areas; • Risk management procedures are reviewed regularly; • Recommendations arising out of the risk management process are evaluated and, if necessary, implemented; and • Employees and volunteers are aware of all applicable risks and familiar with the organization's risk management procedures. • All individuals involved in project work uphold the organization's Risk Management Policy and its procedures in their work with the organization • Copies of up-to-date Risk Management Checklists are kept in a central Risk Management Register.

OPHCD	It is the responsibility of OPHCD to: • Ensure that the target beneficiaries of a project remain a top priority when conducting a risk assessment • Conduct regular consultations with beneficiaries and the wider community the project is operating in to monitor progression of the risk • Share risk assessment updates with OPHCD management committee as required.
Risk Manager or Project Manager (PM)	The Risk Manager or PM is a member of the Project Team. The Risk Manager or PM determines if the Risk is unique, identifies risk interdependencies across projects, verifies if risk is internal or external to project, assigns risk classification and tracking number. During the life of the project, they continually monitor the projects for potential risks. • Review, reevaluate, and modify the probability and impact for each risk item on monthly basis • Analyze any new risks that are identified and add these items to the risk list (or risk database). • Monitor and control risks that have been identified • Review and update the top ten risk list [, as needed, every two weeks, etc.] • Escalate issues/ problems to management [List factors that would need to be escalated to management. Examples: documented mitigation actions are not effective or producing the desired results; the overall level of risk is rising.]
Risk Owner(s)	The risk owner determines which risks require mitigation and contingency plans, he/she generates the risk mitigation and contingency strategies and performs a cost benefit analysis of the proposed strategies. The risk owner is responsible for monitoring and controlling and updating the status of the risk throughout the project lifecycle. The risk owner can be a member of the project team. • Help develop the risk response and risk trigger and carry out the execution of the risk response, if a risk event occurs. • Participate in the review, re-evaluation, and modification of the probability and impact for each risk item on a weekly basis. • Identify and participate in the analysis of any new risks that occur. • Escalate issues/problems to PM that, ○ Significantly impact the projects triple constraint or trigger another risk event to occur. ○ Require action prior to the next weekly review ○ Risk strategy is not effective or productive causing the need to execute the contingency plan.

Employees	It is the responsibility of all individual involved in OPHCD projects to identify and report risks in their areas of responsibility, and to ensure that: • They are familiar with the organization's risk management definitions, procedures and Checklist as applicable to their section and work • They actively implement the identified risk management procedures into their work They inform their superior if they become aware of any risk not covered by existing procedures.
Risk Management Committee (if applicable)	Coordinate and monitor risk management activities.
Other Key Stakeholders	The other stakeholders assist in identifying and determining the context, consequence, impact, timing, and priority of the risk.

Example of a Risk Roles and Responsibilities Table:

Role	Responsibilities	Accountability
Project Manager	Oversee risk management activities, ensure risks are documented and mitigated	Ensure risk management plan is followed
Risk Manager	Maintain the risk register, facilitate risk assessments, and monitor risk status	Keep the risk register up to date
Project Team Members	Identify risks during project activities and participate in risk assessments	Report risks promptly and accurately
Stakeholders	Provide input on risks and review risk reports	Communicate concerns and feedback
Project Sponsor	Approve budget for risk mitigation and resolve escalated risks	Ensure resources are available for risk management
Subject Matter Experts	Provide expertise to assess and mitigate technical or specialized risks	Offer accurate and timely advice

Example Scenario:

- **Risk:** Delays in software development due to resource shortages.
 - **Project Manager:** Ensure the risk is documented in the risk register and assign mitigation actions.
 - **Risk Manager:** Monitor resource utilization and update the risk status weekly.
 - **Project Team:** Identify additional resource needs and report them during team meetings.
 - **Project Sponsor:** Approve the budget for hiring temporary contractors if needed.
 - **Stakeholders:** Review risk reports and provide feedback on mitigation strategies.

12. RISK MANAGEMENT TOOLS:

The OPHCD project manager will be maintained and updated regularly project risk management Log (Risk register or Risk Database) and it will be reviewed as a standing agenda item for the project team monthly coordination meetings. The following tools will be used by the project team for the risk management process.

- **Risk Register:** A centralized document to record and track risks
- **Risk Matrix:** A visual tool to assess and prioritize risks based on likelihood and impact.
- **Key Risk Indicators (KRIs):** Metrics used to monitor changes in risk levels.
- **Incident Reporting System:** A mechanism for reporting and managing risk-related incidents.
- **SWOT Analysis:** To identify strengths, weaknesses, opportunities, and threats.
- **Contingency Plan Template:** To outline response actions for high-priority risks.

14. TRAINING AND AWARENESS:

OPHCD project manager will provide regular training as per prepared training plan on risk management approaches, methodology, and reporting to the project team members on risk management principles and practices.

15. CONTINUOUS IMPROVEMENT:

OPHCD project team will regularly review and improve and enhance the risk management framework through incorporate lessons learned from past incidents and near-misses, stay updated on emerging risks and best practices.

16. COMPLIANCE AND ACCOUNTABILITY:

OPHCD project manager will ensure adherence to relevant laws, regulations, accountability, and organizational standards for risk management activities through regular audits, compliance checks, and accountability measures.

17. DOCUMENTATION: OPHCD project team will regularly maintain comprehensive records of risk management activities into risk register, incident reports, audit reports.

18. POLICY REVIEW AND UPDATES:

This OPHCD risk management policy will be reviewed periodically (e.g., annually) and updated as necessary to reflect changes in the organization's risk profile or external environment. Approval for updates will be obtained from senior management or the Board of Directors

19.CHANGE CONTROL HISTORY:

Version No:	Approval Date:	Approved by:	Change:
002	Jan,2024	Board of Trustee General Director	

Signature..... Date.....

APPROVED BY:

After the review of the policy, on behalf of the OPHCD Board of Trustees, the said manual is hereby approved and ready to be implemented henceforth.

Reviewed and Approved: Board of trusty.

Signature..... Date.....

20. APPENDIX:

Annex-I: Project Risk Register

Risk ID	Risk Description	Risk Category	Risk Likelihood	Risk Impact	Risk Level	Risk Owner	Risk Response	Mitigation Actions	Status	Date Identified	Date Updated	Comments
R001	[Description of the risk]	[Technical, Schedule, Cost, Resource, External, etc.]	[Low, Medium, High]	[Low, Medium, High]	[Low, Medium, High]	[Name/Department]	[Avoid, Mitigate, Transfer, Accept]	[Actions to reduce likelihood or impact]	[Open, In Progress, Closed]	[MM/DD/YYYY]	[MM/DD/YYYY]	[Additional notes or updates]
R002	[Description of the risk]	[Category]	[Likelihood]	[Impact]	[Risk Level]	[Risk Owner]	[Risk Response]	[Mitigation Actions]	[Status]	[Date Identified]	[Date Updated]	[Comments]
...	...	...	...	...	...	...	...	...	...	...	...	...

Column Descriptions:

- **Risk ID:** A unique identifier for each risk (e.g., R001, R002).
- **Risk Description:** A clear and concise description of the risk, including its cause and potential impact on the project.
- **Category:** The type of risk (e.g., Technical, Schedule, Cost, Resource, External, Operational).
- **Likelihood:** The probability of the risk occurring (e.g., Low, Medium, High).
- **Impact:** The potential effect on the project if the risk occurs (e.g., Low, Medium, High).
- **Risk Level:** The overall risk level, often calculated as Likelihood × Impact (e.g., Low, Medium, High).
- **Risk Owner:** The person or team responsible for managing the risk.
- **Risk Response:** The strategy to address the risk (e.g., Avoid, Mitigate, Transfer, Accept).
- **Mitigation Actions:** Specific steps to reduce the likelihood or impact of the risk.
- **Status:** The current status of the risk (e.g., Open, In Progress, Closed).
- **Date Identified:** The date the risk was first identified.
- **Date Updated:** The date the risk was last reviewed or updated.
- **Comments:** Additional notes, updates, or observations about the risk.

Example Project Risk Register Entry:

Risk ID	Risk Description	Category	Likelihood	Impact	Risk Level	Risk Owner	Risk Response	Mitigation Actions	Status	Date Identified	Date Updated	Comments
R001	Delays in vendor delivery of critical equipment.	External	High	High	High	Procurement Team	Mitigate	Establish backup vendor agreements and monitor delivery timelines.	In Progress	10/01/2023	10/15/2023	Vendor has committed to revised delivery date.
R002	Key team member may leave the project.	Resource	Medium	High	High	HR Manager	Mitigate	Cross-train team members and document processes.	Open	10/05/2023	10/10/2023	Succession plan in progress.
R003	Budget overrun due to scope creep.	Cost	Medium	Medium	Medium	Project Manager	Avoid	Implement strict change control processes.	Open	10/10/2023	10/12/2023	Change control board established.

Additional Notes

- **Risk Level Calculation:** Use a risk matrix to determine the risk level (e.g., Likelihood × Impact).

Likelihood	Impact				
	Negligible	Minor	Moderate	Major	Severe
Almost Certain	Moderate	Moderate	High	Very High	Very High
Likely	Moderate	Moderate	High	High	Very High
Possible	Low	Moderate	High	High	High
Unlikely	Low	Low	Moderate	Moderate	High
Rare	Low	Low	Moderate	Moderate	High



Annex-II: Risk Matrix

Project Name:						
Project Manager:						
Date:						
Risk Matrix		Severity				
		Insignificant	Minor	Moderate	Major	Severe
Likelihood	Almost Certain	Medium	High	Very High	Very High	Very High
	Likely	Medium	High	High	Very High	Very High
	Possible	Low	Medium	High	High	Very High
	Unlikely	Low	Low			High
	Rare	Low	Low			

Annex-III: Risk Management Checklist: [Provide examples of risk matrix]

Name of Project:

Step 1: Risk Identification		Step 2: Risk Assessment		Step 3: Risk Management			
List of Possible Risks	Likelihood	Impact	What are we already doing about it? (Mitigating factors)	What more can we do about it?	Timescale	Person Responsible	Reviewed Level of Risk

Date to be reviewed	
Person/Group responsible for review	

 risk-management-flow-chart.pdf

 Risk-Register.xls

 Risk-Management-Matrix.xlsx

 Risk-Action-Plan-Template-WORD.dotx

 Risk-Action-Plan-Template.xlsx

 Project-Management-Plan template.xlsx
 Risk-Management-Matrix-Template-WORD

The End

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 Youth & Community Development