HOW TO USE THIS TEMPLATE:

Introduction

The template reflects the steps set out in the PRINCE2 Method and is designed to prompt the Project Manager and help in the creation of the Risk Management Strategy. There is also a Product Description for the Risk Management Strategy at Appendix A of the PRINCE2 Manual.

Loading the file

This template has been produced using Microsoft Word 2003. To use it, load up the file directly from the directory and starting from page 1 follow the prompts (in [...] brackets).

Deleting the [....] text

When the template is complete, the Risk Management Strategy document can be printed and approved.

Prior to printing, you should delete all [....] prompt text.

Saving the Risk Management Strategy document under its own name

Save the Risk Management Strategy document by selecting the "SAVE-AS" command; this will avoid overwriting the standard template. You must specify your own Project Directory.

Once your Risk Management Strategy is complete check the document against the following Quality Criteria:

- Responsibilities are clear and understood by both customer and supplier

- The risk management procedure is clearly documented and can be understood by all parties

- Scales, expected value and proximity definitions are clear and unambiguous

- The chosen scales are appropriate for the level of control required

- Risk reporting requirements are fully defined

RISK MANAGEMENT STRATEGY

Project:

Release:

Date:

PRINCE2

Author:

Owner:

Client:

Document Ref:

Version No:

1   Risk Management Strategy History

1.1   Document Location

This document is only valid on the day it was printed.
The source of the document will be found at this location – *[insert folder structure]*

1.2   Revision History

Date of this revision:
Date of next revision:

Revision date	Previous revision date	Summary of Changes	Changes marked
		First issue	

1.3   Approvals

This document requires the following approvals.
Signed approval forms should be filed appropriately in the project filing system.

Name	Signature	Title	Date of Issue	Version

1.4   Distribution

This document has been distributed to:

Name	Title	Date of Issue	Version

2   Table of Contents

Page

3   Introduction

[Purpose, objectives, scope and responsibility of the strategy]

4   Risk Management Procedure

[A description of (or reference to) the risk management procedure to be used. Any variance from corporate or programme management quality standards should be highlighted, together with a justification for the variance. The procedure should cover activities such as:

-   Identify

-   Plan

-   Assess

-   Implement

-   Communicate]

5   Tools and Techniques

[Any risk management systems or tools to be used, and any preference for techniques which may be used for each step in the risk management procedure]

6   Records

[Definition of the composition and format of the Risk Register and any other risk records to be used by the project]

7   Reporting

[Any risk management reports that are to produced, their purpose, timing and recipients]

8   Timing of Risk Management Activities

[States when formal risk management activities are to be undertaken, for example at End Stage Assessments]

9   Roles and Responsibilities

[Defines the roles and responsibilities for risk management activities]

10   Scales

[Defines the scales for estimating probability and impact for the project to ensure that the scales for cost and time (for instance) are relevant to the cost and timeframe of the project. These may be shown in the form of probability impact grids giving the criteria for each level within the scale, e.g. for 'very high', 'high', 'medium', 'low' and 'very low']

11   Proximity

[Guidance on how proximity for risk events is to be assessed. Proximity reflects the fact that risks will occur at particular times and the severity of their impact will vary according to when they occur. Typical proximity categories will be: imminent, within the stage, within the project, beyond the project]

12   Risk Categories

[Definition of the risk categories to be used (if at all). These may be derived from a risk breakdown structure or prompt list. If no risks have been recorded against a category, this may suggest that the risk identification has not been as thorough as it should have been]

13   Risk Response Categories

[Definition of the risk response categories to be used which depends on whether the risk is a perceived threat or an opportunity]

14   Early Warning Indicators

[Definition of any indicators to be used to track critical aspects of the project so that if certain predefined levels are reached, corrective action will be triggered. They will be selected for their relevancy to the project objectives]

15   Risk Tolerance

[Defining the threshold levels of risk exposure, which, when exceeded, require the risk to be escalated to the next level of management. The risk tolerance should define the risk expectations of corporate or programme management and the Project Board]

16   Risk Budget

[Describing if a risk budget is to be established and if so how will it be used]