

STATE TREASURER'S OFFICE



Debt Management System II

Risk Management Plan *Risk, Issue and Action Item Management*

Version 1.0

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Document Revision History

Revision Number	Date of Release	Author	Summary of Changes
.1	1/28/2015	Maisha Dottery	Initial Draft Distributed to DMS II Project Team for Review and Comment
1.0	2/10/2015	Maisha Dottery	Incorporated Feedback Presented for Signature

Approval Signatures

Risk and Issue Management Plan Acceptance

The undersigned acknowledge that they have reviewed the DMS II Risk Management Plan. The signatories also have an understanding of the purpose and content of this document and are in agreement that the Risk Management Plan is sufficient to allow the project to move forward. The Project Manager is hereby authorized to apply organizational resources to project activities.

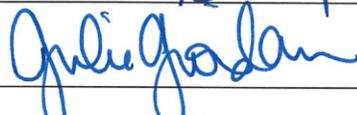
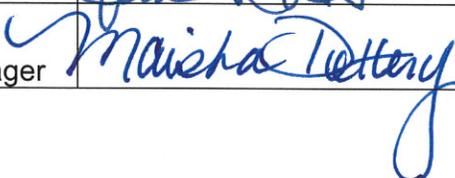
Name/Department Title	Signature	Project Role	Date
Tim Schaefer Deputy Treasurer		Executive Sponsor	2/18/15
Blake Fowler PFD Division Director		Program Sponsor	2-18-15
Julie Giordano PFD Assistant Director		Project Executive (Business)	2-18-15
Jan Ross Chief Information Officer		Project Executive (Technical)	2.18.15
Maisha Dottery DMS II Project Manager		Project Manager	2.18.15

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1.0 INTRODUCTION

This Risk Management Plan (RMP) describes the Debt Management System (DMS) II Project's Risk Management, Issue and Action Item Management processes and procedures.

Risk Management is the process of identifying, assessing, monitoring, responding to, and reporting risks. This RMP defines how risks associated with the DMS II project will be identified, analyzed, and managed. It outlines how risk management activities will be performed, recorded, and monitored throughout the lifecycle of the project and provides templates and practices for recording and prioritizing risks.

1.1 Scope

This plan describes the processes and standards used to manage risks and Issues for the DMS II Project.

The RMP is used to manage and track DMS II Project risks. Organizational risks (for either the State or SI) will only be tracked using this Plan if the risk has direct implications to the DMS II Project. Risks involving legacy/ancillary systems will be tracked using this Plan if the risk is attributable to the DMS II Project.

1.2 Integration with Project Management Processes

Risk Management is tightly coupled with Issue and Action Item Management. If the risk is realized, the risk becomes an issue that must be managed to ensure a successful resolution. Risk management is also tightly coupled with the Communications Management process as the primary means of monitoring risk is through status meetings, particularly the team, group or discipline (business and technical) status meetings.

The Risk Management process is coupled with the Scope Management and Change Request Management processes when risks are elevated to the Change Control Board for resolution and there is an associated change to scope, requirements or deliverables. Risk Management can formally impact the integrated plans and associated Schedule Management process which then impacts at a minimum, the Release Management process of Configuration Management through the release schedule. Quality Management is responsible for Risk Management oversight and measuring compliance with the project objectives and progress toward the objectives as they are impacted by the resolution or evaluation of risk.

1.3 Related Deliverables and Work Products

The following are deliverables or work products related to the RMP. Unless otherwise noted, related deliverables and work products will be deposited in the DMS II Project Repository.

Deliverable/Work Product	Relationship to Deliverable	Version # and Date
Master Project Management Plan (MPMP)	Governing	Pending
Quality Management Plan	Governing	Pending

Deliverable/Work Product	Relationship to Deliverable	Version # and Date
Communication Management Plan	Supporting	Pending

1.4 Process Owner

Risk and Issue Management is a process owned by the State Treasurer’s Office (STO) throughout the DMS II project life cycle. The State is responsible for defining the methodology and tools for identifying, submitting, analyzing, prioritizing, tracking, mitigating, and closing Project risks and issues. The State is also responsible for clearly defining the roles and responsibilities of the Project team in the areas of Risk and Issue Management.

When the SI contract is awarded, they will be required to integrate their internal risk and issue management processes with the State’s process. The SI plays an integral role in participating in the risk management process. The details for how the SI will execute against the STO’s RMP will be included in the risk management section of the SI Project Management Plan.

Additional detail on roles and responsibilities specific to risk management can be found in sections 2.1.2 and 3.1.2. Global roles and responsibilities for the DMS II project can be found in the Project Charter.

1.5 Document Maintenance

This document will be reviewed annually at a minimum and updated if needed. This document contains a revision history log. When changes occur, the version number will be updated to the next increment and the date, owner making the change, and change description will be recorded in the revision history log of the document.

2.0 RISK MANAGEMENT

2.1 Introduction

The Risk Management Process is undertaken to ensure that each risk identified within a project environment is documented, escalated and mitigated, as appropriate. A risk is defined as any event which is likely to adversely affect the ability of the project to achieve the defined objectives. Project risk must be identified, managed and addressed through the Debt Management System (DMS) II Project lifecycle. The Risk Management Process will provide guidance to enable the DMS II Project team in proactively addressing potential obstacles that may arise and hinder project success and/or block the project team from achieving its goals. The Risk Management Plan also defines the approach for issue management and action item management.

The purpose of conducting risk management planning is to establish an iterative systematic process to anticipate, identify, and define procedures and processes to accept, avoid or decrease the probability and impact of negative events which may impede project success.

An effective risk management process requires a commitment on the part of the Debt Management System (DMS) II Project Team, the DMS Project Manager, System Integrator (SI) and project stakeholders to be successful. Many impediments exist to risk management implementation, however, the project team must work together to overcome these obstacles.

Risks are considered in project decisions, tradeoffs, planning, and day-to-day activities. Some risks rise from external influences, such as acts of nature and adverse actions by other individuals and organizations. Such risks may include business disruptions or legislative changes. However, many risks result from internal factors, such as invalid assumptions, poor design choices or overly optimistic plans and schedules.

This Risk Management Plan (RMP) describes the process the DMS II Project uses to manage project risks. It describes the plan for risk identification, risk assessment, risk response, risk control, documentation, and reporting. The key objective of this risk management plan is to increase the probability of events beneficial to the DMS II Project and to decrease the probability and impact of negative events.

2.1.1 Purpose

The purpose of the RMP is to identify the approach for managing risks for the DMS II Project. It not only documents the approach to contain, reduce and plan for risks, but defines how risks are identified, analyzed, tracked and prioritized throughout the project's life cycle. It also identifies the project team's roles and responsibilities and the tools used to manage risks.

The process to manage risk is a continuous, ongoing function over the entire Systems Development Life Cycle (SDLC) as conditions and priorities on the project change. Mitigation actions are planned and initiated when specific triggers are activated.

2.1.2 Roles and Responsibilities

There are various staff resources and project stakeholders involved in managing project risks. Though the State and SI Project Managers and Risk Managers own and facilitate the Risk Management Process, the State Team has primary decision-making responsibility for project risks. This section describes the participants in the Risk Management Process and their responsibilities.

The RMP is owned by the State. Both the State and the SI have a Risk Manager that is responsible for coordinating updates and assignments for his or her organization. The Risk Managers work together to report the status of risk, manage risks and ensure that risk activities and analysis involve both organizations for the DMS II Project. The following table summarizes the roles and responsibilities for the participants in the Risk Management Process.

Project Role	Responsibilities
State Risk Manager	<ul style="list-style-type: none"> • Own the risk process for the State • Schedule risk management training for project staff as part of project orientation and conduct on-going risk management training • Oversee development of the mitigation and contingency plans for all risks owned by the State • Lead the initial risk identification sessions and develop the initial risk list from the sessions • Facilitate the identification of risks that may impact the project • Enter the initial risks into the Risk Management Tool • Verify assignments with State and SI Project Managers, as needed • Lead periodic risk assessments to identify new risks and create a risk list from the sessions, as appropriate • Notify Risk Owners and communicate assignments and expectations • Review and validate new risks and risk responses for completeness and process compliance • Ensure new risks are entered into the Risk Management Tool and manage the risk tool on an on-going basis • Facilitate risk review meetings • Generate risk metrics and takes remedial action, if warranted, on the corrective action or process improvements assessed as a result of the risk metrics • Confirm that a Risk Owner is assigned to each risk • Confirm that each risk is assessed for probability of occurrence and potential impact on the project • Confirm there is an appropriate risk response plan is , realistic and achievable • Confirm that risks are appropriately logged into the Risk Management Tool • Confirms risk statements are clear and concise • Confirms risk submissions are complete • Monitor progress of risk response actions to ensure risk responses are properly implemented • Validate that the completion of risk response actions is entered into the Risk Management Tool • Make recommendations to the State Project Manager, Project Steering Committee and EMT on which risks it should review or close

Project Role	Responsibilities
SI Risk Manager	<ul style="list-style-type: none"> • Owns risk process for the SI • Actively engage in the risk management process • Work collaboratively with the State Risk Manager to ensure that risks are identified, assessed and managed in alignment with the DMS II Project risk management process • Recommend process improvements when necessary • Oversee development of the mitigation and contingency plans for all risks owned by the SI • Report on status of SI-assigned risks in status reports and status meetings • Report concerns or questions regarding risk management efforts to the State Project Manager • Recommend process improvement based on effectiveness of risk process • Actively participate in State risk status meetings, as requested
Project Steering Committee (PSC)	<ul style="list-style-type: none"> • Participate in risk identification • Review escalated risks and provide direction for resolution • Approve risk mitigation strategies, as appropriate • Approve risk closure designated as high and impact the schedule, scope, cost or quality
Project Sponsor	<ul style="list-style-type: none"> • Participate in risk identification • Review escalated risks and provide direction for resolution • Approve risk mitigation strategies, as appropriate
Executive Management Team (EMT) (State and SI)	<ul style="list-style-type: none"> • Actively participate in risk identification • Review and approve Risk Response and Contingency Plans • Authorize execution of Risk Response and Contingency Plans, as appropriate • Determine whether to escalate risks to the Project Steering Committee • Participate in Risk Management meetings, as needed • Prioritize risks and resources assigned for risk response actions • Monitor project risks, based on priority • Monitor and resolve risks for which they are assigned ownership • Determine whether or not to close risks within delegated threshold Note: Risks impacting schedule, scope, quality or cost should be escalated to the Project Steering Committee for closure
State Project Manager	<ul style="list-style-type: none"> • Develop the Risk Management Plan • Actively participate in Risk Management process • Work collaboratively with the State and SI Risk Managers to ensure risks are being managed in accordance with the Risk Management Process • Review Risk Reports and metrics • Review and approve risk assignments, as appropriate • Determine if escalation is necessary • Coordinate risks involving external stakeholder participation • Recommend process improvement based on effectiveness of risk process

Project Role	Responsibilities
System Integrator (SI) Project Manager	<ul style="list-style-type: none"> • Identify, monitor and mitigate assigned project risks • Manage risks internal to their activities and assist with overall risk mitigation and contingency activities, as needed • Ensure SI staff compliance with the approved Risk Management Process • Report on status of SI-assigned risks in status reports and status meetings • Report concerns or questions regarding risk management efforts to the State Project Manager • Monitor Risk Metrics • Work with State PM to implement process improvement to the risk management process • Actively participate in State risk status meetings, as requested
Risk Originator (or Submitter)	<ul style="list-style-type: none"> • Identify risk threats or risk opportunities to the Project • Communicate newly identified risks to his or her Manager • At the direction of his or her Manager, further define the risk, and make the initial assessment of the impact and probability • Document the risk and initial assessment on the Risk Form • Notify the appropriate Risk Manager (State or SI) that the risk is ready to be communicated and entered into the Risk Management Tool
Risk Owner	<ul style="list-style-type: none"> • Responsible for managing individual assigned risks • Conduct further risk analysis to validate and refine the initial risk assessment and support the development of appropriate risk responses • Coordinate participation of SMEs and technical resources in the analysis and development of risk response strategies and action plans, as needed • Formulate and implement risk response strategies, measurements and risk response actions for assigned risks • Monitor the risk indicators or triggers to determine when and if risk response actions are needed • Provide status updates for their risk(s) to their respective Risk Manager as required • Update and modify the risk response, as necessary, as time progresses and/or project conditions change • Notify the their respective Risk Manager if the risk response needs revision, if an assigned risk is imminent or occurring or if the risk should be escalated • Recommend risk closure to their respective Risk Manager at the appropriate time
Originator's Lead (Business SME or Technical SME)	<ul style="list-style-type: none"> • Act as liaison in the risk management process from the Business Team to the Risk Manager • Actively participate in the risk identification process • Validate risk identified by their team members (Business or Technical) • Provide direction to the Originator on documenting the risk on the Risk Form • Notify the Risk Manager that the risk is ready to be communicated and entered into log. • Assist risk originators in the develop of risk mitigation/contingency strategies for assigned risks
Project Team	<ul style="list-style-type: none"> • Actively participate in the risk identification process • Perform risk analysis • Develop/implement risk mitigation/contingency strategies for assigned risks • Discuss risk monitoring and mitigation activities at team meetings

Project Role	Responsibilities
Project Stakeholder	<ul style="list-style-type: none"> • Monitor risk action effectiveness • Participate in risk escalation process
Legal Counsel	<ul style="list-style-type: none"> • Provide counsel for risks which may have legal ramifications and/or are of a sensitive nature • Identify risk as appropriate
Independent Verification Validation (IV&V)	<ul style="list-style-type: none"> • Provide project risk oversight (management and technical) and report findings • Actively participate in Risk Meetings • Identify risks that pose a technical risk to the project or would prevent the project from achieving the stated business, functional or technical requirements • Review Risk Reports and metrics • Provide updates to the State Project Directorate (EMT/Sponsor/Project Steering Committee) and project stakeholders, as appropriate
Independent Project Oversight Consultant (IPOC)	<ul style="list-style-type: none"> • Provide project management risk oversight and report findings • Participate in Risk Meetings • Identify risks that pose a process risk to the project or would prevent the project from achieving the business or functional objectives • Review Risk Reports and metrics • Provide updates to the State Project Directorate and project stakeholders, as appropriate • Identify opportunities for risk management process improvement

Risk Management RACI Matrix (Responsible, Accountable, Consulted, Informed)

The RACI matrix indicates the level of participation in each step of the process. The RACI acronym derived from the four key responsibilities in the risk management process which are Responsible, Accountable, Consulted and Informed.

Risk Management Task	DMS II Project Role								
	Steering Committee	State and SI Executive Management Team	State Project Manager	SI Project Manager	State Risk Manager	SI Risk Manager	Originators Lead (Technical or Business)	Risk Originator	Risk Owner
1. Conduct Initial Risk Assessment	I	C	A	C	R	C	I	I	I
2. Conduct Periodic Risk Assessments	I	C	A	A	R	C	I	C	I
3. Conduct ongoing and Ad Hoc Risk Identification	I	C	A	A	R	C	I	C	I
4. Validate and Document Risk	I	I	I	I	C	C	A	R	C
5. Review Risk for Process Compliance	I	C	A	A	R	R	C	I	I
6. Enter Risk in Tool	I	I	I	I	R	R	C	I	I
7. Review and Prioritize Risk	I	C	A	A	R	R	C	I	I
8. Update Risk in Tool	I	I	I	I	A/R	R	C	I	I
9. Perform Risk Analysis	I	I	C	C	A/R	R	C	C	R
10. Develop Risk Response	I	I	I	I	C	C	A	R	R
11. Review and Approve Risk Response	I	C	C	C	R	R	A	I	C
12. Update Risk in Tool	I	I	I	I	A/R	A/R	I	I	C
13. Monitor and Report Risk Status	I	I	I	I	A/R	R	C	C	R
14. Execute Risk Response	I	I	C	C	C	C	A	C	R
15. Monitor Effectiveness of Risk Response	I	I	R	R	A	C	I	I	I
16. Update Risk Status and Actions in Tool	I	I	I	I	A	R	I	I	C
17. Close Risk	C	C	C	C	A/R	R	I	I	C

- (R)esponsible: Completes the work to achieve the task
- (A)ccountable: Ultimately answerable for the accurate completion of the task
- (C)onsulted: Those whose opinions are sought to complete the task
- (I)nformed: Notified of the results of the task

2.1.3 Terms and Definitions

Term	Definition
Candidate Risk	Being considered by the Project Risk Management process as a tangible risk that can be described and measured.
Expert Judgment	A subjective or qualitative decision-making technique, employing expertise, knowledge, experience, or skills and used as an alternative or supplement to mathematical based decision-making techniques.
Identified Risk	A candidate risk becomes an identified risk when it has been determined that it can be described and measured. Each identified risk is recorded in the Project Risk Database as a risk item.
Issue	A matter that requires the attention of project management staff or a matter that may impede the success of a project task. A current situation or event that must be resolved to avoid adverse impact to the project.
Retired Risk	An identified risk that is either no longer applicable or that has been closed.
Risk	A potential event that may negatively impact the project if it occurs but may not impede the success of the project if mitigated effectively.
Risk Acceptance	Accepting the consequences of the risk. Acceptance can be active (e.g., developing a mitigation plan to be executed if the risk event occurs), or acceptance can be passive (e.g., taking no action, allowing the risk event to occur, and accepting the resulting consequences).
Risk Avoidance	Risk avoidance involves efforts to eliminate the threat to the project.
Risk Analysis	Risk analysis involves classification and prioritization of risk items, providing recommendations for mitigating and measuring risk items, and reviewing risk item information with the Risk Manager, and the Project Manager or their designee.
Risk Identification	Risk identification focuses on identification of potential events and/or outcomes which may impact the overall success of the project. It occurs during evaluation of processes, operational execution (e.g., reviews, approvals by external entities) and/or performance against standards/guidelines.
Risk Impact	A description of the estimated impact to project operations or outcomes resulting from the occurrence of a risk event or outcome. Risk Impact is expressed as a number between one and five, with one representing a lowest impact and five representing a highest impact to the project.
Risk Manager	The staff member responsible for monitoring risks during the risk identification and risk analysis activities.
Risk Measurement	The methods used to track the risk mitigation and to measure the effectiveness of the mitigation.
Risk Mitigation	Response to an Identified Risk, designed to eliminate or reduce the probability of risk occurrence. <ul style="list-style-type: none"> • Elimination – removing the threat of the risk event occurring by eliminating the cause. • Reduction – reducing the exposure of the risk by either reducing the impact on the project, the probability of occurrence, or both.
Risk Owner	The person assigned responsibility for Risk Planning, Risk Analysis, and Risk Tracking and Control.
Risk Planning	Risk planning involves assigning risk ownership, developing risk mitigation, developing measurements, reviewing and approving risk mitigation and measurements, translating mitigation into action plans, and recording risk information

Term	Definition
	changes in the Project Risk Database.
Risk Severity	A determination of the importance of the risk based upon: <ol style="list-style-type: none"> 1. potential impact of the risk on the project 2. the probability of occurrence, and 3. the risk timeframe.
Risk Probability	The likelihood of the occurrence of the risk (high, medium, low) expressed as a percentage for the likelihood of risk occurrence.
Risk Timeframe	The period of time within which the risk is expected to occur: <ul style="list-style-type: none"> • short-term (< 6 Months) • medium-term (> 6 Months and < 1 Year) • long-term (> 1 Year)
Risk Tracking and Control	Risk tracking and control involves the oversight and tracking of risk mitigation action plan execution, re-assessment of risks, reporting risk status, and recording risk information changes in the Project Risk Database.
Risk Transfer	Transferring a risk (negative) involves shifting the impact of a threat to the third party. Buying an insurance policy is an example of the risk transfer.

2.2 Risk Management Methodology

Risks represent events that have not yet occurred. Risk outcomes are uncertain and can be either positive or negative. In either case, the value of risk management is to identify, assess, plan for and monitor risks before they occur, and if necessary, manage the responses after they occur. Projects improve their likelihood for success if they manage risks that may lead to cost or schedule overruns, or risks that may result in unacceptable system quality or performance.

For the DMS II Project, The State has the responsibility for the execution of risk and issue management, but the SI plays an integral role in participating in risk identification activities, managing risks assigned to the SI team, and engaging in risk mitigation and contingency activities as assigned. The Risk Management Methodology defines the processes that will be used to identify, assess, prioritize and develop risk response actions for risks that threaten the project's success. The Project's risk management approach is based on two essential principles:

1. **Early identification** of project risk is required to contain and reduce risk.
2. **Proactive**, ongoing risk mitigation is essential to project success.

The Project Team (consisting of the State and the SI) is responsible for the identification of risks and the management of the risks assigned to each organization. The State will provide a risk management tool for all project stakeholders to use and will be responsible for maintaining the tool to track and monitor project risks.

2.2.1 Process Overview

The DMS II Risk Management Process contains six components, as described below.

1. **Risk Management Planning** – This component establishes the strategy for managing project risks and implements the process, methods and tools used in the Risk Management Process.
2. **Risk Identification** – This component gathers the initial set of project risks and establishes tolerance thresholds and channels for ongoing risk reporting as the project progresses. This is a proactive process of identifying and documenting possible future events that could have a negative impact on the cost, schedule or project objectives. It also considers positive risks (opportunities) which may be leveraged to generate positive impacts or benefits. Risk identification includes periodic assessments to identify new risks, as well as ad hoc identification of risks from day-to-day activities by staff, managers and project stakeholders. All project staff will be involved in risk identification. Risks that may affect the project will be identified and organized into high-level categories. Refer to Appendix A for a list of the risk categories, which are summarized from the California Department of Technology (CalTech) California Project Management Methodology (CA-PMM).

Project risks will be identified through a variety of means:

- **Project deliverable descriptions and specifications** – Risks are inherent in any new project, often because the product or process being created is completely new. The State and SI Risk Managers will review the product descriptions and specifications to determine if there are any areas that have the potential for risk.

- **Project documents** –The Risk Managers will review documents such as the Project Charter, Work Breakdown Structure, budget estimates, staffing plans, assumptions and constraints, etc., which may bring to light areas of risks.
 - **Industry Standards and Best Practices web sites** – Industry Standard websites such as the System Engineering Institute (SEI) Taxonomy Based Questionnaire (TBQ) and various best practice web sites and defined frameworks such as CA-PMM and the California IT Oversight Framework provide examples of various risk categories that can assist organizations in identifying new project risks.
 - **Historical experience** – All project participants will be able to apply their previous project experience to help identify possible project risks.
 - **Brainstorming sessions** – The Risk Managers will hold risk meetings, which get key project stakeholders and project team members together to document thoughts.
3. **Risk Analysis** – This includes evaluation of individual risks using qualitative and quantitative risk analysis methods, and ranking and scoring risks based on their overall exposure.
- **Qualitative Risk Analysis** – The process of “prioritizing risks for subsequent further analysis or action by assessing and combining their probability of occurrence and impact” (PMBOK®). The priority of a risk is determined by assigning a probability of occurrence, the impact it may have on the project, the timeframe in which risk management activities must be undertaken and a risk tolerance in terms of the project constraints of cost, schedule, scope and quality. Qualitative risk analysis will be revisited throughout the project.
 - **Quantitative Risk Analysis** – The process of “numerically analyzing the effect on overall project objectives of identified risks” (PMBOK®). In Quantitative Risk Analysis, a more detailed approach is taken to assess the risk, such as modeling or simulation. It usually follows Qualitative Risk Analysis, but sometimes can be done without it or may not be done at all. The State does not anticipate performing quantitative risk analysis processes for DMS II.
 - **Ranking and Scoring** – The process of prioritizing risks based on the impact of the negative consequence identified for each risk and the probability or likelihood of occurrence of that consequence. Once the risk analysis is completed and the criticality ranking is defined, the project can focus on the high-priority risks to the project’s success. The project will use the following CA-PMM Probability, Impact and Timing Scales as the basis for defining the ranking thresholds for the project.

The probability, impact and timing will be used to calculate the risk exposure when the data is entered into the Risk Management Tool.

Probability Scale (likelihood of the risk occurring)		
Value	Percentage of Probability	Description
1	Less than 20%	Unlikely
2	21 – 40%	Somewhat Likely
3	41 – 60%	Likely
4	61 – 80%	Very Likely
5	Greater than 80%	Most Likely

Impact Scale (consequences if the risk occurs)	
Value	Degree of Impact
1	Less than 5% change to scope, schedule, budget or quality baselines
2	5 – 10% change to scope, schedule, budget or quality baselines
3	11 – 15% change to scope, schedule, budget or quality baselines
4	16 – 24% change to scope, schedule, budget or quality baselines
5	25% or greater change to scope, schedule, budget or quality baselines

Impact of Risk Opportunities: If a risk has a positive effect (an opportunity), the impact value may be misleading. In these cases, the description and rationale in the risk statement should describe what impacts are positive and negative to clarify how this value should be interpreted. For instance, if there is an opportunity to reduce the duration of a set of tasks that equates to a 10 percent reduction in the schedule, the risk statement needs to clearly indicate this is a positive effect and not a negative effect (as the impact is usually interpreted).

Once the risk opportunities are identified the management of the risk is similar to those of negative risks, but with a different attitude (more positive rather than negative):

- Assessment is in terms of Likelihood and Gain (instead of Loss)
- Tactics now become Exploit / Enhance / Share (instead of Avoid / Mitigate / Transfer)
- Opportunities can increase or decrease risk. There may be uncertain probabilities, uncertain impacts or both and should be assessed and managed.

Timing Scale	
Value	Timeframe When Action Is Required
1	Within the next six months
0.66	Six months to a year from now
0.33	More than a year from now

4. **Risk Response Planning** – This is the process of “developing options and determining actions to enhance opportunities and reduce threats to the project’s objectives” (PMBOK®). It follows Qualitative and Quantitative Risk Analysis processes, and includes the assignment of risk response owners to develop and implement risk response plans/actions for each identified risk. It addresses the risks by their severity and priority, inserting resources and activities into the budget or schedule as needed.
5. **Risk Tracking, Reporting, Monitoring and Controlling** – This is the process of reviewing each risk on a regular basis, assessing its current status, taking further actions as necessary, including escalating the risk if needed, and reporting on the status of identified risks. The Risk Manager will update the Project Risk Tool with the risk status information based on the implementation status of the action plans. Risk tracking and control involves the oversight and tracking of risk mitigation action plan execution, re-assessment of risks, reporting risk status, and recording risk information changes in the Project Risk Tool. Risk Tracking is accomplished in regular status meetings with a standing agenda item for the management of existing risks and the identification of new risks. Risks are controlled with compliance to the approved processes in the Risk management Plan, and with compliance checks by our external oversight consultants.
6. **Risk Resolution and Control** – This component involves implementing response strategies, documenting the resolution of the risk, whether successfully prevented or not. The results of the risk response(s) are documented to record what actions were successful and how to better respond in the event a similar risk arises in the future. Risks are closed when the likelihood of the risk is reduced such that it is not worth expending resources to track it or its probability and/or impact drops below the project’s risk tolerance threshold. Risk tolerance is the degree or amount of risks that an organization can withstand. Risk threshold is the measure along the level of uncertainty or the level of impact at which a stakeholder may have a specific interest. Below the threshold level, the organization will accept risk. Above the threshold level, the organization will not tolerate risk. At this point in time, the DMS II project team has not yet defined their risk tolerance or risk thresholds, but will conduct an exercise to define both in the next few months.

If the risk could possibly arise again, the risk will be reduced to a “Watch” status and evaluated periodically. The PSC with recommendations from the Executive Management Team (EMT) will make the final decision to close a risk.

The six components of the Risk Management Process have a series of steps associated with them as described below.

2.2.2 Risk Management Steps

Component	Risk Management Step
Risk Response Planning	<p>Step #1: Develop Risk Management Plan</p> <p><i>The SI will intergrate its Risk Management Plan into STO's to create an overall RMP to manage Project-level risks. This Plan will contain all risk processes and the approach for executing risk management in all project activities.</i></p>
	<p>Step #2: Implement Risk Management Tool</p> <p><i>The State and SI will develop the Risk Management Tool. In the interim the State will develop a Excel spreadsheet that will track all open risks and issues and completed/closed risks and issues. Once the tool is implemented the State and SI will use the tool to manage and track all DMS II Project related risk and issues.</i></p>
	<p>Step #3: Communicate Risk Management Roles</p> <p><i>Once the SI comes onboard, the State and the SI will work together to define risk management roles. The State and SI PMOs will assign Risk Management Roles and communicate the assigned risk management roles to the project staff.</i></p>
	<p>Step #4: Train Project Staff on Risk Management Process and Tools</p> <p><i>The State in collaboration with the SI will develop targeted educational presentations for all project staff on the following:</i></p> <ul style="list-style-type: none"> • <i>Risk Identification</i> • <i>Risk Assessment and Risk Response Planning</i> • <i>Risk Monitoring and Control</i> <p><i>Training will focuses on how to distinguish between risks, issues, action items, watch points and decision points. Trianing will also define how to use the risk tool, how to submit risks and to ensure that the risk management process is in compliance with standards and best practices.</i></p>

Component	Risk Management Step
Risk Identification	<p>Step #5: Conduct Initial Risk Assessment</p> <p><i>The State will schedule an initial Risk Brainstorming session following the Risk Identification education session. All project staff will be invited and expected to participate. Meeting material will be provided to help guide the project staff through a series of exercises that will help identify potential risks in a variety of categories:</i></p> <ul style="list-style-type: none"> • <i>Schedule</i> • <i>Scope</i> • <i>Technology</i> • <i>Project Organization</i> • <i>Project Management</i> • <i>Busienss Processes</i> • <i>Tools and Methods</i> • <i>Customer</i> • <i>Business Partners</i> • <i>Quality</i> • <i>Budget</i> • <i>Requiereiments</i> <p><i>Additional risk brainstorming sessions will be scheduled as needed based on the outcome of the first session and any deficieicnies identified in the process. When the SI comes onboard, the State and SI will work together to plan additional risk assessment activities. The SI Risk Manager, The State Risk Manager and The State Project Manager will document the results of the sessions and develop the initial risk list.</i></p>
	<p>Step #6: Establish Risk List and Risk Tolerance</p> <p><i>The Risk Managers (SI and State) work with the Project Managers (SI and State) and the State's EMT to establish the project's risk tolerance attitudes and thresholds which define the project's tolerance for risk in key project areas. This risk tolerance level is then applied to all new risks moving forward.</i></p> <p><i>At the completion of the risk assessment sessions, the State will consolidate the lists of potential risks and organize them into a list of potential risks by risk category. The Risk Managers review and consolidate the potential risks that were identified, remove duplicates and group related risks. The Risk Manager reviews the initial list of risks, verify the risk statements are clearly worded and review initial probability, impact and timeframe values. The Risk Manager prepares the initial risk list for review with the project stakeholders. The Project Managers review the risk exposure, prioritize the risks and assign Risk Owners.</i></p> <p><i>The State Risk Manager enters the initial list of risks into the Risk Management Tool, and the State Risk Manager notifies the appropriate Risk Owners of their assigned risks via email.</i></p>

Component	Risk Management Step
	<p>Step #7: Conduct Ongoing and Ad Hoc Risk Assessments</p> <p><i>The State and SI Risk Managers will conduct a formal risk assessment, at least monthly, and at the end of each project phase. The risk assessment is a structured review to identify potential new risks and/or opportunities and evaluate current risk tolerances thresholds and determine if changes are needed. All open risks will be reviewed by both State and SI Risk Managers for continuing validity and to close risks for which timeframes have passed.</i></p> <p><i>Informal ad hoc risk assessments occur as a result of normal project business. Any person associated with the project can identify risks, including project team members (State and SI), sponsor representatives, stakeholders, and users. Project status reports, status meetings, EMT meetings, ad hoc meetings, discipline team meetings and deliverable reviews provide occasions to discuss risks.</i></p>
Risk Analysis	<p>Step #8: Validate and Document Risk</p> <p><i>When a risk is identified by a team member, the identifier should present the risk to their Manager to discuss the risk with them to determine its validity and develop a course of action. Risks are evaluated using qualitative methods to determine the type and extent of the impacts should the risk event occur. The analysis includes any assumptions made, constraints and sensitivity of the item.</i></p> <p><i>Each risk is reviewed against the project's risk tolerance to determine the appropriate type of action. The risk exposure and severity are determined using the defined project risk tolerances.</i></p> <p><i>Once the risk is validated, a Risk Form is completed and submitted to the appropriate Risk Manager (State or SI) for review, tracking, monitoring and management in the risk management tool.</i></p>
	<p>Step #9: Review Risk for Process Compliance</p> <p><i>The State Risk Manager reviews the risk forms to ensure the risk information conforms to established standards (e.g., is valid and timely, worded appropriately, correctly documented, does not duplicate an existing risk, does not inappropriately re-open an already closed risk, provides sufficient information).</i></p> <p><i>If it is determined that the risk is not valid, the State Risk Manager will work with the originator to gain clarification. If the State and SI Project Managers determines that a risk is not valid, the appropriate Risk Manager will notify the originator.</i></p>
	<p>Step #10: Enter Risk in Tool</p> <p><i>The Risk Managers will work with the Originator to obtain any needed clarification and enter new risk information in the Risk Management Tool.</i></p>
	<p>Step #11: Review and Prioritize Risk</p> <p><i>At the Risk Review Meetings, the State Risk Manager reviews new risks identified with the Project Management Team (State and SI Project Managers and the State EMT) to determine the priority. The Team reviews the risk taking into consideration the potential impact of the risk on the project, the probability of occurrence, and the timeframe in which an action is needed. The Team assigns probability, impact, and timing values in accordance with the CA-PMM scales. The information is entered into the Risk Management Tool and the Tool calculates the priority.</i></p>

Component	Risk Management Step
	<p>Step #12: Assign Risk Owner</p> <p><i>If the risk requires further analysis and action, the State and SI Project Managers assign a Risk Owner to complete the additional analysis and risk response planning. In some cases, the Project Managers indicate a preferred risk response strategy or set of actions based on current knowledge of the risk.</i></p> <p><i>The Risk Owner is an individual who has in-depth knowledge of the risk's project area, discipline or influencing factors, and is not necessarily the Risk Originator. The Risk Owner may interact with key project stakeholders, as needed.</i></p> <p>Step #13: Risk Escalation</p> <p><i>In the initial risk assessment, if it is determined that the risk would be more properly managed at a higher level, the risk is assigned to the appropriate level for resolution.</i></p> <p><i>The risk may also be identified as External, meaning that it has impacts beyond the Project or that assistance from an outside organization is required to respond appropriately to the risk. In these cases, the State Project Manager is responsible for coordinating resolution with the external partner. The risk remains in the Risk Management Tool and continues to be tracked by the State Risk Manager until successfully mitigated or closed. The State Project Manager will provide the updates for all external risk identified.</i></p> <p><i>If the risk is assigned to a Risk Owner and the risk owner does not take responsibility for the risk, or the organizations' risk tolerance level changes, or the risk itself suddenly exceeds the risk tolerance level of the organization, it may be necessary to escalate the risk to management for immediate consideration.</i></p> <p>Step #14: Update Risk in Tool</p> <p><i>The Risk Managers update the Risk Management Tool with the appropriate information and changes the status to "Assigned". The Risk Manager notifies the Risk Owner of his or her responsibilities, including any decisions made by the reviewers, via e-mail.</i></p> <p>Step #15: Perform Risk Analysis</p> <p><i>The Risk Owner verifies the initial risk assessment information, and if correct, performs a root cause analysis of the risk to determine the underlying conditions that could lead to the risk and identify opportunities for corrective actions and potential responses that may be used to eliminate the risk.</i></p> <p><i>If the initial assessment proves incorrect, the Risk Owner notifies the Risk Manager so that the revised assessment may be reviewed by the appropriate parties.</i></p>
Risk Response Planning	<p>Step #16: Develop Risk Response</p> <p><i>Once the cause of the risk is understood, the Risk Owner formulates a response to address the risk unless it is determined that a response plan is not necessary (for example, for low probability risks).</i></p> <p><i>The response includes a description of the risk to be addressed; action(s) to be taken, how and when the action(s) will be initiated; how and when the action(s) will be tracked; the desired outcome and the measurements to evaluate the effectiveness of the action(s) taken.</i></p> <p><i>The Risk Owner is responsible for developing the risk response but may consult with other project staff and SMEs, as appropriate. When developing the risk response, the Risk Owner must consider the effects to the schedule, project cost and benefits, resources and quality if there are known impacts to the project schedule, scope, resources or quality the impact should be clearly identified on the risk form and communicated to the Risk and Project Managers (SI and State).</i></p>

Component	Risk Management Step
	<p>Step #17: Determine Risk Response Strategy</p> <p><i>Risk response strategies attempt to reduce the negative impact of the occurrence of a risk (or increase the potential for an opportunity) and usually consist of one of the following categories.</i></p> <p>Risk Avoidance – Risk avoidance generally entails changing the project schedule or solution approach to eliminate the risk or condition.</p> <p>Risk Transfer – Risk transfer seeks to shift the risk or consequence of the risk to a third party or a party outside of the organization. If the project has little or no control over the risk, transferring may be appropriate. It is important to note that transferring the risk simply gives another party responsibility for its management; it does not eliminate the risk.</p> <p>Risk Mitigation – Risk mitigation involves identifying actions for reducing the effects of the risk. Risk mitigation seeks to reduce the probability and/or consequences of a risk event to an acceptable threshold.</p> <p>Risk Acceptance – The project may choose to accept the risk if the predicted probability and impact are considered acceptable when compared to the cost of risk response alternatives, or if the risk is unlikely to be affected by any mitigation activities. In some cases, a contingency plan may be prepared to address the risk in the event it does occur.</p> <p><i>There are several factors to consider when choosing the right strategy, including the type and nature of the risk, determining whether it is amenable to reduction or control, the severity of the impact, available resources and cost-effectiveness.</i></p> <p><i>Depending on the nature, severity and timing of a particular risk, the Risk Owner may decide that it is also necessary to create a contingency plan.</i></p> <p><i>(Refer to Appendix C for additional information on the risk response categories.)</i></p>

Component	Risk Management Step
	<p>Step #18: Develop Contingency Plan</p> <p><i>The contingency plan attempts to minimize the effects of the risk assuming the event does occur. Not every risk requires a contingency plan, but it is important to have the details of the plan mapped out in advance of a risk occurrence in case the risk response strategy fails to meet expectations. Generally, contingency plans are required for high or medium exposure risks or for those risks where it is uncertain that the mitigation efforts will be effective.</i></p> <p><i>The following information is included in the plan:</i></p> <ul style="list-style-type: none"> • <i>Owner of the contingency plan</i> • <i>Description of the risk</i> • <i>Anticipated impacts to the project scope, schedule, budget (including resources) or quality baselines (Refer to the probability and impact scale considerations on page 12.)</i> • <i>When the activities will occur (trigger events/timeframes)</i> • <i>Activities that will be executed to minimize the risk's effects and desired outcomes of the activities</i> • <i>Resources needed to implement the response activities</i> • <i>How the effect of the contingency activities will be evaluated and tracked</i> • <i>When the contingency activities will cease (by a certain date or when a specific desired effect has occurred)</i> • <i>Communication strategy as risk becomes more likely</i> • <i>Criteria for escalation to the Executive Management Team (EMT) or Project Steering Committee (if appropriate)</i>
	<p>Step #19: Review and Approve Risk Response</p> <p><i>Once the Risk Owner completes work on the risk response strategy and plan, he or she notifies the State and SI Risk Managers that the risk response is ready for review. The response is reviewed for:</i></p> <ul style="list-style-type: none"> • <i>Completeness and feasibility of the actions</i> • <i>Reasonableness of the plan in context of the risk impact, probability of occurrence and timeframe</i> • <i>Availability of resources with the necessary skill sets to perform the risk response action(s)</i> <p><i>If the risk response does not appear sufficient to reduce the risk exposure, the Risk Manager, Project Manager (or designee) may request that a contingency plan be developed to supplement the response plan.</i></p> <p><i>If the risk response is incomplete or does not meet established response criteria, the Risk Manager returns the plan to the Risk Owner for refinement or correction. The Risk Manager works with Risk Owner, as needed, to revise the plan.</i></p>

Component	Risk Management Step
	<p>Step #20: Update Risk in Tool</p> <p><i>If the proposed risk response is approved, the Risk Manager updates the status in the Risk Management Tool, summarizes the strategy being applied and the triggers and monitoring criteria.</i></p> <p><i>If additional resources are required to initiate the risk response, the Risk Managers work with the Risk Owner and the appropriate Project Manager (SI or State) to obtain the resources and coordinate when and how the resources are notified of the actions for which they are responsible.</i></p> <p><i>The Risk Managers will work with the Project Manager (State or SI) to ensure that the risk response plan results are incorporated into all areas of the Project Plan and Schedule to ensure agreed upon actions are monitored as part of the ongoing project. If the approved risk strategy has generated other risks, issues, changes or action items, the other items will be initiated in accordance with the appropriate project management procedure(s).</i></p>
<p>Risk Tracking and Control</p>	<p>Step #21: Monitor and Report Risk Status</p> <p><i>Risks are monitored on an ongoing basis over the life of the project. Risks are monitored at two levels:</i></p> <ul style="list-style-type: none"> • <i>Risk Owner Monitoring, individual risks are monitored by assigned Risk Owners</i> • <i>Management Monitoring, State and SI Project Managers (or designee) monitors the overall risk profile of the project and adjusts assignments and direction, as necessary, to ensure project risks are managed effectively.</i> <p><i>Once a risk response has been approved, the Risk Owner and the State and SI Project Managers (or designee), will begin to monitor and track the risk in accordance with approved procedures. Risk monitoring occurs in the bi-weekly project status meetings and the risk review meetings for existing risks.</i></p> <p><i>If it becomes necessary to implement a risk response action, the Risk Owner has the primary responsibility for coordinating and completing the actions, as well as monitoring whether the actions are having the desired effect. If the desired effect is not being achieved, the Risk Owner may work with the Risk Manager to update the risk response plan and obtain approval for the change in approach. The Risk Manager will also update the Risk Management Tool to reflect the changes, report the status of the risks in accordance with approved procedures and escalate risks, as appropriate.</i></p> <p><i>Risk metrics will be produced as needed for all open and closed risks once the SI is on board. Metrics include:</i></p> <ul style="list-style-type: none"> • <i>Number of new risks</i> • <i>Number of Closed risks</i> • <i>Number of Realized risks</i> • <i>Open risks by category</i> • <i>Open risks by risk severity</i> • <i>Escalated risks</i>

Component	Risk Management Step
	<p>Step #22: Execute Risk Response</p> <p><i>When a mitigation or contingency plan trigger is reached or is imminent, the Risk Owner notifies the Risk Manager and Project Manager to indicate the risk response plan has been activated. The Risk Owner notifies all parties identified in the mitigation/contingency plan and works with the Risk Managers and Project Manager (or designee) to ensure all activities are coordinated and that the status of risk response tasks are updated appropriately in the project schedule.</i></p> <p>Step #23: Monitor Effectiveness of Risk Response</p> <p><i>The Risk Owner and Risk Managers monitors the response activities to determine whether the response is having the desired effect. The monitoring and response actions continue according to the plan until either the desired state is reached, the trigger for escalation or closure is reached or the risk conditions have changed sufficiently that a new response is warranted.</i></p> <p><i>If it appears the activities are not producing the desired effect, the Risk Owner immediately notifies the Risk Managers and proposes changes to address the deficiencies.</i></p> <p>Step #24: Update Risk Status and Actions in Tool</p> <p><i>The Risk Owner is responsible for developing the revised response plan, if it is determined that a change is needed. The revised risk response must indicate the reason for the revision and what problem the new risk response is trying to address. The Risk Owner works with the Risk Manager and the Project Manager (or designee) to add or revise the risk response tasks in the project schedule, as appropriate. The Risk Owner also notifies appropriate team members of any changes to assignments resulting from the revised risk response.</i></p> <p><i>The Risk Owner reports updates to the Risk Manager at least bi-weekly, or as the event dictates. The Risk Manager updates the Risk Management Tool as anticipated risk events occur or fail to occur, as actual risk events' effects are evaluated, when estimates of probabilities and value change or any other risk's attributes change.</i></p>
Risk Resolution and Closure	<p>Step #25: Close Risk in Tool</p> <p><i>A risk is closed when one of the following occurs:</i></p> <ol style="list-style-type: none"> <i>1. The risk was successfully mitigated, avoided or transferred and the consequences were eliminated</i> <i>2. The risk's impact and/or probability has been reduced to an acceptable level</i> <i>3. The timeframe for the risk has passed and the risk is no longer likely or valid</i> <i>4. The risk has occurred and has become an issue or has been accepted</i> <i>5. The risk circumstances have changed and the risk is being closed in favor of a new risk or issue</i> <p><i>When this occurs, the Risk Owner updates the risk response to indicate the results of the risk response actions and forwards the information to the Risk Manager (SI or State) for his or her organization. The Risk Manager updates the information in the Risk Management Tool and obtains the necessary approvals to close the risk.</i></p> <p><i>The State PSC has final decision making authority for closing a risk.</i></p> <p><i>If the risk is approved for closure, the Risk Manager updates the Risk Management Tool to reflect a closed status.</i></p>

2.3 Risk Management Tool

2.3.1 Overview

The Risk Management Tool, currently defined as a Microsoft Excel workbook, is designed to describe, organize, prioritize and track project risks. The Tool includes features to add, update, and delete risks. In addition, the Tool includes functionality to prioritize and close risks. Confidential or sensitive items are not recorded in the repository since risk reports are shared, as necessary, with external project stakeholders (e.g., CalTech and Department of Finance). Instead, confidential and sensitive risks are marked as such in the Risk Management Tool and the associated documents and/or data are stored in a secure folder that is restricted to the Project Management Team. In these cases, the appropriate Project Manager (State or SI) is assigned as the Risk Owner and is responsible for analyzing and managing the risk. The Project Manager determines if other team members are authorized to view the risk and may dictate specific instructions on risk handling and dissemination with input from the EMT and Project Steering Committee.

Potentially confidential and sensitive risks are reviewed with Legal, EMT, Project Steering Committee and Information Security Officer (ISO) (if applicable), prior to being formally documented and submitted into the project risk register.

It is the responsibility of every project team member to identify risks, issues, and action items, watch points and decision points.

The following elements are maintained in the Risk Management Tool.

2.3.2 Risk Management Tool Data Elements

Field	Description
Risk ID	A unique identifier used to reference the risk.
Risk Title	The title appears on risk reports and should be brief but convey the risk threat or opportunity.
Risk Description	The description should contain detail sufficient to assess the risk impact and provide project stakeholders with an understanding of the risk.
Date Submitted	The date the risk was submitted to the Risk Manager.
Risk Originator	The name of the individual who originally identified the risk.
Category	The risk categories are summarized from the CA-PMM.
Risk Status	The risk status is maintained by the State Risk Manager. The status is "Identified" upon the addition of a new risk, then "Assigned" once a Risk Owner has been identified. In the event of risk mitigation or resolution, the status is changed to "Closed."
Probability	Probability is a quantitative or qualitative expression of the chances that a risk will occur. The value is used in the calculation of the risk exposure level.
Impact	This element is used to describe the impact to the project should the risk occur. The value is used in the calculation of risk exposure level.

Field	Description
Timeframe	This element indicates when a risk response must be performed in order to be effective. The value is used in the calculation of the risk exposure level.
Risk Level	This is a calculated field for the risk exposure level. Exposure level = Timeframe for Action multiplied by Impact multiplied by Probability. There are three levels indicating risk threat – Low (green, levels 1-9), Medium (yellow, levels 10-15) and high (red, levels 16-25). The risk level is reviewed by the Risk Manager on a biweekly basis based on input from the Risk Owner.
Priority	Indicates how quickly action must be taken on the risk: <ul style="list-style-type: none"> • Critical – Risk Management action required within two weeks • Major – Risk Management action required within 30 days • Minor – Risk Management action required within 90 days.
Risk Owner	The Risk Owner is responsible for managing assigned risks, including development of monitoring strategies and contingency plans.
Date Assigned	Reflects the date that the Risk Owner was identified and assigned to the risk.
Risk Response Type	Identifies the strategy (avoid, transfer, mitigate, accept) to be used to attempt to reduce the negative impact of the occurrence of a risk (or increase the potential for an opportunity).
Risk Response Description	Details the strategy (avoid, transfer, mitigate, accept) to be used to attempt to reduce the negative impact of the occurrence of a risk (or increase the potential for an opportunity).
Contingency Plan Description	Describes the procedures to follow if a risk occurs.
Risk Closure Date	Records the date that the risk was closed.

2.3.3 Risk Form

Refer to Appendix E

2.3.4 Metrics Monitored

The Risk Management Tool allows for the collection of various risk management metrics to gauge the effectiveness of the Risk Management Process which can then be used to communicate the status of the risk profile and identify opportunities for process improvement. The metrics will be monitored by Project Oversight (IV&V and IPOC and the State and SI Project Managers)

The metrics include:

- Number of new risks identified – Indicates the effectiveness of risk identification and may act as a trigger for remedial risk and/or planning action
- Number and/or percentage of risks reduced – Indicates the effectiveness of the risk responses over time
- Number and/or percentage of risks requiring contingency plans – Acts as an overall indicator of the severity of risks facing the project

- Number and/or percentage of risk events occurring – Can be used for continuous improvement of risk identification and risk response planning
- Number of Closed risks
- Number of Realized risks
- Open risks by category
- Open risks by severity
- Escalated risks

Additional metrics may be added during the life of the project to help diagnose process problems or to implement process improvements. At a minimum, these metrics will be produced and discussed if the trends appear to deviate from the desired state. Trends will be assessed for upwards or downwards spirals and a remediation plan or corrective action plan will be discussed. Process improvements may be implemented as a result of this analysis and trend will be shared with the project team.

2.4 Risk Management Communication

Risk communication is a continuous process throughout the project's life cycle through oral and written forms. Additional detailed communication processes can be found in the Communications Management Plan.

2.4.1 General Communications

Risk status and identification will be a standard topic at all DMS II project meetings. Business and Technical Leads will discuss applicable risks with their team members to ensure members are aware of the mitigation or contingency actions to assist with monitoring for unintended consequences or other early warning signs.

Meeting minutes may contain information on risk identification and risk response updates or coordination needs. Meeting minutes and agendas are stored in the Project Repository in the respective team, group and discipline folders.

The RMP and supporting documents are available to project team members via the Project Repository, subject to appropriate user access restrictions.

2.4.2 Meetings and Reviews

During the planning and procurement phases of the project risk assessment sessions will be held to develop the initial list of project risks, as described in Section 2.2, Step 6. In addition, periodic risk assessments are conducted as described in Section 2.2, Step 7.

Risks are a standard topic at all meeting related to the DMS II Project.

The Risk Managers are responsible for developing meeting agendas for formal risk management meetings. The State PMO is responsible for scheduling the appropriate conference rooms. The State and SI Risk Managers work together to identify the participants for the meetings and coordinate creating meeting minutes. Standard meetings where risks are identified and managed are listed below:

Meeting	Frequency	Type of Risk Activity
Risk Identification Presentation	One Time	Educational presentation on the process of Risk Identification
Risk Assessment Presentation	One Time	Educational presentation on the process of Risk Assessment
Risk Response Planning Presentation	One Time	Educational presentation on the process of Risk Response Planning
Risk Monitoring and Control Presentation	One Time	Educational presentation on the process of Risk Monitoring and Control
Initial Risk Brainstorming Session	One Time	A risk brainstorming session open to all project staff to help identify the first series of project risks across various categories
Routine Risk Brainstorming Sessions	Quarterly	Additional risk brainstorming meetings will be held, at a minimum, on a quarterly basis to help identify new risks
Risk Review Meetings	Monthly	Risk Review meetings will be held monthly to review all open risks and to discuss the status of the risk. The frequency of the meetings may increase once the SI is on board and this plan is operationalized. The Project Manager (or designee) monitors the overall risk profile of the project and adjusts direction as needed. Hi-level risk will be reviewed as a standing agenda item at all project status meetings as appropriate.
Project Status Meetings	Bi-Weekly	High level risks will be reviewed as a standing agenda item at all project status meetings.
EMT Meetings	Monthly	Medium and High level risks will be reviewed as a standing agenda item at all EMT meetings. EMT will make recommendations for the PSC to close risk as appropriate.
PSC Meetings	Monthly	High level risks will be reviewed as a standing agenda item at PSC meetings. The PSC will close risks based on the recommendation and substantiation provided by the EMT.

3.0 ISSUE AND ACTION ITEM MANAGEMENT

3.1 Introduction

Issue Management and Action Item Management are an integral component of successful project management. It is tightly coupled with Risk Management, since unresolved actions and risks can become issues. As issues are resolved, they may turn into scope changes. Issue Management and Action Item Management are also tightly coupled with the Communications Management process as the primary means of monitoring issues and action items are through status meetings, Risks and Issues meetings attended by the State and SI.

3.1.1 Purpose

The purpose of Issue and Action Item Management is to identify, track and bring to resolution issues and actions that affect the project's progress and direction. Issues are concerns or questions that require analysis followed by solution, decision or agreement before they can be resolved. Issues are related to risks in two ways: (1) unaddressed risks may become issues that adversely affect project performance, and 2) effective issue management minimizes project risk. Actions are unplanned tasks that must be done in order for a bigger activity or task to be completed. The Issue and Action Item Management Process establishes a process for logging an issue or an action, researching alternatives, documenting recommendations and seeking agreement on the resolution to make sure that issues and actions are effectively monitored and controlled.

The Issue and Action Item Management process defines the project's processes and procedures for managing and tracking issues and actions to support the needs of the project. Issue and Action Item Management is an ongoing function that is performed at every level, from the individual team member to executive management throughout the life cycle of the project.

The goal of this process is to:

- Provide an efficient and effective method for identifying, assigning and resolving project issues and actions by their resolution date
- Prioritize issues and actions based on their effect on the project's performance (schedule, cost, quality and technical performance) and give them appropriate visibility
- Analyze, manage and report issues in a timely and consistent manner
- Manage and report action assignments
- Establish a decision-making and escalation process that involves the appropriate parties
- Establish channels for timely communication of issue and action status and resolution

- Establish and maintain a historical repository of issues and action items that are available for future reference

3.1.2 Issue and Action Item Management Roles and Responsibilities

The management of issues and action items is the responsibility of both the State and SI Project Management Teams with oversight from the State and SI EMT's and Project Steering Committee. The DMS II Project Team, consisting of the State and the SI, jointly manage and track project issues and action items. The State and the SI record issues and actions in the same tool and have access to the same reports and metrics. An Issue and Action Item Coordinator is assigned from both the State and SI teams who is responsible for managing and coordinating issues and actions assigned to its respective organization. Though the State and SI PM Teams own and facilitate the Issue and Action Item Management process, the State and SI EMT and Project Steering Committees have the primary decision-making responsibility for DMS II Project issues and actions. Items are escalated to the DMS II Project Executive Sponsor and PSC, as needed, if the EMT (State and SI) cannot reach a decision or if the necessary actions exceed the Team's authority level. The Issue and Action Item Coordinators are responsible for the day-to-day implementation, management and tracking of the Issue and Action Item Management Process.

The table below identifies the roles and responsibilities for the Issue and Action Item Management Process.

Issue and Action item Management Roles and Responsibilities	
Project Role	Responsibilities
DMS II Project Steering Committee	<ul style="list-style-type: none"> • Review escalated issues and provide direction for issue resolution
State and SI Project Managers	<ul style="list-style-type: none"> • Assume overall responsibility for issue and action item management activities within the DMS II Project
State and SI Project Management Teams	<ul style="list-style-type: none"> • Participate in the regularly scheduled meetings to discuss assigned issues and action items • Identify and review new issues and action items originating out of their discussions, make assignments, and establish completion criteria and due dates • Identify issues requiring Issue Response Plans and make assignments • Identify issues with technical impacts and recommend the Assignee consult with the appropriate technical governance boards, committees and SMEs • Determine the resolution of issues based on the Issue Response Plans (if necessary) or escalate the Issue Response Plan for decision • Review the status of outstanding issues and action items and determine if re-assignment, escalation or extension is required • Receive notification of issue and action item closure and confirm closure is appropriate • Actively monitor and complete issues and action items to which they are assigned
State and SI Issue	<ul style="list-style-type: none"> • Provide reports for each issue meeting, as required

Issue and Action item Management Roles and Responsibilities	
Project Role	Responsibilities
and Action Item Coordinators	<ul style="list-style-type: none"> • Capture new issues and action items from management meetings • Log Project-level issues and action items into designated Tool (log). • Coordinate the assignment of issues and action items including due dates • Regularly review the data in the Issue Log and Action Item Log, confirm that the logs are complete and up to date, and notify Assignees when updates are needed • Prepare reports on issues and action items and their status for interested parties
Issue and Action Item Originator	<ul style="list-style-type: none"> • Identify an issue or action item requiring resolution in accordance with the Issue and Action Item Management Process • Communicate newly identified issues and action items to his or her Technical or Business Lead or the Project Manager • Define the issue and action item further (at the direction of his or her Technical or Business Lead), make the initial assessment of the impact and set the initial priority • Notify his or her Technical or Business Lead that the Issue or Action Item Form is ready to be communicated to the Issue and Action Item Coordinator. The Originator's Technical or Business Lead then communicates the issue to the Coordinator for entry into log for assignment and tracking. • Review and approve the proposed Issue Response Plan to verify the intent of the issue, as originally stated, is addressed
Originator's Lead (Business SME or Technical SME) or Project Manager	<ul style="list-style-type: none"> • Validate issues and action items identified by their team members • Document the issue and/or action item assessment on the Issue or Action Item Form • Notify the Issue and Action Item coordinator that the issue and/or action item is ready to be communicated and entered into log.
Issue and Action Item Assignee	<ul style="list-style-type: none"> • Collaborate with the Coordinator regarding the status of the issue or action item until it is closed • Research and draft a resolution to the issue and create an Issue Response Plan, if necessary • Consult with the appropriate technical team, business team, committees and SMEs, if necessary, to develop options in the Issue Response Plan • Drive the item to resolution and closure

3.1.3 Issue and Action Item Definitions and Characteristics

Not every question that arises during the project is an issue. It is critical that project team members clearly understand what constitutes an issue. An Issue is an actual concern or question at the project level that, if not resolved, has an adverse impact on the project. An issue can also be a risk that has been realized.

Unlike issues that require analysis, status and tracking, action items are either assignments associated with issues or project "to do's". Therefore, actions associated

with issues are managed with the issue whereas project "to do's" are managed through focus on the identification and tracking of action items to completion. Action items are unplanned items at the project level that do not require a decision and must be done in order for a bigger activity or task to be completed. The table below provides additional attributes for action item, issue and risk.

Term	Description
Action Item	<ul style="list-style-type: none"> • Specific action required by a specific date to maintain progress on a particular aspect of the project • Typically does not require a decision—it is simply something that must be done • Incomplete action items may create Issues
Issue	<ul style="list-style-type: none"> • Concern or question that, if not resolved, has an adverse impact on the project • Resolution often requires structured analysis of alternative solutions followed by an explicit decision • Resolution process may also require input and consensus from multiple members of the team • Clear documentation of the issue, options and resolution is critical to understanding and agreement
Risk	<ul style="list-style-type: none"> • The chance that the project fails to meet its success targets • Requires awareness, active management, and oversight

3.2 Issue and Action Item Management Methodology

The Issue and Action Item Management process identifies, manages, and tracks issues and actions through resolution. Issue and Action Item Management provides a standard method for dealing with issues and actions items, focusing on reviewing them in the context of their effect on the entire project, not just on the immediate need.

All DMS II Project team members are responsible for the identification and resolution of issues and actions.

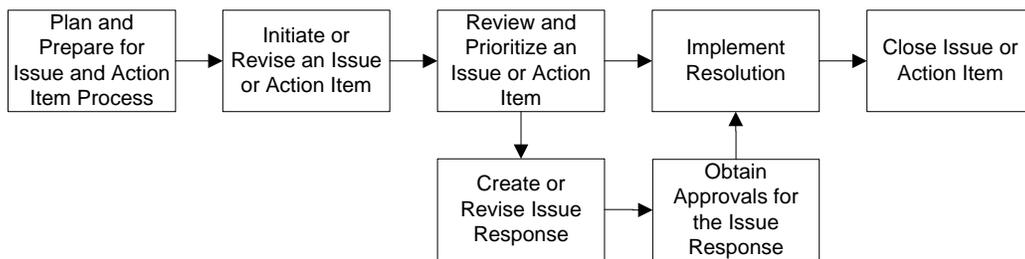
Regardless of where they are opened, issues and actions must be quickly communicated to the appropriate decision makers so that issues are driven to closure. Prompt resolution is critical so that project activities underway are not delayed or otherwise negatively affected. Actions that are generated from issues are tracked with the issue.

Action Item Management provides a standardized method for dealing with action items, focusing on reviewing them in the context of their effect on the entire project, not just on solving an immediate need. Each action is defined, managed and tracked from inception through completion. Incomplete action items can turn into issues; it is therefore incumbent on action assignees to resolve actions efficiently.

Project-level issues and action items are managed through the methodology presented in this section.

3.2.1 Issue and Action Item Management Process

The DMS II Project Issue and Action Item Management Process is implemented as a series of steps, each of which has actions taken against it by one or more parties.



The components of the Issue and Action item Management Process are described below.

- 1 **Plan and Prepare for Issue and Action Item** – This component establishes the strategy for managing the project issue and action items and implements the approach, process, methods and tools.
- 2 **Initiate or Revise an Issue or Action Item** – This component involves the identification of a potential issue or action item, determination of the impacts and documenting the description of the potential issue or action item.
- 3 **Review and Prioritize Issue or Action Item** – This component involves review by the Issue and Action Item Coordinator, and review and prioritization by the EMT. The EMT decides if the issue requires an issue response, if the issue or action item is ready for resolution, or if the issue or action item is not ready for consideration.
- 4 **Create or Revise Issue Response** – This component involves the detailed analysis of the issue which considers the options for resolution, the pros and cons, and risks. The analysis may involve participants from both the State and SI Teams and Subject Matter Experts (SMEs) from various areas of the project. The level of detail and the amount of participation is dependent on the complexity of the issue.
- 5 **Obtain Approvals for the Issue Response** – The Project Manager (State and SI), and EMT reviews the issue response and renders a decision on how to resolve the issue, or escalates the item to a higher-level for decision.
- 6 **Implement Resolution** – Once approvals have been obtained, the Issue or Action Item Assignee performs the necessary tasks to resolve the issue or action item.

7 Close Issue or Action Item – After the tasks to resolve the issue or action item have been completed, the issue or action item is marked for closure. The EMT confirms the resolution is sufficient and recommends the closure of the issue or action item to the PSC. The PSC with recommendations from the EMT will make the final decision to close a Issue or Action Item.

The components of the Issue and Action Item Management Process have a series of 11 steps associated with them as depicted in the below.

Issue and Action Item Management Steps	
Component	Issue or Action Item Step
Plan and Prepare for Issue and Action Item Process	This component involves the development of the Issue and Action Item.
Initiate or Revise an Issue or Action Item	Step #1 – Identify Issue or Action Item
	Step #2 – Document and Submit Issue or Action Item
Review and Prioritize Issue or Action Item	Step #3 – Review and Log Issue or Action Item
	Step #4 – Review and Assign Issue or Action Item
	Step #5 – Update Log with Decision
Create or Revise Issue Response	Step #6 – Develop Issue Response
	Step #7 – Review Issue Response
Obtain Approvals for the Issue Response	Step #8 – Review and Decide on Resolution
	Step #9 – Update Log with Decision
Implement Resolution	Step #10 – Resolve Issue or Action Item
Close Issue or Action Item	Step #11 – Close Issue or Action Item

3.2.2 Issue and Action Item Management Procedure

Issues and action items are often raised during meetings and are recorded as part of the meeting minutes. An issue or action item may be identified in any number of situations:

- A risk realized (probability of occurring is 100%)
- A concern for which there is no apparent answer
- A current situation or event that cannot be answered immediately but requires some research and analysis to provide insight into steps that should be taken
- An inability of two project entities or disciplines to come to an agreement on a particular item or process
- A need for information external to the project which inhibits or stops the development of the project solution until resolved
- A question about STO policy that cannot be answered by the project team

Initiate or Revise an Issue or Action Item

This activity involves the following steps:

- Identify Issue or Action Item
- Document and Submit Issue or Action Item

Step #1 – Identify Issue or Action Item

When a DMS II Project team member identifies a potential issue or action, the team member must determine the following items:

- Is this an issue, action item, question or a risk?
- What level of the project has the ability and authority to manage and resolve this item (team, group, discipline, or management)?
- How quickly does this item need to be resolved?
- What is the impact to the project if the item is not resolved in a timely fashion?

Once an issue or action item is classified as a Project-level issue or action item, it is then submitted for tracking and management as described below. Project-level issues and action items are those that involve both State and SI staff, cut across multiple disciplines (Information Technology (IT) and Business) or involve external project stakeholders.

Potential issues and action items may be voiced directly to the Project Manager (State or SI) or may be raised during a status meeting. Items identified during meetings are

documented in the meeting minutes and assigned to a team member for follow-up and resolution.

Step #2 – Document and Submit Issue or Action Item

Team members discuss potential issues and action items with their Technical or Business Lead (for their respective entity) and determine one of the following options:

- If the potential issue or action item can be quickly resolved by the team, group or discipline and has no effect on other project activities, it will be dealt with by the team and will not be entered into the formal DMS II Project Issue and Action Item Management Process.
- If the potential issue or action item is determined to be a “to do” that should be tracked at the Project-level, the originator will prepare an action item for entry into the Issue and Action Item Management Process.
- The Originator completes the fields of an Issue Form or Action Item Form in identifying if it is an issue or action item, and criteria for resolution, if applicable. The Issue Form and Action Item Form include identification, by the Originator, of the impacted Project Schedule items and the priority. The priority is based upon the potential impact on cost, schedule, quality, technical performance, implementation readiness and customer satisfaction. The priority is reviewed and modified later in the process, if necessary.

Priority Levels			
Priority Level	Characteristics	Response Required in	Required Management Notification
Critical*	Has a severe effect on cost, schedule, quality, technical performance, implementation readiness or customer satisfaction; or Severely jeopardizes the success of the project	Less than 1 week	DMS II Project Sponsor, Project Steering Committee and Project Managers (State and SI)
High	Has a potentially severe effect on cost, schedule, quality, technical performance, implementation readiness or customer satisfaction; or Potentially jeopardizes the success of the project	Less than 30 days	DMS II Project Sponsor, Executive Management Team and Project Managers (State and SI)
Medium	Has a moderate effect on cost, schedule, quality, technical performance, implementation readiness	Within 30 to 90 days	DMS II EMT and Project Managers

Priority Levels			
Priority Level	Characteristics	Response Required in	Required Management Notification
	or customer satisfaction		(State and SI)
Low	Has minor effect on cost, schedule, quality, technical performance, implementation readiness or customer satisfaction	More than 90 days	None

*Issues and action items with a priority of “critical” are subject to monitoring and oversight by the State and SI Project Managers to assure the items are resolved in a timely manner to prevent negative impacts to the project.

After completing the Issue or Action Item Form, the Originator submits it to their Technical or Business Lead. The Lead reviews the issue to validate that it is:

- Valid and timely
- Appropriately and clearly worded
- Correctly documented

The Originator or Technical or Business Lead may submit an Issue or Action Item Form lacking data in some of the required fields if they are not certain of the content to be entered into the form fields. The Issue and Action Item Coordinator will contact the Originator to discuss missing data, if necessary.

If the issue or action item has a significant and immediate effect on the project, the Originator can immediately forward the issue or action item to the EMT co-chairpersons (Project Executives - Technical and Business) and the respective Project Manager (State or SI) who is most able to “own” the issue so that the appropriate parties can begin timely response to the issue.

Review and Prioritize Issue or Action Item

Once the issue or action item is submitted to the process, the Issue and Action Item Coordinator reviews the item for process compliance and then coordinates review by the DMS II Project Team.

This activity involves the following steps:

- Review and Log Issue or Action Item
- Review and Assign Issue or Action Item
- Update Log with Decision

Step #3 – Review and Log Issue or Action Item

The Originator's Technical or Business Lead reviews the Issue or Action Item Form and notifies the Issue and Action Item Coordinator for his or her organization (State or SI). The Issue and Action Item Coordinator review the issue or action item to verify that it:

- Does not duplicate an existing issue or action item
- Does not re-open an already resolved issue or action item
- Provides information required to create the issue or action item and follows the Issue or Action Item Form instructions

If the issue meets the criteria, the Issue and Action Item Coordinator enters the necessary data elements into the log as a new issue or action item with a status of "Identified." The issue or action item is linked to the most appropriate schedule item within Project Schedule. The Issue and Action Item Coordinator notifies the Project Manager (State and SI) of the new issue or action item.

If the issue or action item does not meet the criteria because it appears to be a duplicate, the Issue and Action Item Coordinator forwards a copy of the previously worked issue or action item to the Issue or Action Item Originator to determine if the previous resolution satisfactorily addresses the issue or action item. If the Issue or Action Item Originator accepts the previous resolution, the issue or action item is closed. If the Issue or Action Item Originator finds the previous resolution insufficient, the issue or action item is logged and forwarded based on the priority levels described in step 2, for review. The Issue and Action Item Forms are maintained within the DMS II Project Repository for historical purposes.

If the issue or action item does not meet the criteria because additional information is needed, the Form is returned to the Originator with a request that the form be revised and resubmitted.

The Issue or Action Item Coordinator enters the issue or action item into the log, the Issue and The Issue or Action Item Coordinator notifies the Issue or Action Item Originator and of the status via email.

Step #4 – Review and Assign Issue or Action Item

The issues and action items are reviewed and discussed at the DMS II Project Bi-Weekly Status Meetings. To support this process the State and SI Issue and Action Item Coordinators generate an agenda with several reports to help the individuals involved in the review perform their duties effectively. The Issue and Action Item Coordinators may also run reports to prepare for the meeting and familiarize themselves with the new issues and action items in advance.

The Issue or Action Item Coordinator reviews newly originated issues and action items and determines if it is possible to assign an issue or action item based on the available information. If there is insufficient information in the Issue Form, the Originator is notified that additional research and analysis is necessary. If the issue cannot be decided at this time due to external factors, the issue may be deferred until a later date. The Issue and

Action Item Coordinator updates the log with a status of “Deferred” and indicate the date when the issue will be reconsidered.

If the issue or action item can be resolved quickly, the DMS II Project Team instructs the Issue and Action Item Coordinator of the issue or action item resolution, determines the completion criteria, and assigns a team member to implement the resolution. In this case, the Issue and Action Item Coordinator will update the log with the information and proceeds to the process detailed in Step #10 – Resolve Issue or Action Item.

The Issue or Action Item Coordinator determines if an Issue Response Plan is required to provide more information on the options available for resolution. The Project Manager (State and SI) also confirms the priority, impacted areas, resolution due date, and, if applicable, Issue Response Plan due date. If the issue or action item is technical, the Project Manager may also direct the Assignee to obtain input from the appropriate technical team or SMEs regarding possible solutions and options.

Due to the nature, timing, or impact of the issue or action item, the DMS II Project Team may determine that the issue or action item resolution needs to be decided at a higher level. The DMS II Project Team may escalate issues or action items to the State and SI Project Managers for decision. The Project Managers may escalate to the EMT or Project Steering Committee level as appropriate. Should escalation occur, the Issue and Action Item Coordinator brings the issue to the attention of the escalated party and perform the actions listed in this step with the appropriate committee. The Issue and Action Item Coordinator is responsible for tracking and managing any escalated issues and for ensuring appropriate status is recorded in Issue and Action Item logs.

Step #5 – Update Tool (Log) with Decision

After the DMS II Project Status Meeting, the State and SI Issue and Action Item Coordinators update the log based on the results of the meeting and the decisions made.

The Issue and Action Item Coordinator changes the status of the issue or action item from “Identified” to “Assigned” and notifies the Issue and Action Item Assignee of their responsibilities via e-mail.

Create or Revise Issue Response

If the issue requires an Issue Response Plan, the Assignee researches the options for resolution and consults with any necessary SMEs, as appropriate. The resulting options with corresponding pros, cons, risks and a recommendation are documented in the Issue Form utilizing, at minimum, the “Options for Resolution” and “Recommended Action Plan” fields.

This activity involves the following steps:

- Develop Issue Response
- Review Issue Response

Step #6 – Develop Issue Response

The Issue and Action Item Assignee is responsible for researching and developing the issue response. The results of the research are captured in the log. The research may include, depending on the type of issue:

- Consulting with appropriate technical governance boards, committees and SMEs, if the issue or action item is of a technical nature or has a technical component. The SMEs recommend a solution and provide guidance to the Issue or Action Item Assignee
- Collaborating with the Originator to confirm the issue or action item is clear and understood
- Reviewing documentation and identifying related requirements
- Holding discussion meetings or workshops
- Conducting testing activities (such as for hardware or software)
- Developing plans for workarounds
- Identifying options for resolving the issue along with the associated cost, schedule, quality, performance and risk impacts
- Performing comparative analysis of alternatives and options
- Developing a schedule to implement the recommended actions required to close the issue. This schedule will be used to define the due date for resolving the issue including, as appropriate, tying the due date to tasks or milestones in the DMS II Project Schedule.
- Identifying the necessary resources or skills to complete the recommended actions
- Recommending a resolution to the issue

During this process, the Issue and Action Item Assignee is responsible for periodically providing the Issue and Action Item Coordinators with updates on the item's status in log which indicates its progress to date. As a guideline:

- Critical priority issues and action items should be updated daily
- High priority issues and action items should be updated weekly
- Medium priority issues and action items should be updated every two weeks
- Low priority issues and action items should be updated monthly

Issue and Action Item Assignees may also request changes in priority, reassignments or extensions from the Project Managers (SI and State)

Once research is completed, the Issue and Action Item Assignee emails the issue action item response within 2 business days. The email should include the completed Issue and Action Form describing the solutions considered, the pros and cons of each, and a proposed recommended resolution to the issue. Issue responses should be concise, complete and organized so they directly address the issue. Issue Response Plans should include the detailed steps that need to be accomplished to resolve the issue, such as creation of a change request, a risk item or an action item. Issue Response Plans are developed on the Issue Form with softcopy file attachments, as necessary. Should supporting data not be available in electronic format, it should be referenced in the issue response and its location identified.

The Issue and Action Coordinator will update the Tool (log) and the status of the issue when the status changes the Issue and Action Item Coordinator notifies the Issue and Action Item Assignee via e-mail. The Issue and Action Item Coordinator and the Project Managers (State and SI) will have read and write access to the Issue and Action Item Logs. Copies of the log will be provided to the DMS II Project Team as requested. Critical Issues and Action Items will be discussed during the Bi-Weekly Status Meetings.

Step #7 – Review Issue Response

Once an issue response is drafted, the Issue and Action Item Coordinator sends an e-mail to the Issue Originator asking him or her to review the issue. The Issue Assignee and the Originator may meet to review the package or may conduct the review online via comments and emails. The Originator's Technical or Business Lead may participate in the review of the issue, if appropriate.

The goal of the review is to verify that the proposed solution answers and resolves the original intent of the issue. If the Risk Manager or Originator's Technical or Business Lead is not satisfied with the proposed resolution, the Assignee reworks the issue response, as appropriate. If the Originator agrees the response is complete and sufficiently addresses the issue, the Issue Assignee notifies the Issue and Action Item Coordinator via e-mail that the package is complete. The Coordinator then changes the status of the issue from "Response Drafted" to "General Review Complete".

Obtain Approvals for the Issue Response

The next step is to obtain a decision on the approach to resolve the issue. The DMS II Project Management Team reviews the issue and selects one or more options to resolve the issue. If the DMS II Project Team cannot come to agreement, the issue is escalated to the PSC, as appropriate.

This activity involves the following steps:

- Review and Decide on Resolution
- Update Tool (log) with Decision

Step #8 – Review and Decide on Resolution

Once the Issue Response Plan is approved, the Issue and Action Item Coordinator adds the issue to the agenda for the next Bi-weekly DMS II Project Bi-Weekly Team meeting agenda. Each Coordinator is responsible for generating and printing issues with issue responses that were newly approved since the last session of the Biweekly Team meeting. The Project Manager or EMT may also request the reports be run to prepare for the meeting and familiarize themselves with the new issues in advance.

The Project Manager (State and SI) reviews issues for cost, schedule, performance impacts and risks. If the Issue Originator is satisfied with the proposed resolution and the proposed resolution does not adversely impact the DMS II Project schedule, cost, quality or performance, the resolution is implemented as required, and the issue is approved for implementation. The Project Managers will seek the concurrence of the EMT on critical items. The EMT may opt to implement other solutions or combination of solutions that were suggested. The resulting rationale is captured by the Issue and Action Item Coordinator and is documented in log. The EMT may re-assign the issue to another team member for resolution, sets the due date for completion of the issue and identifies the completion criteria. If the EMT is not satisfied with the analysis and proposed resolution, the Issue Assignee reworks the issue, as appropriate.

If the EMT Management Team is not satisfied with the proposed resolution after attempts to resolve the matter and/or there is a significant impact to cost, schedule, quality performance or risk, the issue is escalated to the State Program Sponsors for decision. The Project Sponsor or Project Executive may decide the resolution or may escalate to the PSC level for decision.

Step #9 – Update Tool with Decision

Once a decision has been made, the Issue and Action Item Coordinator changes the status of the issue from “General Review Complete” to “Approved”. The State Issue and Action Item Coordinator updates issues and actions submitted by State team members; the SI Issue and Action Item Coordinator updates issues and actions submitted by SI team members. The Coordinators then notify the Assignees of the approval and authorization to proceed with resolution.

Implement Resolution

Upon approval of the issue or action item or approval of the issue response, the Assignee performs the tasks necessary to implement the resolution and resolve the item.

This activity involves the following step:

- Resolve Issue or Action Item

Step #10 – Resolve Issue or Action Item

The Assignee performs the actions necessary to resolve the item. This may involve the creation of a change request, risk or other issues and action items for subsequent resolution.

If the resolution requires more than two weeks to complete, the Issue and Action Item Assignee provides biweekly updates on the status of the resolution via email to the Issue and Action Item coordinator. Any critical issues or actions are closely monitored by the State and/or SI Issue and Action Item Coordinators to facilitate timely completion.

If the Assignee cannot resolve the issue or action item by the due date or if unforeseen complications arise, the Issue and Action Item Assignee notifies the Issue and Action Item Coordinator. The Issue and Action Item Coordinator adds the item to the agenda for the next Status meeting (or schedules the appropriate meeting), where the appropriate team (based on the criticality rating of the issue) will discuss how to address the barriers or will escalate to the appropriate level of management.

Close Issue or Action Item

Finally, the issue or action item is updated for closure in PIMRA and the resolution is recorded.

- This step involves the following activities:
- Close Issue or Action Item

Step #11 – Close Issue or Action Item

An issue or action item is closed by obtaining approval for the implemented resolution from the PSC. The Issue and Action Item Coordinator verifies that the issue's contents (such as action items, change requests or risks) have been implemented and that the cross-references to the new item have been established.

The Coordinator closes the issue or action item in by changing the status from "Approved" to "Resolved" and entering the final closure date. All pertinent issue or action item information is maintained in in the log for future reference. The Issue and Action Item Coordinator adds an item to the biweekly status meeting agenda to notify it of the results of the resolution. If the DMS II Project Management Team has any concerns about the resolution, the Issue and Action Item Coordinator works with the Issue and Action Item Assignee to brief or to re-open the issue to address the concerns.

Issue and Action Item Levels and Escalation Considerations

Project-level issues and action items are managed through the methodology presented in this document. However, each team, group or discipline uses the same basic process to manage decision points, which are actual concerns at the discipline level or below that can be resolved at the discipline level in coordination between the State and SI counterparts at that level, does not require coordination outside of the discipline level, and does not affect the overall project baselines (executive/release milestones, scope, resources, and cost).

To the extent possible, issues and action items should be resolved at the lowest level. However, there will be instances when an issue or action item needs to be resolved expeditiously or when an issue or an action item cannot be resolved or completed at the lower levels due to conflict or other similar constraints. The Issue and Action Item Management Process described in this document facilitates escalation to resolve such

instances. This is accomplished by escalating unresolved issues or actions to the next highest level of management. The process also facilitates communication of critical issues to the PSC. The Project Managers are responsible for escalating critical issues to the State and SI EMT.

The State and SI DMS II Project EMT provide a forum for escalating critical issues or concerns that need immediate attention or issues that need escalated resolution after being addressed and unresolved through normal DMS II Project processes.

An issue or an action item may need to be escalated when it meets any of the following criteria:

- Exceeds the authority of Project Manager (State or SI), Project Executive's (Business and Technical) to address (for example, cross-process issues, cross-discipline issues, or issues requiring State resources)
- Affects the project baselines (Cost, Schedule, Scope, Resources, Quality, Performance)
- Has reached an impasse and cannot be resolved or completed within the current level
- If not resolved, may delay critical timelines, result in increased costs or negatively impact quality or system performance
- Resolution or completion is past due
- Is highly visible (negative or positive in the media)
- Involves a sensitive matter (for example, conflict between SI and State)

Escalation beyond the Project Manager (SI and State) includes:

- **Escalation Level 1** – State EMT and Project Executive and SI Project Executive
- **Escalation Level 2** – DMS II Project Executive Sponsor **Escalation Level 3** – DMS II Project Steering Committee

The State and SI DMS II Project Executives review the escalated issue or action item and make a determination as to the next action. In the worst case scenario, the DMS II Project would invoke the Conflict Resolution process identified in the SI Contract.

Action Item Considerations

Unless associated with an issue or identified as a Project-level action item and tracked as described above, an action item is identified at a meeting and immediately assigned to an individual with a targeted due date.

Action items at the team, group and discipline level are generally assigned immediately for resolution. Action items typically are identified at meetings and the assignment recorded in meeting minutes. At subsequent meetings, team members review the

progress and completion of the action items they generated. Action item management is iterative and conducted throughout the project life cycle. The Action Item Management Process flow includes the following steps which are a subset of the Issue Management Process described above:

Step #1 – Identify Issue or Action Item

Step #2 – Document and Submit Issue or Action Item

Step #3 – Review and Log Issue or Action Item

Step #4 – Review and Assign Issue or Action Item

Step #5 – Update Tool with Decision

Step #10 – Resolve Issue or Action Item

Step #11 – Close Issue or Action Item

3.3 Issue and Action Item Monitoring and Reporting

3.3.1 Monitor Issue and Action Item Process Effectiveness

The State and SI Issue and Action Item Coordinators work with the State and SI Project Managers to monitor the effectiveness of the Issue and Action Item Management Process.

The State and SI Issue and Action Item Coordinators and Project Managers review the issues and action items on a regular basis to verify all areas of the project are submitting issues and action items appropriately. The team considers, for instance:

- Is the process being followed?
- Are potential issues and action items reviewed with Lead (Technical or Business) and validated appropriately before being entered into the tool?
- Is the process, as documented in the plan, accurate or are there other steps or dependencies that were not considered?
- Is the necessary data being captured and is it complete and accurate?
- Is the process documentation (for example, forms and plans) being completed appropriately and in accordance with the instructions (for example, no blank fields)?
- Are status updates being made on schedule and are the updates clearly described?
- Are the reports useful and easy to read?
- Are the metrics meaningful and useful?

- Are the participants able to keep up with the workload?
- Are certain activities taking a long time to complete?
- Does the tool need to be corrected or improved to streamline the process?
- How can the process be made more effective or less cumbersome (process improvements)?

The team reviews the results and discusses how to implement corrections or improvements. The Issue and Action Item Coordinators update the Issue and Action Item Management Plan, process, associated forms, the tool and/or relevant training materials to incorporate corrections or improvements. The revised versions are stored in the DMS II Project Repository and the Project Managers announces any changes to project staff via email. If appropriate, training sessions may be held using the revised training materials and/or may be held for certain project areas which appear to need refresher training.

3.3.2 Communicating Issue and Action Items

Issues and action items are communicated to management through reports presented at the Project Biweekly Meetings and other management meetings.

The Issue and Action Item Coordinators periodically scan through open issues and action items looking for items that are outstanding past their targeted resolution date.

The continuous documentation of issue and action items should occur from the beginning until the end of the project.

3.3.3 Issue and Action Item Reports

The following section summarizes the issues and action item reports used to monitor and manage the issue and action item processes. The reports are saved in the DMS II Project Repository for historical purposes.

The issue log report contains the list of issues currently being managed by the project. The report will be statused and available biweekly for discussion at the biweekly DMS II Project Management Team meeting.

3.3.4 Metrics

The log allows for the collection of various issue and action item management metrics to gauge the effectiveness of the issue and Action Item Management Process which can then be used to communicate the status of the risk profile and identify opportunities for process improvement. The metrics include:

- **Number of overdue issues or action items** – Indicates the number of issues or action items past their due dates based on the data in the Tool (log). The Issue and Action Item Coordinators use this information to follow up with Assignees and to identify barriers to resolution.
- **Number of issues by priority, status, impact area, and subproject (if applicable)** – Indicates the number of issues or action items by priority, status, impact area and subproject.

Additionally, the tool allows information to be filtered as follows: open and closed issues over time, number of open issues by priority and issues approaching due date. Metrics may be added during the life of the project to help diagnose process problems or to implement process improvements.

3.3.5 Meetings and Reviews

Issues and action items are typically raised at team, group and discipline status meetings as well as Project-level meetings. The status of Project-level issues is discussed at:

- Biweekly DMS II Project Management Team meetings
- DMS II Project Steering (PSC) Committee meetings (for critical or escalated issues)
- DMS II Project Management Oversight Meeting (IV&V and IPOC)
- DMS II Project Risk and Issue Meetings (as applicable)

Issues and Action Items are also a standard topic at team, group and discipline meetings.

APPENDIX A – LIST OF RISK CATEGORIES

The following are the categories that are used to group and manage risks for the project. This list is taken from the CA-PMM Toolkit.

- Audit and Control Needs – What is the probability that the audit and review procedures discover defects that will cause problems or delays in the project?
- Budget/Revenue – What is the probability that the amount of money allocated to complete the project will be inadequate to complete the project on site with the complete scope that meets quality expectations? What is the probability that the projected revenue and benefits targets for the project will not be achieved?
- Client/Server Architecture – What is the probability that the complexity of hardware and software (servers, client PCs, printers, drivers, et al) needed to support the project will cause problems or delays during the development or implementation of the project?
- Customer Sophistication – What is the probability that the customers' lack of understanding or lack of ability to use the product or service will cause problems or delays to the project?
- Design and Implementation – What is the probability the design and/or implementation challenges of this project will cause problems or delays?
- Development Environment – What is the probability that the environment in which the project will be developed will cause problems or delays?
- External Environment – What is the probability that individuals or entities external to the organization will cause problems or delays?
- Facilities – What is the probability that the facilities (such as buildings, rooms, storage areas, office space, phones, parking lots, electrical, plumbing) required by the project will not be available, usable or adequate thereby causing problems and/or delays to the project?
- Human Resource: Skills, Availability – What is the probability that there will not be enough qualified, skilled people available to complete the effort involved in the project?
- Infrastructure – What is the probability that the existing infrastructure into which the project will be delivered will cause problems or delays?
- Legislation – What is the probability that pending legislation will cause delays, extra effort or cancellation of the project if passed?
- Litigation – What is the probability that lawsuits will cause problems or delays in the project?
- Management Processes – What is the probability that current management processes (such as approvals, decisions and hiring) will cause problems or delays in the project?

- Other Projects – What is the probability that other projects planned or in progress could cause problems or delays in this project by consuming available resources or by causing changes in the fundamental design of the project?
- Paradigm Shift – What is the probability that the level of change in the work model due to this project will cause problems or delays in the project due to resistance from project stakeholders?
- Regulations – What is the probability that any regulatory process in motion will cause problems or delays in the project?
- Requirements Management – What is the probability that the collection and management of the project's requirements will cause problems or delays in the project?
- Schedule – What is the probability that the time allocated to complete the project will cause problems or delays?
- Sponsorship Commitment – What is the probability that the Sponsor of the project will lose interest or be unable to provide sufficient direction and support?
- Structure of Installed Systems – What is the probability that the systems that currently exist in the project environment will cause extra effort, problems or delays in the project?
- Supplier/Vendor Capability/Capacity – What is the probability that the vendors or suppliers involved in this project do not possess the capacity and capability to provide adequate service and support?
- System Architecture – What is the probability that the system architecture (operating system, system interfaces, databases, programming languages, et al) is not sound and stable thereby causing problems or delays in the project?
- Technology – What is the probability that the appropriate technology will not be available to complete the project? What is the probability that the available technology will not be stable?
- Turnover – What is the probability that the rate of replacement of team members on the project will cause problems or delays in the project?

APPENDIX B – RISK TOLERANCE THRESHOLDS

The following risk tolerance thresholds are used as guidelines to manage project risks.

General:

- ◆ Any single risk estimated to have between 10-25% likelihood of occurring will be discussed at all relevant project meetings.
- ◆ Any single risk estimated to have more than 25% likelihood of occurring will be discussed in the DMS II Project bi-weekly status meeting and will be elevated to the EMT and Project Steering Committee for review.

Cost/Budget

- ◆ Any single risk estimated to increase overall project costs by 5-10% will be discussed in the Risk Review Meetings and ad hoc meetings as deemed appropriate.
- ◆ Any group of risks cumulatively estimated to increase overall project costs by 5-10% will be discussed every 2 weeks in the Risk Review Meetings.
- ◆ Any single risk estimated to increase overall project costs by more than 10% will be discussed every week in the project status meeting and will be elevated to the EMT and Project Steering Committee for review.

Schedule

- ◆ Any single risk estimated to delay the project schedule by 5-10% will be discussed in the Risk Review Meetings and bi-weekly status meetings.
- ◆ Any single risk estimated to delay the project schedule by over 10% will be discussed every week in the project status meeting and will be elevated to the EMT and Project Steering Committee for review.

Staffing Changes

- ◆ A five to ten percent (5-10%) variance between actual and planned State or SI staff resources will result in a risk that will be discussed every 2 weeks in the Risk Review Meetings.
- ◆ A variance of more than 10% between actual and planned State and SI staff resources will be discussed every week in the project status meeting and will be elevated to the EMT and Project Steering Committee for review.

Quality Thresholds

Risks impacting the overall project's quality will be considered once the respective plan(s) is (are) finalized and quality metrics are in place to manage and measure the overall Project Quality. Once the SI is selected the Quality Management Plan will be developed which will include risk quality metrics, thresholds, quality factors and weightings for each quality factor. In the interim the Project and Risk Managers (State and SI) will monitor and measure progress and compliance with the projects risk process and objectives related to risk identification, analysis, mitigation and closure to determine if the trends are consistent with

quality risk management being executed successfully on the DMS II Project. Metrics alone will not provide a complete measure of the project's progress and adherence to the process; however, coupled with independent oversight assessments of the process the DMS II Project will inexorably have the appropriate rigor applied to the DMS II Project risk management activities.

APPENDIX C – RISK RESPONSE CONSIDERATIONS

Risk Avoidance Responses

Risk avoidance is appropriate in situations where the project has no direct control over the risk or when it is the most cost-effective means to deal with the risk. The Risk Owner can apply two types of responses to achieve a risk avoidance strategy—direct and indirect.

A direct response is suitable for risks that arise from uncertainty or ambiguity. In this situation, the risk response action is to eliminate the cause of the uncertainty. The following are examples of risk actions that lead to eliminating ambiguity:

- Clarifying requirements
- Defining objectives
- Improving communication
- Conducting prototyping

Indirect avoidance responses include completing the affected activity in a different manner so that the threat is eliminated or reduced as much as possible. Early in the project, strategic decisions can be made, such as building redundancy into the project design, to avoid risky elements. Indirect avoidance responses become less effective as the project progresses, since the ability to affect project scope and planning is diminished.

When considering risk avoidance, the Risk Owner considers the following:

- Does the project have the authority and ability to avoid the risk?
- What are the cost, schedule and resource impacts of avoiding the risk?
- Are there enough resources with the appropriate skills available to implement the risk avoidance strategy?
- Will there be an impact to the scope, quality schedule, cost or organizational impacts to the risk avoidance strategy?
- What is the probability the risk avoidance strategy will be successful?
- Will this avoidance strategy avert the risk or simply delay the risk until later in the project?
- Is the effort (considering: cost, schedule, resources) required to avoid the risk worth the desired result?
- What other risks are created by choosing the avoidance strategy?

Risk Transfer Responses

Risk transfer is appropriate when the project has little or no control over the risk. Risk transference moves the responsibility for management of the risk to the party best positioned to analyze and respond to the risk, based on his or her expertise and level of authority.

If a risk is to be transferred, it is critical that the recipients of the transferred risk have the means to manage the risk allocated to them. This includes having the responsibility, authority, resources and knowledge to own the transferred risks. Without this, the project remains exposed to an open, uncontrolled risk.

When considering this strategy, the Risk Owner considers the following:

- What level of the organization would need to manage this risk?
- What is the likelihood that the organization would accept responsibility for the risk?
- Does the organization have the resources and skills to manage the risk?
- How will the project know if the organization's risk response actions were effective?
- What would be the effect on the project if the organization failed to manage the risk?

In many cases, the project still needs to monitor the transferred risk to determine if the transference strategy is having the desired effect on the project. A Risk Owner from the project should be assigned to coordinate the monitoring of the risk response results with the Risk Owner in the other organization.

Risk Mitigation Responses

Risk mitigation, the most common response to an identified risk, is the process of reducing the size of the risk exposure. This can be performed by either reducing the likelihood of the risk occurring, reducing the potential impact of the risk, or both.

A proactive approach of reducing the likelihood of the risk occurring is preferred. Taking early action to protect against the worst effects of the risk can make the risk more reasonable to accept.

Risk mitigation is specific to an individual risk since it addresses both the cause of the risk and its effects on project objectives. The mitigation strategy may involve modifications to the project approaches, the project schedule or procedures, staffing profiles or other aspects of the project.

The Risk Owner evaluates the mitigation cost and compares it to the cost of bearing the original risk. If the mitigation cost outweighs the cost impact of the risk, then an alternative response should be found.

A risk mitigation plan contains the following information:

- Mitigation plan objective
- Early warning signs (indicators) that the mitigation plan is needed
- Thresholds and values (triggers) that cause the mitigation plan to be put into effect
- Approval necessary to implement the mitigation plan (if any)
- Indicator values that will be used to monitor the effectiveness of the mitigation activities

- Indicator values that signal when the risk mitigations have been effective (and mitigation actions may cease)
- Thresholds and values (triggers) that signal a need to execute a contingency plan (if appropriate)
- Owner for the mitigation plan
- Specific actions to be taken, due dates, ownership and assignments
- Any impacts to cost, schedule or resources
- Criteria for escalation to management (if appropriate)

Risk Acceptance Responses

Risk acceptance is the remaining option if avoidance, transfer, and mitigation strategies are not appropriate. Risk acceptance involves planning for ways to deal with the risk event if it occurs, rather than trying to influence its probability or impact. In particular, risk acceptance is useful in situations where any response is not cost-effective compared to bearing the cost impact of the risk occurrence, such as low impact, low probability risks (which are neither very likely nor very critical). If the risk can be recognized and accepted, the response can either be passive with no action to be taken, or active by adoption of a response in the case of the risk event occurring. The most typical risk acceptance response is contingency planning.

When considering risk acceptance, the Risk Owner considers the following criteria:

- What are the cost, schedule and resource impacts of accepting the risk (for example, doing nothing right now)?
- What are the cost, schedule and resource impacts if the risk does occur?
- Will there be scope, quality, cost, resources or organizational impacts if the risk occurs?
- Would the risk occurrence be a one-time event or would the risk event be a recurring problem throughout the project?
- Is the effort (cost, schedule, resources) required to address the risk if it occurs commensurate with the probability and impact levels (as currently understood)?
- What other risks are created by choosing the acceptance strategy?

APPENDIX D – GENERAL RISK BEST PRACTICES

- Perform preventive and/or mitigation activities on all high ranking risks. Paying particular attention to preventive measures could eliminate risk altogether.
- Review the project continuously for emerging risks or triggers.
- Train the entire project team on risk management and encourage their active participation in identifying and mitigating risks.
- Include risk and trigger identification, risk review, and risk mitigation as standing agenda items on regularly scheduled project meetings.
- Include risk action plans in the Work Breakdown Structure (WBS) to monitor obvious triggers or risks and map mitigation strategy for every high ranking risk and map to available resources.
- Use a risk management worksheet to track triggers, rank risks and list mitigation activities and if necessary, submit a Change Request Form.
- Communicate to project stakeholders and sponsors when risk impact could change the project scope or impact project resources.
- Review Lessons Learned and Quality Assurance Reports to look for possible triggers or risks.
- Group and sequence similar mitigation activities together for efficient implementation.
- Encourage an environment that fosters open communication where project members feel at ease conveying project risks and consequences. (Don't shoot the messenger!)
- Ensure risk mitigation plans are integrated with project plans (e.g. WBS, Change Management, Issue Management) when those plans affect project schedules, budgets and deliverables.
- List triggers in the WBS at the point they are most likely to occur and footnoting the contingency plans for resolution so they are immediately available.
- Document the rationale used when closing a risk.
- Factor in risks outside of the project itself including the political or cultural climate as well as current or impending reorganizations within your agency or with contracted resources.
- Enlist liaison between IT and the business to assist in addressing cultural risks.

APPENDIX E – RISK FORM

The Risk Originator completes all white fields. Gray fields are locked and will be completed by the Risk Manager.

DMS II Project Risk Form					
Risk ID				Review Date	
Risk Originator				Date Submitted:	
Risk Title					
Risk Description:					
Risk Category	<input type="checkbox"/> Risk Avoidance	<input type="checkbox"/> Risk Transfer	<input type="checkbox"/> Risk Mitigation	<input type="checkbox"/> Risk Acceptance	<input type="checkbox"/> Other _____
Probability	<input type="checkbox"/> 1 Less than 20% Unlikely <input type="checkbox"/> 2 21 – 40% Somewhat Likely <input type="checkbox"/> 3 41 – 60% Likely <input type="checkbox"/> 4 61 – 80% Very Likely <input type="checkbox"/> 5 Greater than 80% Most Likely				
Impact	<input type="checkbox"/> 1 Less than 5% change to scope, schedule, budget or quality baselines <input type="checkbox"/> 2 5 – 10% change to scope, schedule, budget or quality baselines <input type="checkbox"/> 3 11 – 15% change to scope, schedule, budget or quality baselines <input type="checkbox"/> 4 16 – 24% change to scope, schedule, budget or quality baselines <input type="checkbox"/> 5 25% or greater change to scope, schedule, budget or quality baselines				
Risk Level	<input type="checkbox"/> 1 - 9 Low Risk Level <input type="checkbox"/> 10 – 15 Medium Risk Level <input type="checkbox"/> 16 – 25 High Risk Level				
Timeframe	<input type="checkbox"/> 1 Within the next 6 months <input type="checkbox"/> 0.66 6 months to a Year from now <input type="checkbox"/> 0.33 More than a Year from now				
Priority	<input type="checkbox"/> Critical – risk management action required within two weeks		<input type="checkbox"/> Major – risk management action required within 30 days		<input type="checkbox"/> Minor – risk management action required within 90 days
Source of Risk	<input type="checkbox"/> IPOC	<input type="checkbox"/> IV&V	<input type="checkbox"/> State	<input type="checkbox"/> SI	<input type="checkbox"/> Other _____
Risk Response Strategy	<input type="checkbox"/> Risk Avoidance	<input type="checkbox"/> Risk Transfer	<input type="checkbox"/> Risk Mitigation	<input type="checkbox"/> Risk Acceptance	<input type="checkbox"/> Other _____
Risk Response Description					
Mitigation Plan	Step #	Description	Date Due		
	1				
	2				
	3				
	4				
	5				
Contingency Plan	Step #	Description	Date Due		
	1				
	2				
	3				
Risk Status	<input type="checkbox"/> Identified	<input type="checkbox"/> Assigned	<input type="checkbox"/> Active	<input type="checkbox"/> Escalated	<input type="checkbox"/> Closed
Risk Owner				Date Assigned	

APPENDIX F – ISSUE AND ACTION ITEM SUBMISSION FORM

The Issue Originator completes all white fields and submits the Issue to the Project Manager (State or SI)

DMS II PROJECT ISSUE or ACTION ITEM SUBMISSION FORM						
Issue or Action Item	Populate this section with your justification to submit as an Issue or Action Item.			Action Item ID: <i>if applicable</i>		
Issue ID				Review Date		
Issue Originator				Date Submitted:		
Issue Title						
Reference Materials	[Embed or Attach Electronic Documents]					
Issue Description:						
Impact	<input type="checkbox"/> 1 Less than 5% change to scope, schedule, budget or quality baselines <input type="checkbox"/> 2 5 – 10% change to scope, schedule, budget or quality baselines <input type="checkbox"/> 3 11 – 15% change to scope, schedule, budget or quality baselines <input type="checkbox"/> 4 16 – 24% change to scope, schedule, budget or quality baselines <input type="checkbox"/> 5 25% or greater change to scope, schedule, budget or quality baselines					
Issue Level	<input type="checkbox"/> Critical – Requires Project Steering Committee Intervention/Decision <input type="checkbox"/> High <input type="checkbox"/> Medium					
Timeframe	<input type="checkbox"/> 30-90 Days <input type="checkbox"/> 4-6 Months <input type="checkbox"/> More than a six months from submission date <input type="checkbox"/> Unknown					
Priority	<input type="checkbox"/> Critical –action required immediately (less than 1 week)		<input type="checkbox"/> High –action required (less than 30 days)		<input type="checkbox"/> Medium – action required (within 30-90 days)	
Source of Risk	<input type="checkbox"/> IPOC	<input type="checkbox"/> IV&V	<input type="checkbox"/> PFD	<input type="checkbox"/> ITD	<input type="checkbox"/> SI	<input type="checkbox"/> Other
Issue Response Description						
Proposed Issue Response Action Steps	Step #	Description			Date Due	
	1					
	2					
	3					
	4					
Other Recommended Steps	Step #	Description			Date Due	
	1					
	2					
Issue Status	<input type="checkbox"/> Identified		<input type="checkbox"/> Assigned		<input type="checkbox"/> Active	
Subject Matter Expert						
Issue Owner				Date Assigned		

APPENDIX G – SAMPLE ACTION ITEM LOG

#	Action Item Description	Responsible	Deliverable	Open Date	Date Due	Closed Date	Status	Comments
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								

