*Practical Project Risk Management*[1]

# Risk Registers: A brief guide [2]

## Purpose

Store data on risks and risk responses and use it for risk review and reporting purposes.

## Issues Involved

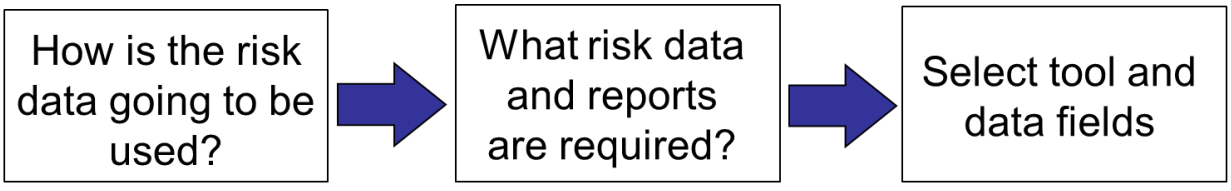
Maintaining a risk register is one of the most common activities in project risk management. The following issues often influence how useful the register is:

1. Which data fields should be maintained and for what purposes?
2. How can you ensure that the data is of good quality and is updated routinely?
3. How many risks is it sensible to include and to what level of decomposition?
4. What outputs are required for the purposes reporting and reviews?

## Tailor Your Approach

Whilst even very simple risk registers can be useful, most commercial tools provide users with a large number of fields. Try counting the number of fields in your risk register tool that would be used if you populated every field for one risk with five mitigation actions. Then consider a) whether it is practical to support routine data updates at this level of detail and b) which data fields are strictly necessary for decision making purposes. Attempts to maintain too much data have an adverse effect on management efficiency, data quality and the clarity of reports.

Before setting up the risk register, you should think about how the data will be used.




[1] This series of articles is by Martin Hopkinson, author of the books "*The Project Risk Maturity Model*" and *"Net Present Value and Risk Modelling for Projects"* and contributing author for Association for Project Management (APM) guides such as *Directing Change* and *Sponsoring Change.* These articles are based on a set of short risk management guides previously available on his company website, now retired. See Martin's author profile at the end of this article.

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## Important Risk Register Fields

The following risk register fields are usually the most important:

1. **Description:** Risk Title, Risk status and risk description
2. **Ownership:** Risk Owner and Risk-bearing organisation
3. **Actions:** Action description, Action Owner, Planned completion date, Action Status
4. **Risk estimates:** e.g. Probability of occurrence & Schedule, cost and product impacts
5. **Fields required for sorting or filtering purposes:** e.g. project phase, escalation status

## Regulating the Number of Risks in a Risk Register

A project can have too many risks on its risk register, causing distraction and an unsustainable administrative burden. Decomposing risk into numerous components can also shift risk ownership responsibilities away from managers who have the most influence. Often, a project is best served by starting with a relatively low number of risks and then increasing this number when it makes sense to do so and as early success with the process causes it to gain traction.

## Data Quality

The following issues often influence the quality of risk register data:

1. Are risks reviewed regularly by risk owners and is the information used when reported?
2. Are risks well understood and described? (see the Risk Descriptions guidance sheet).
3. Are risks owned appropriately? (see the Risk Ownership guidance sheet)
4. Is the administrative burden and overall number of risks appropriate?

## Choosing a commercial risk register

The following questions may be useful when developing or choosing a risk register tool.

1. Can data be located, updated and shared easily, ideally by concurrent users?
2. Is the tool able to produce useful reports that support project reviews and decisions?
3. Does the tool provide an easily accessible audit trail for changes to data?
4. Is the tool easy to use, for example by showing interrelated data on the same screen? For example, can you see the risk description when entering risk estimates and actions?

## Common Faults

1. Choosing a risk register tool primarily because it is “integrated” with a modelling tool.
2. Choosing a risk register tool that creates an unnecessary administrative burden.
3. Maintaining risk data fields that contribute little, if any, management value in practice.
4. Failure to keep data refreshed as appropriate to the needs for which it is used.
5. Maintaining a risk register as the default process when other techniques would be better.

## About the Author

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**Martin Hopkinson**, recently retired as the Director of Risk Management Capability Limited in the UK, and has 30 years' experience as a project manager and project risk management consultant. His experience has been gained across a wide variety of industries and engineering disciplines and includes multibillion-pound projects and programmes. He was the lead author on Tools and Techniques for the Association for Project Management's (APM) guide to risk management (*The PRAM Guide*) and led the group that produced the APM guide *Prioritising Project Risks.*

Martin's first book, *The Project Risk Maturity Model*, concerns the risk management process. His contributions to Association for Project Management (APM) guides such as *Directing Change* and *Sponsoring Change* reflect his belief in the importance of project governance and business case development.

In his second book *Net Present Value and Risk Modelling for Projects* he brought these subjects together by showing how NPV and risk modelling techniques can be used to optimise projects and support project approval decisions. (To learn more about the book, click here.)