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### Overview

This standard is about identifying, analysing and planning responses to project risks. Risks may be opportunities as well as threats to the project.

You will need to identify and record project risks, and evaluate options for managing them effectively. You will also need to develop plans to manage project risks and keep relevant stakeholders involved with plans.

Project Management National Occupational Standards (PMNOS) are based on the following project management lifecycle:

- A Establish and lead the project team, and work with stakeholders
- B Define and initiate the project
- C Develop the project management plan
- D Deliver the project
- E Close and review the project

This standard is part of area C 'Develop the project management plan'.

## ECIPMC2

### Identify, analyse and plan responses to project risks

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#### Performance criteria

*You must be able to:*

- P1 identify relevant **project risks** with relevant stakeholders
- P2 rank and record project risks correctly
- P3 analyse the risks to establish potential consequences
- P4 evaluate options for managing project risks effectively
- P5 develop plans to manage project risks
- P6 communicate plans for managing project risks to relevant **stakeholders**

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#### Knowledge and understanding

*You need to know and understand:*

- K1 the context of the project
- K2 relevant legislative, regulatory and organisational requirements
- K3 general principles of risk management
- K4 organisational systems and procedures for managing project risk
- K5 the importance of risk ownership
- K6 the ways in which project risks may be regarded as threats and opportunities
- K7 the techniques for identifying and analysing project risks
- K8 the potential consequences of project risks
- K9 how to develop plans for managing project risks
- K10 the ways in which risks can change and be rated during a project

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## Additional Information

### Scope/Range

#### Stakeholders:

- 1 Sponsors
- 2 Clients or customers
- 3 Relevant groups/individuals interested in the project
- 4 Relevant groups/individuals affected by the project
- 5 Relevant groups/individuals who might affect the project

#### Project risks:

- 1 Threats
- 2 Opportunities

### Glossary

#### Context of the project

This phrase appears in the knowledge and understanding of the National Occupational Standards (NOS) and relates to the wider context of the project that the individual will need to know about, such as the project environment, the relationship to a wider programme of work and how the project fits with organisational strategies.

The sector in which the project manager works (e.g. software development, construction, manufacturing or process industries) will have its own specific context and this phrase is intended to convey this meaning.

#### Life cycle

A life cycle defines the inter-related phases of a project and provides a structure for governing the progression of work.

#### Opportunities

A positive risk event that, if it occurs, will have a beneficial effect on achievement of objectives.

#### Project

A unique, transient endeavour undertaken to achieve planned objectives.

#### **Risk**

The potential of an action or event to impact on the achievement of objectives.

#### **Risk analysis**

An assessment and synthesis of risk events to gain an understanding of their individual significance and their combined impact on objectives.

#### **Stakeholders**

Project stakeholders may be internal or external to the organisation and include sponsors, clients, customers and all relevant groups/individuals with a relation to the project.

#### **Threat**

A negative risk event; a risk event that if it occurs will have a detrimental effect on the objectives.

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