Risk Registers and Database Tools

Purpose

Maintain data on risks and risk responses and use this data for risk review and reporting purposes

Issues involved

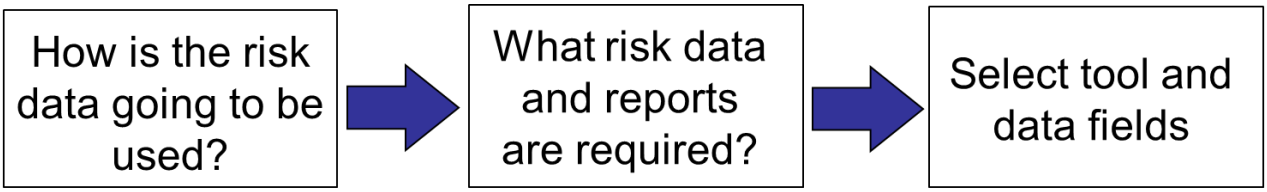
Maintaining a risk register is one of the most common activities in project risk management. The following issues often influence how useful the register is:

1. What data should be maintained?
2. How can we ensure that the data is of good quality?
3. How many risks is it sensible to include on the register and to what level of decomposition?
4. What tool should we use?

A point to think about

I once counted the number of fields that would could be filled for a single risk with five risk responses using a risk database tool being used by my client. The answer was 211; too many to be useful or practicable. Try counting the fields in your risk register tool and ask yourself whether you have a good balance between the benefits of the information and the effort required to update it to sufficient levels of quality and coherence.

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



Important fields

The following risk register fields are generally the most important:

Description: Risk Title, Risk status and risk description (for reasons given on the Risk Descriptions guidance sheet, risk descriptions are often recorded using three separate fields)

Ownership: Risk Owner and Risk-bearing organisation (see the Risk Ownership guidance sheet)

Risk responses: Response description, Response Owner, Planned completion date, Response Status

Risk estimates: e.g. Probability, Schedule impact, cost impact, product performance impact

Fields required for sorting or filtering purposes: e.g. project phase, escalation status

Number of risks

A project can have too many risks on its risk register. The penalties for this are that it increases the administrative burden and that the overall register may become incoherent. Decomposing risk into a larger number of parts can also shift risk ownership responsibilities away from the levels of management that have the most influence.

In general, 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 amongst members of the project team.

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 by other relevant people?
2. Are risks well understood and described? (see the Risk Descriptions guidance sheet).
3. Are risks owned by the right organisation and person? (see the Risk Ownership guidance sheet)
4. Is the administrative burden and overall number of risks appropriate?

Tools

Risk register tools vary in sophistication from simple Excel spread sheets to web-enabled, concurrent multi-user database applications. There are many factors to consider when choosing to list on this sheet including IT issues, usability, audit trail, and functionality. However, the following two factors are often overlooked:

1. When entering data, can related information be seen together on the same screen? For example you should be able to see risk descriptions when entering estimates, risk ownership data or risk responses since there are important relationships between them. If not, the tool will not support the right ways of thinking about risks when data is entered – a common cause of incorrent data
2. Can the tool produce high quality reports that will support all ways in which risk data will be used? This is a common problem amongst risk database tools that can fundamentally undermine their purpose.