

2.1.6 InCoStrat's APPROACH TO RISK MANAGEMENT

1. **General.** As no two projects are exactly alike, the risk management approach and plan should be tailored to the scope and complexity of individual projects. Other considerations include the roles, responsibilities, and size of the project team, the risk management processes required or recommended by the government organization, and the risk management tools available to the project.

2. **Our principles.**

- a. Senior leadership commitment and participation is required.
- b. Stakeholder commitment and participation is required.
- c. Risk management is made a programme-wide priority and "enforced" as such throughout the programme's life-cycle.
- d. Technical and programme management disciplines are represented and engaged. Both programme management and specialist consultants need to be communicating risk information and progress toward mitigation. Programme management needs to identify contracting, funding concerns, our staff need to engage across the team and identify risks, costs, and potential ramifications, if the risk were to occur, as well as mitigation plans (actions to reduce the risk, and cost/resources needed to execute successfully).
- e. Risk management integrated into the programme's business processes and delivery plans. Examples include the risk status incorporated in management meetings and/or programme reviews, risk mitigation plan actions tracked in schedules, and cost estimates reflective of risk exposure.

3. **Understanding Risk.** InCoStrat identifies, assesses and develops strategies to manage risks from the outset of any potential project and new risks are integrated into an overall company risk register. The risk management plan and impact analysis are continuously updated to ensure impacts are minimized and the probability of risks occurring is reduced – this forms an integral part of InCoStrat's business continuity plan. We allocate time, budget and resources to effectively maintain and act upon our risk management plan and our business impact analysis. We do this to meet our legal obligations for providing a safe workplace and to reduce the probability and impact of an incident that could affect staff safety, impact on our clients or negatively impact on our business.

4. **Managing and mitigating risk.** The senior management team receives weekly updates from project managers on key areas of risk. On a monthly basis there is an executive board review of all the risks in the risk register. The risk register is actively managed and forms a key part of the company's planning process. Specifically we analyse and assess the following key areas of risk:

- a. **Security:** Physical and Cyber.
- b. **Client risk:** Meeting contractual obligations, reputation to client, continuity.
- c. **Internal InCoStrat:** Financial, liability, reputation.
- d. **InCoStrat Staff:** Recruiting and retention.

5. **Probability v Impact.** Throughout our risk analysis planning and review process, we identify and assess the probability and impact of each risk. From this we determine the mitigating strategy to reduce both impact and probability. Our InCoStrat staff, partners and associates are regularly updated on our assessments and the measures they are expected to put in place to reduce the risks.