

User Guide

Public authority instructions

* In accordance with the Procurement Planning Policy, this Procurement Risk Management Plan template is required to be completed for all complex and strategic procurements, and attached to the Acquisition Plan.
* It is designed to meet the requirements of the *Procurement Planning Policy* and provides suggestions about the details to be included in a Risk Management Plan.
* Your public authority may tailor this template to ensure it is fit-for-purpose and meets the requirements of its internal procurement framework.

User specific instructions

* All guidance notes for using this template and suggested considerations are provided as dot points and are written in *red italics*.
* The guidance notes and suggested considerations should be used as prompts for procurement officers to help finalise the planning process.
* All guidance notes and suggested considerations should be deleted before the Risk Management Plan is finalised. This user guide should also be deleted.
* The amount of detail you include in each section of the Risk Management Plan, and the effort put into completing this template, should be commensurate to the complexity of the procurement.
* Parts of the template contain suggested wording or tables that can be used to input key information (e.g. risk assessment). These are only examples. You should update or amend each section as required to suit your procurement.

|  |  |  |
| --- | --- | --- |
| **PROCUREMENT RISK MANAGEMENT PLAN** | | |
| **Procurement Name:** | *[Insert project name]* | |
| **Department:** | *[Insert Public Authority name]* | |
| **Division:** | *[Insert division name]* | |
| **Reference Number:** | *[Insert procurement reference number]* | |
| **Version Control** | Date | Version |
|  | *[Insert date]* | *[version no]* |

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# PURPOSE OF A RISK MANAGEMENT PLAN

Risk management in a procurement process is about identifying, assessing and managing the risks associated with the purchase of goods or services to ensure unexpected or undesirable outcomes are minimised whilst achieving the objectives of the procurement.

Risk management is an essential part of good procurement. Procurement risks that are well-managed are more likely to achieve the procurement outcomes and objectives.

The risk management approach should align to your public authority’s internal Risk Management Framework, and the SA Government Procurement Framework and *Risk Management Guideline*.

There are six steps in the procurement risk management process:

1. establish the context;
2. identify the risks;
3. analyse the risks;
4. evaluate risks;
5. treat risks; and
6. monitor and report the risks.

## Supporting documents applicable to the procurement

This document is to be read in conjunction with the following documents:

* *[Insert document name and file reference] (e.g. Acquisition Plan, Evaluation Plan, Market Approach documents).*
* *[include document name and file reference].*

# PROCUREMENT CONTEXT

*Note most of this information can be sourced/adapted from the Acquisition Plan.*

## Objectives of the Procurement

*Provide details relevant to the objectives of the procurement (i.e. what is the procurement aiming to achieve?).*

## Scope of the Procurement

*Provide details relevant to the scope of the procurement.*

## Key Stakeholders

*List and provide details relevant to the key stakeholders (both internal and external). Refer to the procurement’s Industry Engagement Plan if relevant.*

## Procurement Strategy & Market Approach

*Provide summary details relevant to the procurement strategy and the market approach process.*

## Risk Management Context

*Provide details relevant to other issues within the procurement risk management context, including but not limited to:*

* *legislation, standards, policy relevant to the procurement objectives (including, for example: South Australian Protective Security Framework, Free Trade Agreements, etc.);*
* *external elements including the political, economic and competitive environment;*
* *cross-agency, lead agency or individual agency responsibilities (as applicable);*
* *timeframes to undertake the procurement activity;*
* *stakeholders impacted by the procurement decision (including clients/end-users and suppliers) and their involvement in the risk assessment*
* *specialist professional or other knowledge required;*
* *lessons learnt from previous similar procurements; and*
* *other context that may contribute to increased risk associated with the procurement (I.e. political/media sensitivities, procurement related to emergency situations, etc)*

## Risk Management Responsibilities

*Provide details about the governance committee and / or project team (key staff members who will manage the procurement risks).*

# RISK ASSESSMENT

*Refer to the Risk Management Guideline for guidance on* ***identifying, analysing, evaluating and treating*** *risks.*

*Attach the completed Risk Assessment.*

*Additional information in relation to each step can be recorded within this section.*

## Identify Risks

*Examples of additional information re identifying risks which may be recorded within this section include:*

* *Listing the methods used to identify the risks including the involvement of appropriate technical/subject matter expert, or risk experts etc.*

## Analyse Risks

*Examples of additional information re analysing risks which may be recorded within this section include:*

* *Consider the interdependencies of different risks and their sources.*

## Evaluate Risks

*Examples of additional information re evaluating risks which may be recorded within this section include:*

* *Consider involvement/advice from the public authority’s Risk Management unit.*
* *Inherent risks vs residual risk and existing controls*

## Treat Risks

*Examples of additional information re treating risks which may be recorded within this section include:*

* *If the treatment for a risk is to share or transfer the risk to another party, this section should identify how that information will be communicated to the other party.*

# Monitor Risks

*In this section, provide a summary of how risks will be monitored and escalated (where necessary) to senior management or the Procurement Governance Committee, for example.*

*List the key factors for escalating those risks, and the reporting/communication strategies methods used.*