

Project Financial Risk Assessment Document

1. Project Overview

Project Name: Alpha Expansion Initiative

Prepared by: Finance Department

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This document identifies, assesses, and proposes mitigation strategies for the key financial risks related to the Alpha Expansion Initiative.

2. Risk Identification

Risk ID	Description	Potential Impact	Likelihood
FR-01	Cost Overruns	Budget exceeds approved limits.	Medium
FR-02	Revenue Shortfall	Lower than forecasted returns.	High
FR-03	Currency Fluctuation	Foreign exchange rate losses.	Medium
FR-04	Delayed Funding	Project milestones delayed due to late disbursement.	Low

3. Risk Assessment

Risk ID	Severity (Low/Med/High)	Current Controls	Responsible Party
FR-01	High	Monthly budget review; management approval for overages	Project Manager
FR-02	High	Quarterly market review; conservative forecasts	Finance Analyst
FR-03	Medium	Hedging strategy in place	Treasury Team
FR-04	Medium	Milestone-based funding triggers	Finance Lead

4. Risk Mitigation Strategies

- Cost Overruns:** Strengthen project monitoring, implement strict change control.
- Revenue Shortfall:** Increase marketing efforts, diversify revenue streams.
- Currency Fluctuation:** Regularly review hedging position, adjust as needed.
- Delayed Funding:** Maintain close coordination with funding sources, schedule reviews.

5. Ongoing Monitoring

Risks will be reviewed at monthly finance meetings. Owners will provide updates on controls and report new risks as identified.

Important Notes

- This assessment should be updated regularly as the project progresses.
- Financial risks may change in likelihood and impact based on internal and external factors.
- Documenting mitigation strategies helps ensure accountability and proactive management.
- Collaboration between departments improves risk identification and response.
- This document supplements, but does not replace, detailed financial and operational planning.

