



**CONFERENCE 2017**

**Repositioning Risk Management**

17 - 18 AUGUST | Mac's Function Centre, Wellington

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Trustpower

# Engaging PMs in RM

Ian Rich

For RiskNZ 4<sup>th</sup> April 2017



# Why PMs need to Manage Risk?

## Compliance.



One of the many tools  
of your profession.



According to the  
**Project Management**  
Institute's PMBOK, **Risk**  
**management** is one of  
the ten knowledge  
areas in which a  
**project manager** must  
be competent.





Trying to stop bad things from happening.



# Risk Management helps Projects to deliver:

On Time



To budget



To specification



**Focus project managers  
attention on the things that  
matter!!**

**Risk Practitioners are facilitators  
of that focus.**



**‘Stuff’ Risk  
Practitioners could do  
to facilitate RM  
focus.**



# Culture



# Culture?

*“the values, beliefs, knowledge, attitudes and understanding about risk shared by a group of people with a common purpose”.*

*\* <https://www.theirm.org/knowledge-and-resources/thought-leadership/risk-culture.aspx>*



# Organizational culture eats strategy for breakfast, lunch and dinner



Culture



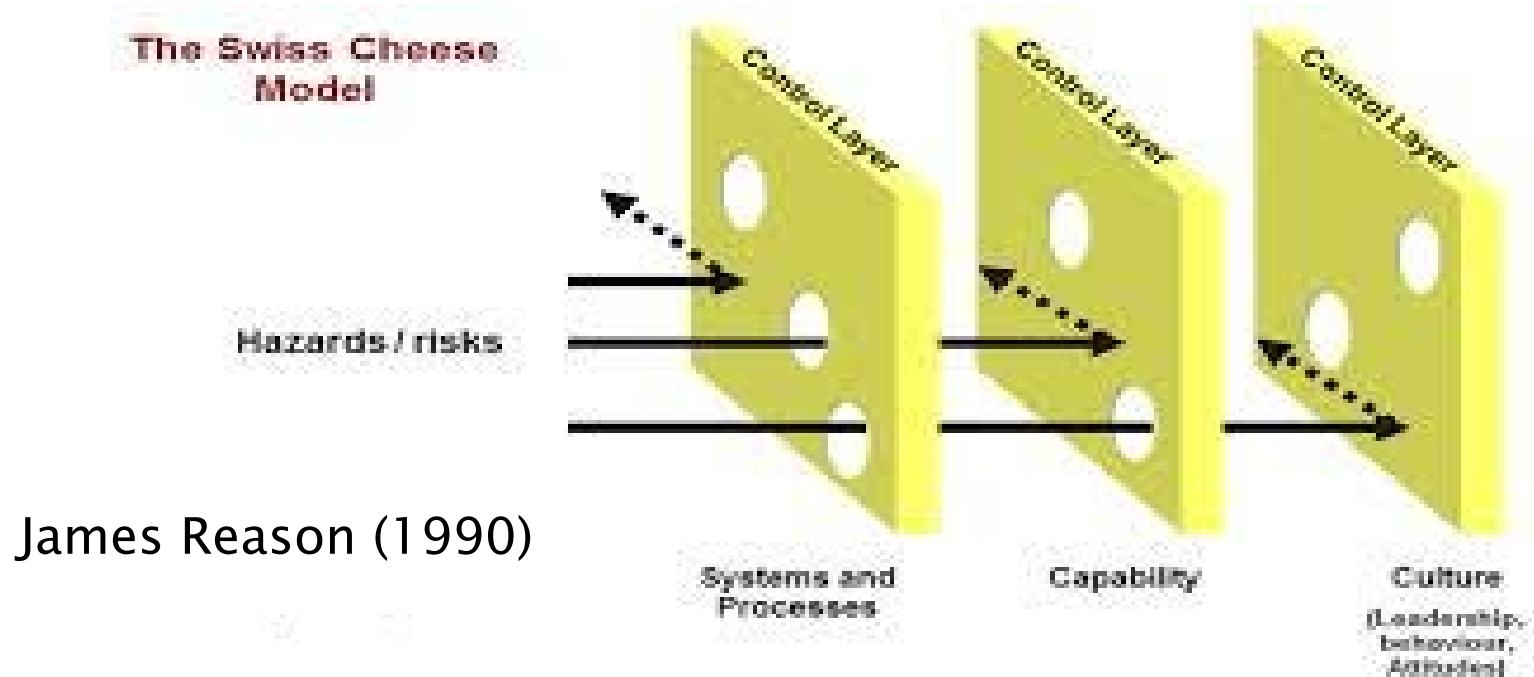
Strategy



# Why is risk culture important?

Processes can be seen as ineffective/cumbersome.

Processes may be slow to change/adapt/create/implement.





*“a healthy risk culture can help support all sorts of management activities. Getting risk culture right is therefore a vital consideration for anyone seeking to integrate risk management within their organisation”* Dr Alasdair Marshall MA, PhD (2016)

<http://www.alarm-uk.org/news/new-risk-culture-proposal>



# Induction





# Risk & Risk Management Induction

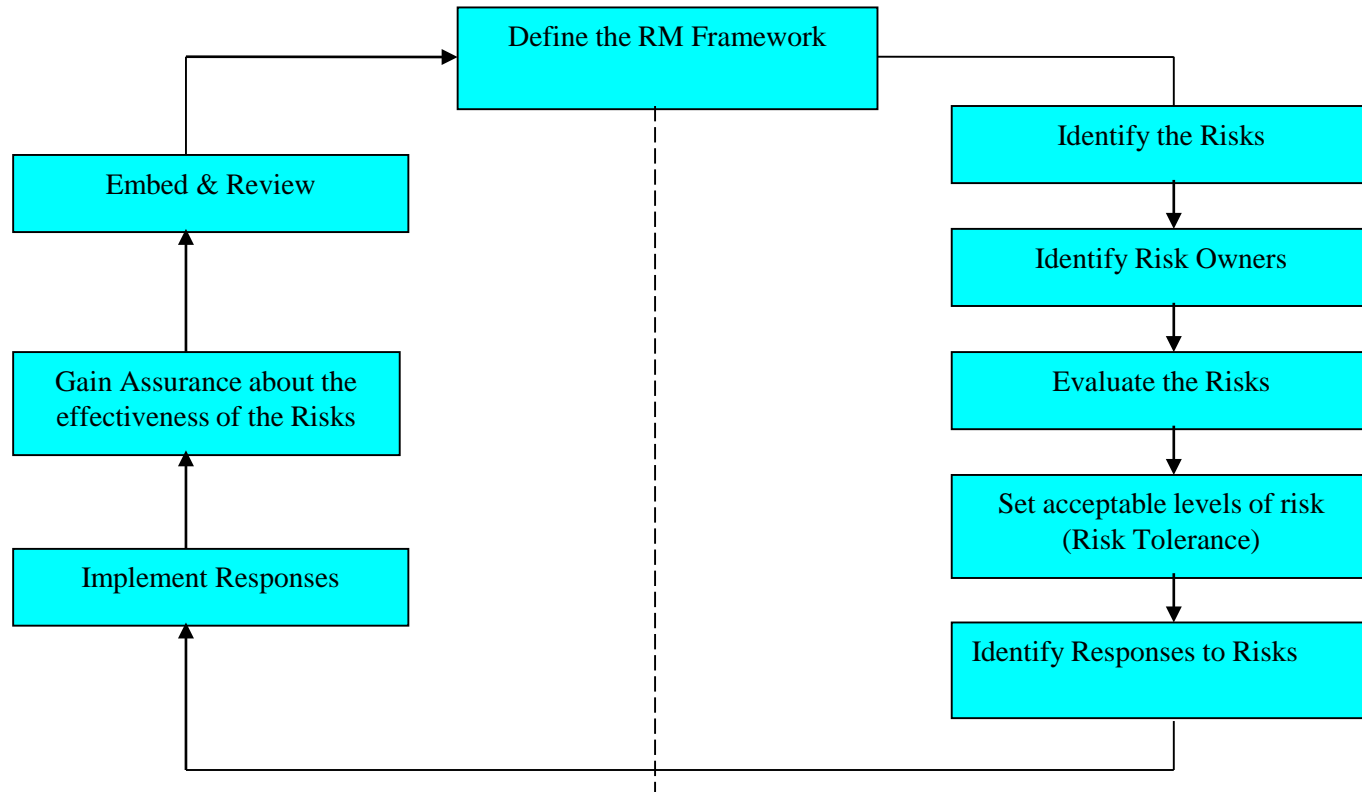
Area 2 Risk Management Team



# How is Risk Management done?



# The Area2 Risk Management Process (in accordance with the *'Office of Government Commerce, Management of Risk: Guidance for Practitioners'*



# Who does the Risk Management?

# Who does the Risk Management?

# Everyone!





# Section 1 – Risk Management Overview



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# Section 1 – Risk Management Q&A

Click on the box next to your answer.

1. Managing risk effectively helps organisations:

- Stay out of court ☐
- Perform well in an environment full of uncertainty ☒
- Pay its staff less ☐



2. Our Organisation is aligned to which Risk Management standard:

- AS/NZS ISO 31010 ☐
- IEC 73 ☒
- AS/NZS ISO 31000 ☐



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## Section 2 – Risk Management Basics



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## Section 2 – Risk Management Q&A

Click on the box next to your answer.

1. **ISO 31000 Defines Risk as:**

- 'minimising uncertainty'
- 'effect of uncertainty on objectives'
- 'effect on risk objectives'



2. **Risks are categorised as either:**

- Safety hazards or benefits
- Risks or Opportunities
- Threats or Opportunities



3. **The Risk Management process can be defined as:**

- Establish the Context, Risk Identification, Risk Alignment, Risk Evaluation, Risk Transferring, Monitor and Review, Communication and Consultation
- Establish the Context, Risk Identification, Risk Analysis, Risk Evaluation, Risk Treatment, Monitor and Review, Communication and Consultation
- Establish the Project, Risk Identification, Risk Analysis, Risk valuation, Risk Treatment, Monitor and Review, Communication and Consultation



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## Section 3 – Risk Management and You



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## Section 3 – Risk Management Q&A

### 3. My Role with regard to Risk Management is to:

- Be proactive, to understand processes and practises and to take on risk and treatment activities where appropriate
- Nil, Risk Management activities are the responsibility of my Manager
- Transfer all risk management responsibility to suppliers, minimising exposure to the MoE at all times



### 4. The EIS Risk Management Framework reflects that:

- Risk Management works independently at each level allowing managers to focus on what's important to them
- Risks only need to be managed at the Business Unit level
- Reporting and review is done at each level of management, escalation enables senior management review and input



### 5. Good Risk Management means:

- Compliance to ISO AS/NZS 31000:2009, Risk Management - Principles and guidelines
- Integrating risk management into business as usual and using it as an aid to decision making
- Highly developed organisational safety practises, personal protective equipment (PPE) for all staff, compulsory site safety briefings



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# Approach



Which Approach?

Qualitative?  
Semi-Quantitative?  
Quantitative?



## Simple Risk Matrix

	Consequences		
Likelihood	Minor	Moderate	Major
Likely			
Possible			
Unlikely			

## Risk Treatment Key

Intolerable Risk Level. Immediate action required
Tolerable Risk Level. Risks must be reduced so far as is practicable.
Broadly Acceptable Risk Level. Monitor and further reduce where practicable.



		PROBABILITY				
		Very low	Low	Medium	High	Very High
CONSEQUENCES	VH	M	H	VH	VH	VH
	H	L	M	H	VH	VH
	M	L	M	M	H	VH
	L	L	L	M	M	H
	VL	L	L	L	M	M

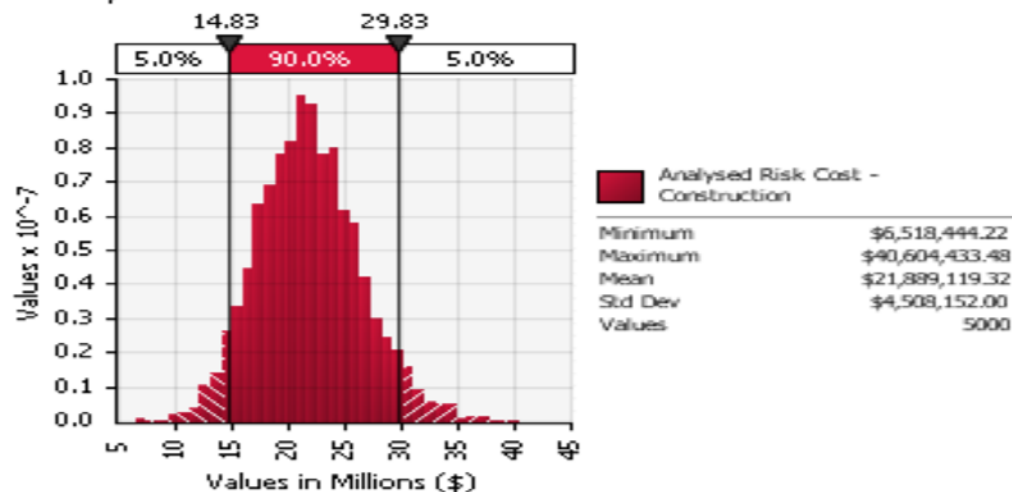
		PROBABILITY					
		Factors	0.1	0.5	1	3	6
CONSEQUENCES	50	5	25	50	150	300	
	25	2.5	12.5	25	75	150	
	15	1.5	7.5	15	45	90	
	5	0.5	2.5	5	15	30	
	1	0.1	0.5	1	3	6	

Actual risk rating = P x C

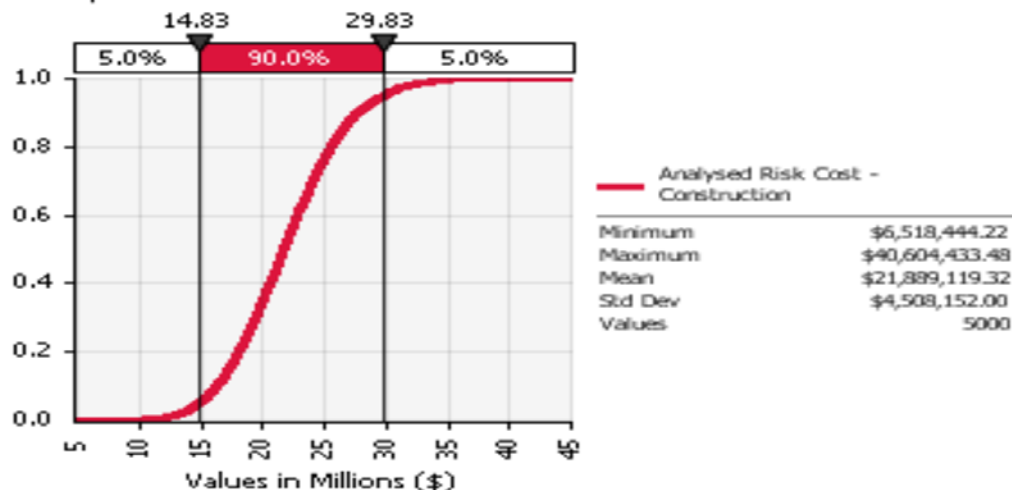
Risk level	Low	Moderate	High	Very High
Score range	0.1 - 2.5	3 - 15	25 - 45	50 - 300



## Analysed Risk Cost - Construction



## Analysed Risk Cost - Construction



## Simulation Summary Information

<b>Workbook Name</b>	MasterRiskEstimate 17 O
<b>Number of Simulations</b>	1
<b>Number of Iterations</b>	5000
<b>Number of Inputs</b>	285
<b>Number of Outputs</b>	1
<b>Sampling Type</b>	Monte Carlo
<b>Simulation Start Time</b>	11/16/11 14:18:04
<b>Simulation Duration</b>	00:01:13
<b>Random # Generator</b>	Mersenne Twister
<b>Random Seed</b>	1

## Summary Statistics for Analysed Risk Cost - Const

Statistics		Percentile	
<b>Minimum</b>	\$6,518,444	<b>5%</b>	\$14,830,389
<b>Maximum</b>	\$40,604,433	<b>10%</b>	\$16,249,701
<b>Mean</b>	\$21,889,119	<b>15%</b>	\$17,244,329
<b>Std Dev</b>	\$4,508,152	<b>20%</b>	\$18,016,839
<b>Variance</b>	2.03234E+13	<b>25%</b>	\$18,762,961
<b>Skewness</b>	0.264783216	<b>30%</b>	\$19,410,097
<b>Kurtosis</b>	3.142451727	<b>35%</b>	\$20,032,253
<b>Median</b>	\$21,699,523	<b>40%</b>	\$20,608,572
<b>Mode</b>	\$22,513,850	<b>45%</b>	\$21,200,667
<b>Left X</b>	\$14,830,389	<b>50%</b>	\$21,699,523
<b>Left P</b>	5%	<b>55%</b>	\$22,222,986
<b>Right X</b>	\$29,826,361	<b>60%</b>	\$22,788,383
<b>Right P</b>	95%	<b>65%</b>	\$23,459,967
<b>Diff X</b>	\$14,995,972	<b>70%</b>	\$24,064,144
<b>Diff P</b>	90%	<b>75%</b>	\$24,743,230
<b>#Errors</b>	0	<b>80%</b>	\$25,568,651
<b>Filter Min</b>	Off	<b>85%</b>	\$26,449,680
<b>Filter Max</b>	Off	<b>90%</b>	\$27,738,561
<b>#Filtered</b>	0	<b>95%</b>	\$29,826,361



	Estimated Project Cost		
Estimate	≥ \$400K - \$5M	> \$5M - \$20M	> \$20M
FE	General	General	General
OE	General	General	General
SE	General	General	General or Advanced
PE	General	General or Advanced	Advanced
DE	General or Advanced	Advanced	Advanced
CE	General or Advanced	Advanced	Advanced





# Which Approach?

- ▶ What is the risk maturity of your organisation?
- ▶ Apply the approach that fits your organisation now – and look to the future.



Knowledge

# EIS Risk Management – PM Consultants within Capital Works

Author: Ian Rich (EIS Principal Advisor Risk Management)



# Fundamentals of Risk Management

3rd Edition

Understanding, evaluating  
and implementing effective  
risk management

Paul Hopkin

## Project Risk Analysis and Management Guide

## IDENTIFYING AND MANAGING PROJECT RISK

THIRD EDITION

Essential Tools for Failure-Proofing Your Project



M.o.R



OGC  
Office of Government Commerce

For Successful Management of Risk:  
Think M\_o\_R

## The Rules of Project Risk Management

Implementation Guidelines  
for Major Projects

ROBERT J. CHAPMAN



ICM

"Recommended reading for the Institute of Risk Management,  
the Global Institute for Risk Management Standards and the  
Institute of Commercial Management"

A structured approach to  
Enterprise Risk Management (ERM)  
and the requirements of ISO 31000



airmic

alarm

irm

## Project Management

A Practical Implementation Approach

Michael M. Bissone

# Risk Culture

## Risk What?

A Presentation about risk culture for  
non-risk practitioners.

(Please feel free to use this presentation or any of it's content)

Author: Ian Rich



# *HNO Risk Management & HNO Graduates?*

Ian Rich  
HNO Risk Advisor



# Risk Management in EIS Project Delivery

## Guidance for Project Delivery Teams

Author: Ian Rich (Principal Advisor – Risk Management)





# **NZTA HNO RM SIG 22<sup>nd</sup> July 2015**





# **Risk Management in HNO Contracts**

**Ian Rich**  
(HNO Risk Advisor)  
Ext 6287



**McCONNELL DOWELL**

# **PROJECT RISK MANAGEMENT**

22 JULY 2015

PRESENTED TO: NZTA S.I.G  
BY NICKY SWEETMAN

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# ARM AND RISK INTRODUCTION

19 May 2014

By Shaun Rothery, EDSR



**M2PP Alliance**

 **TRANSPORT  
AGENCY**

achieve.

# RiSK Management



Risk, Cost and Time – the (apparent) trilateral outcome of project risk management  
Neil Beattie – Senior Risk Management Consultant

achieve outstanding client success



# OTJ Guidance









## Political

- ▶ Changes in government policy
- ▶ Public Opinion – PR Issues
- ▶ Actions by 3rd Parties

## Legal & Regulatory

- ▶ Changes in Legislation
- ▶ Changes in Standards
- ▶ Scope of Legislation & Standards due to 3rd Party involvement (e.g. Council)

## Commercial Risks

- ▶ Failure to gain budget
- ▶ Underperformance to Specification
- ▶ Sub-Contractor underperformance – Quality, Quantity, Timescales
- ▶ Sub-Contractors out of business
- ▶ Theft (on site)

## XXXXXXX Risks

- ▶ YYYYYYY
- ▶ ZZZZZZ



## ***STRATEGIC ANALYSIS***

- IDENTIFY (high-level) risk information
  - INCORPORATE data within PRF
- **PROVIDE RISK INFORMATION TO PLAN STAGE**

## ***PLAN***

- REVIEW existing risk information
  - REVIEW School Risk/Hazard data
  - IDENTIFY H&S hazards specific to project site – e.g. asbestos, contaminated ground.
  - INCORPORATE data in BC
- **PROVIDE RISK INFORMATION TO DESIGN BUILD STAGE**

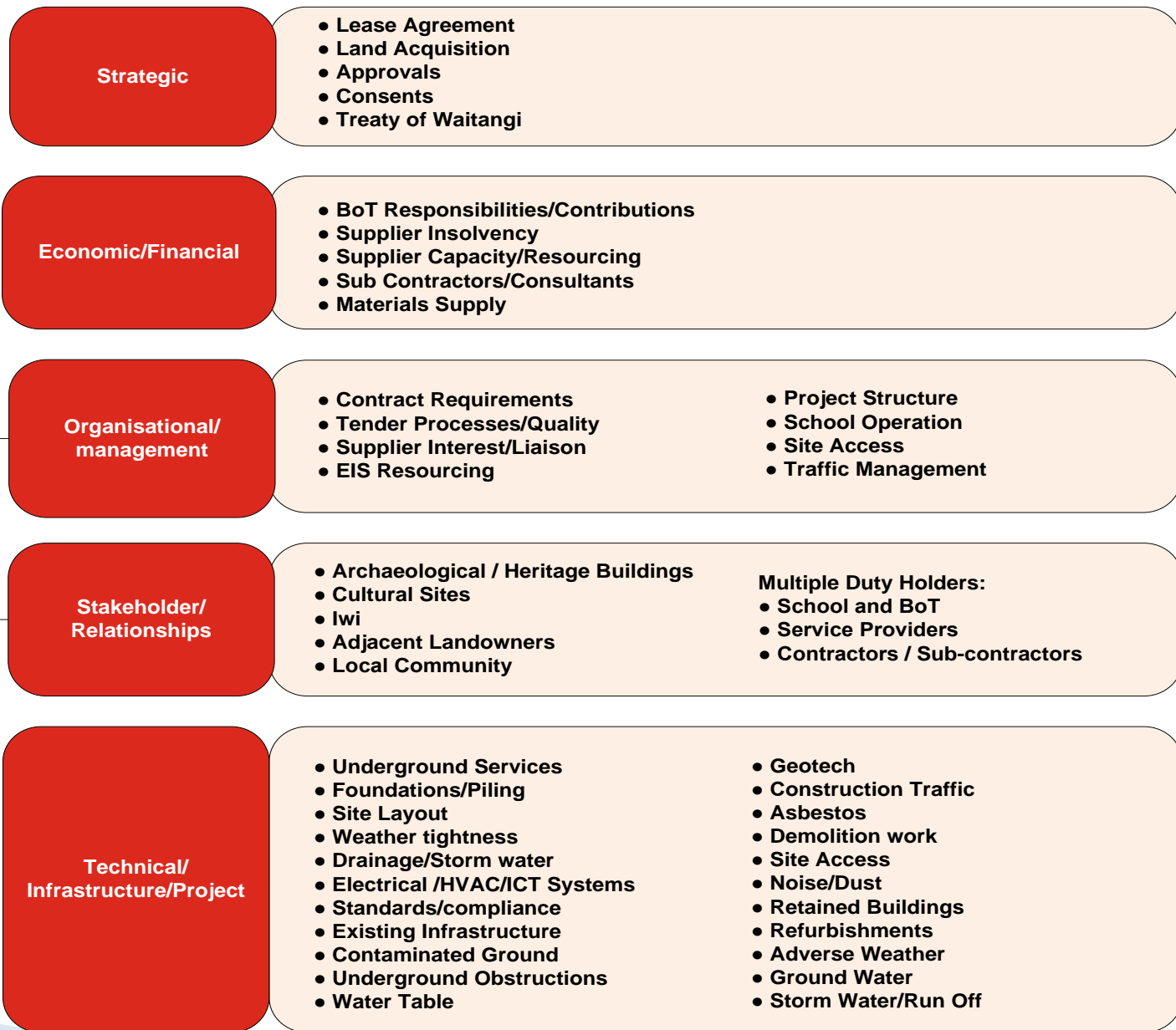
## ***DESIGN BUILD***

- REVIEW existing risk information
  - CREATE & MAINTAIN Risk Management Plan
  - CREATE & MAINTAIN Risk & Issues register
  - INCLUDE risk requirements / information in procurement exercise
  - WORKSHOP with Delivery Team/Stakeholders.
  - REVIEW AND REPORT on regular/monthly basis
- **PROVIDE RISK INFORMATION TO PROJECT CLOSE**

## ***PROJECT CLOSE***

- CAPTURE Lessons Learnt and residual risk data to inform future activity
- **PROVIDE RESIDUAL RISK INFORMATION TO SCHOOL**





# Risk Workshops

- ▶ Short
- ▶ Controlled
- ▶ Facilitated
- ▶ Focused



# Risk Workshops

Risk ID	Risk Rating / Opportunity	Description	Cause	Consequence	Risk Owner	Risk Status	Controls	Controls Effectiveness	Current Risk Exposure			Treatment Type	Treatment Rationale	Treatment Rationale Dates		Resources Required	Treatment Cost (Est)	Residual (Target) Risk Exposure			Update/Comment
									Likelihood	Consequence	Risk Score			Start by	Finish by			Likelihood	Consequence	Risk Score	
1	Strategic	<b>Sale and lease-back school sites included in older Terrell settlements because of the surplus and low</b>	A school site that has been included as sale and lease-back evidence in an older Terrell settlement shows and the last because surplus early in the	Although leases contain a termination clause, there can be an expiration from suit that the lease will be in place for a number of years. If a lease is			In the case of potentially surplus sale and lease-back school sites included in older settlements, we will actively engage with affected suit as						As the school is approved as a school site with the school board's approval								15/12/15. PM: Risk is being well managed with this existing controls. We have taken steps to avoid this in future and the 'fall-back' wording is now standard.

Description	Cause	Consequence	Risk Owner
<b>Sale and lease-back school sites included in older</b>	A school site that has been included as sale and lease-back	Although leases contain a termination clause, there can be an	



# One-on-One

- ▶ Focused project review with PM
- ▶ Start gentle/generous
- ▶ Focus on process application
- ▶ Praise improvement – be grateful if they turn up!
- ▶ Keep the conversation about being pragmatic
- ▶ Emphasis your role as an aid to their work
- ▶ Don't report (formally), its about building relationships not auditing.





# Risk Surgery

Date: \_\_\_\_\_

Time: \_\_\_\_\_

Place: \_\_\_\_\_





Title	RIO Description (Including Description, Cause & Impact)	Risk Owner	Status	Scheme or Business Area (PRC Hierarchy Name)	Mitigation Strategy	Commentary & Closure Statement
Design change - increased cost	Description - There is a risk that additional design effort is required from the point of Target Costing. Cause - The causes of the risk are:- 1. The design being incomplete prior to submitting TC. 2. The requirement to undertake as yet unknown design activities due to Construction changes Impact - The impact of the risk is additional costs for the conduct of design work to bring design to state of completion.	Nick Barry	IMPACTED RISK	84_(M4) Access Bridge & Piers - Spittleborough	Treat: Minimise impact of design change	04/06/09- NB- Add bracing design completed. 26/03/09- MS- Various design issues have caused delays to programme (Pile design, Deck design, WB & EB culverts) HA have agreed to beam profile and scheme being delivered this financial year
Weather	Description - There is a risk that the scheme cannot be completed in accordance with the programme. Cause - The cause of the risk is adverse weather above that which can reasonably be expected at the time of year. Impact - The impact of the risk may be the inability to carry out certain activities on site (particularly waterproofing activities) thereby causing out of sequence working and/or delay to the programme.	Geoff Colenso	IMPACTED RISK	22_(M5) Avonmouth Bridge South Bound	Tolerate: look at weather patterns and historic data from the bridge weather station	29/04/09 MG. Cancellation charges at beginning of Scheme - £2800 (Barrier Services), Chevron £1711.50 + £7942.25, Rentajet £1250, Elliott hire £750. Stirling Lloyd weather delays managed within Target Cost allowance 10/02/09. MG. Spend on Raised Rib Line in lieu of studs £4,027.38 (Chevron), Thermoplastic marking in lieu of studs £5,720.79 (Chevron), additional time for drying £3,574.40 (Stirling Lloyd). 18/4/08. ICR. see separate analysis data sheet for results.
Damaging Surfacing	Description - There is a risk that IR damage the resurfacing to the viaduct and Waterhouse Lane. Cause - The cause of the risk is tracking the piling rig over the viaduct and site traffic using Waterhouse to the field behind the works (through Waterhouse Lane. Impact - May result in resurfacing or patching the viaduct and Waterhouse Lane	Dermott Gillen	IMPACTED RISK	0439_(A36) Limpley Stoke Geotech Risk Register	Treat: Due to heavy weight MD - 11-02-09 The resurfacing works on the viaduct of the machines (50 tonne) were identified within and funded through Risk Allocation. Final cost for resurfacing of the viaduct was used for piling operations, there was no way to provide effective protection to the viaduct.	£21,233.64, a breakdown is detailed below. Planning £23,069.58 Surfacing £11,832.78 White Lining/HFS £1,949.87 Loop Cutting £2,900.00 Hanson Fee @ 7.5% £1,481.41
Aborted weekend works	Description - There is a risk of aborted weekend works. Cause - The cause of the risk is:- 1. RTA 2. Adverse winds 3.Delayed fabrications 4.Plant breakdown. Impact - The impact of the risk is delays to scheme with associated additional cost.	Nick Barry	IMPACTED RISK	84_(M4) Access Bridge & Piers - Spittleborough	Tolerate:	04/06/09- NB- Bridge installation due 13/06/09 06/05/09- NB- Further weekend closures due. 030209. ICR. Risk impacted, advised 020209, awaiting final impact costs 12/03/2008 JV - Additional weekend full closure roadspace has been requested in the TTRO



# PoWs

- ▶ Pearls of Wisdom

“an aid to improving our culture, and deepening our collective understanding and appreciation of Risk Management and its role in how we deliver”



# Reporting

# Project Risk Management Reporting Requirements

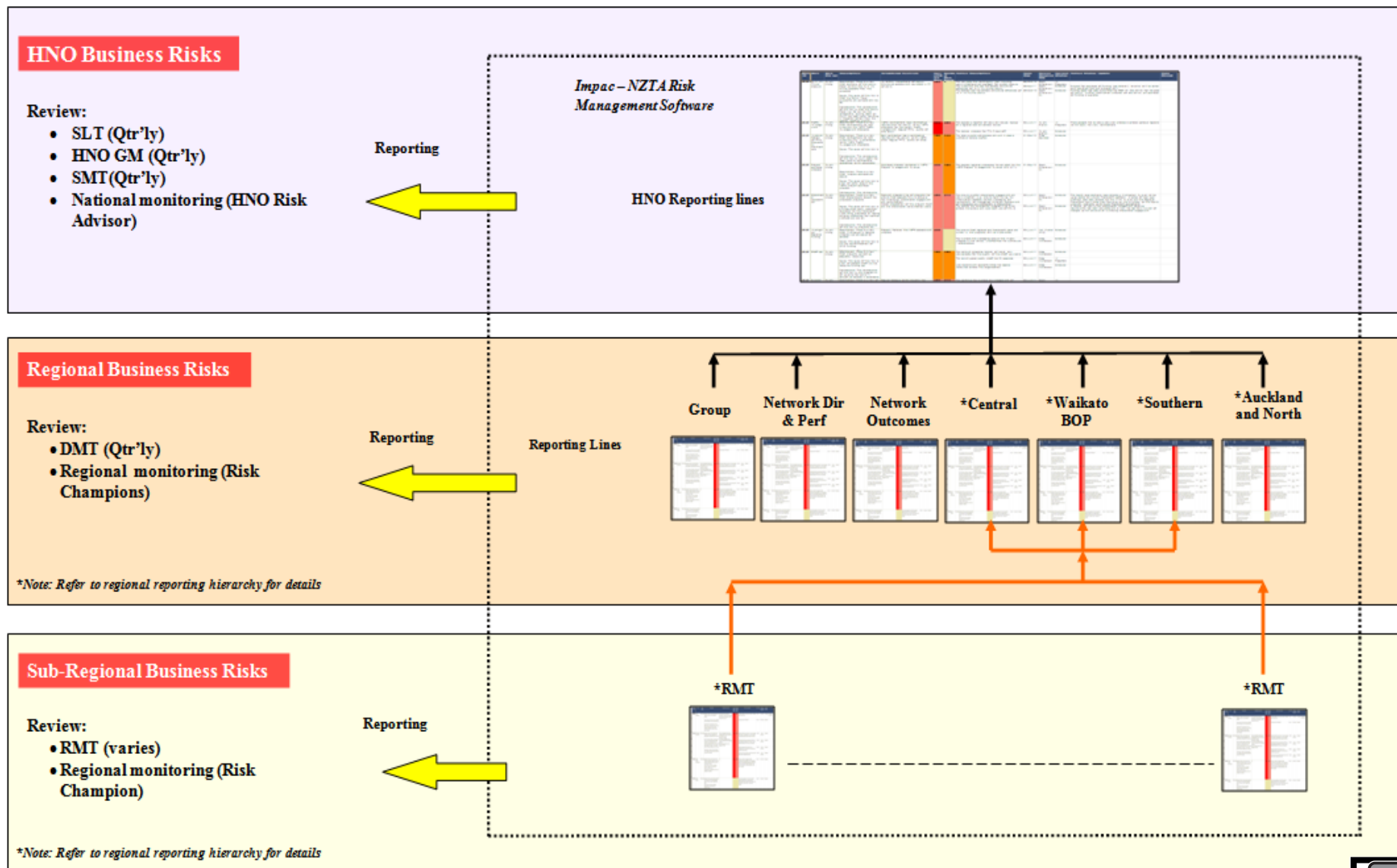


Risk Management - aid decision making.

Needs good reporting, providing information that assists Delivery Team to make decisions on how the project is to be executed.



## Risk Management Reporting & Review Hierarchy



# Headline Data

Print date Report:	26-Jul-19
This Report:	26-Jul-19
Previous Report:	18-Jan-19

Top Risks ≥ 300 (Top five shown)

Title	Current Exposure	Risk Owner	Reporting Line
Regional Risk - Hawke Tunnel/Wairarapa Roadfall	300	Lee Duncan	Deardria
Regional Risk - Hingha Bluffs	300	Colin MacKay	Christiansburg
Regional Risk - Lilliesleaf Tunnel	300	Peter Connors	Christiansburg
Regional Risk - Hingha Bluffs	300	Roger Bailey	Deardria
National Risk - Unplanned Erosion	300	Kathryn Macgregor	Auckland & Northland
Totals:			5

New Risks (Top five shown)

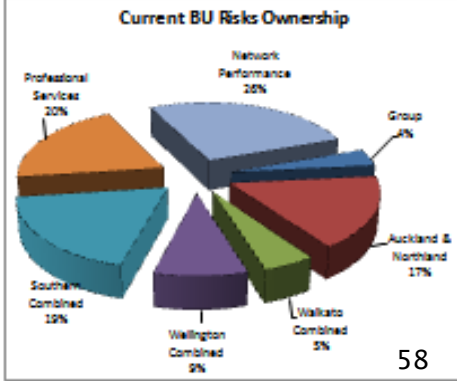
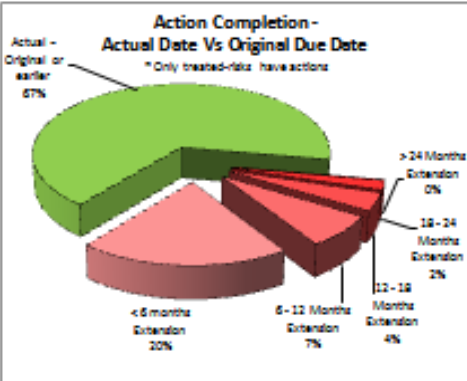
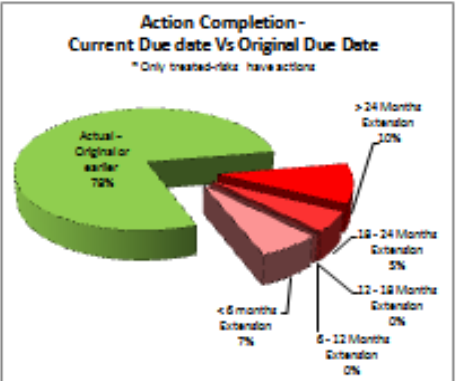
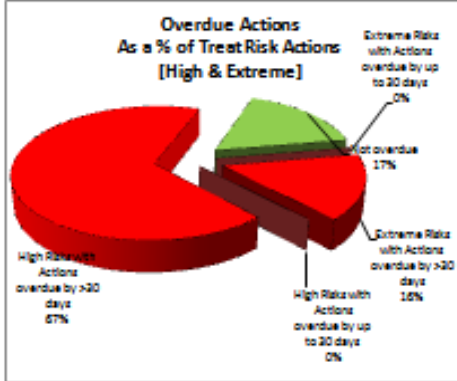
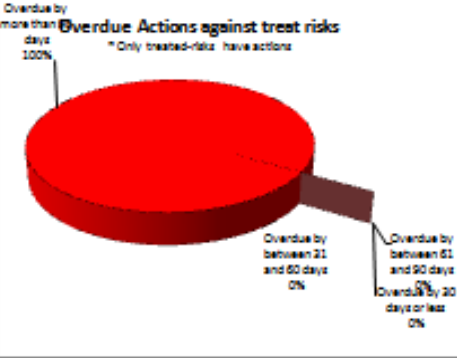
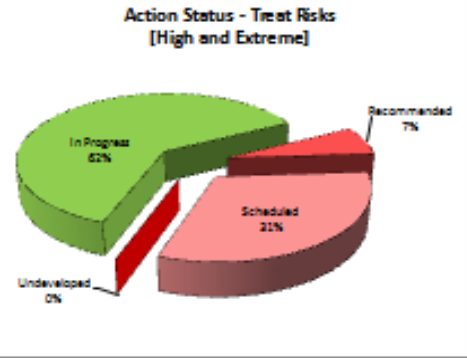
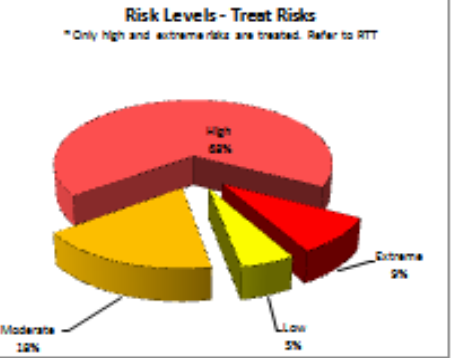
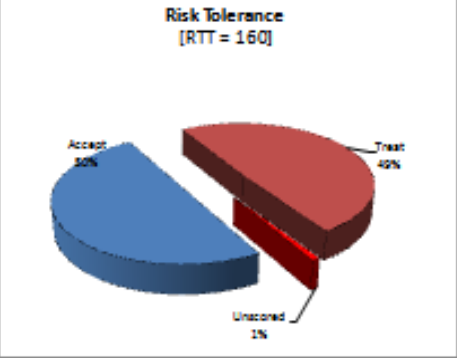
Title	Current Exposure	Risk Owner	Reporting Line
Road Network Safety (SLT)	300	Colin Crumple	MHO SLT
Large Project Closures - Waterways (SLT)	300	Colin Crumple	MHO SLT
Health and Safety (SLT)	200	Colin Crumple	MHO SLT
MHO Review (SLT)	240	Colin Crumple	MHO SLT
CL Palmerston North SH4 Overtaking	200	David Macgregor	Palmerston North
Totals:			15

De-Risked Risks

Title	Current Exposure	Risk Owner	Reporting Line
National Risk - Roadway Projects Delivery	100	Derek Maguire	Network Performance
Regional Risk - RSH public engagement fatigue	100	Rob Jones	Wellington
Totals:			2

Accepted Risks over RTT (160)

Title	Current Exposure	Risk Owner	Reporting Line
Regional Risk - Property acquisition delays on the Cambridge Station	240	Raj Rajagopal	Hamilton
National Risk - Flood and Severe	200	Derek Wright	Professional Services
Regional Risk - Palmerston North Eastern Relief Project - build	200	Christina	Taranaki
Totals:			5



# Data Tables

## Summary

	This Report:	Previous Report	Change
Total Risks	115	98	▲
Total Actions	291	271	▲
Total Overdue Actions	89	53	▲

## Action Completion - Actual Date Vs Original Due Date [Treat Risks]

	This Report:	Previous Report	Threshold	Threshold Achieved?	Change
> 24 Months Extension	0%	0%	< 2%	Yes	►
18 - 24 Months Extension	2%	3%	< 5%	Yes	▼
12 - 18 Months Extension	4%	4%	< 10%	Yes	►
6 - 12 Months Extension	8%	9%	< 15%	Yes	▼
< 6 months Extension	21%	21%	< 20%	No	►
Actual = Original or earlier	67%	65%	> 60%	Yes	▲

## Overdue Actions against treat risks

	This Report:	Previous Report	Threshold	Threshold Achieved?	Change
Overdue by more than 90 days	100%	100%	< 2%	No	►
Overdue by between 61 and 90 days	0%	0%	< 5%	Yes	►
Overdue by between 31 and 60 days	0%	0%	< 8%	Yes	►
Overdue by 30 days or less	0%	0%	< 10%	Yes	►
As a % of Live Actions	89%	0%	< 10%	No	▲

## Risk Tolerance

	This Report:	Previous Report	Threshold	Threshold Achieved?	Change
Accept	50%	59%	> 60%	No	▼
Treat	50%	42%	< 30%	No	▲
Unscored	1%	2%	< 2%	Yes	►

## Action Completion - Current Due date Vs Original Due Date [Treat Risks]

	This Report:	Previous Report	Threshold	Threshold Achieved?	Change
> 24 Months Extension	11%	8%	< 2%	No	▲
18 - 24 Months Extension	6%	6%	< 5%	No	►
12 - 18 Months Extension	0%	0%	< 10%	Yes	►
6 - 12 Months Extension	0%	0%	< 15%	Yes	►
< 6 months Extension	7%	3%	< 20%	Yes	▲
Actual = Original or earlier	79%	67%	> 60%	Yes	▲

## Overdue Actions as a % of Treat Risk Actions [High & Extreme Risks]

	This Report:	Previous Report	Threshold	Threshold Achieved?	Change
Extreme Risks with Actions overdue by >30 days	16%	20%	< 1%	No	▼
Extreme Risks with Actions overdue by up to 30 days	0%	0%	< 2%	Yes	►
High Risks with Actions overdue by >30 days	68%	84%	< 4%	No	▼
High Risks with Actions overdue by up to 30 days	0%	0%	< 8%	Yes	►

## Action Status - Treat Risks

	This Report:	Previous Report	Threshold	Threshold Achieved?	Change
Undeveloped Actions	0%	0%	< 5%	Yes	►
Recommended	7%	8%	< 10%	Yes	▼
Scheduled	32%	30%	< 15%	No	▲
In Progress	62%	63%	> 85%	No	▼

## Action Status - Accept Risks [as a % of all Actions]

	This Report:	Previous Report	Threshold	Threshold Achieved?	Change
All Statuses	3%	4%	= 0%	No	►

## Regions

	Risks Ownership			Overdue Actions		
	This Report:	Previous Report	Change	This Report:	Previous Report	Change
Group	4%	5%	▼	9%	14%	▼
Auckland & Northland	17%	17%	►	5%	7%	▼
Waikato Combined	5%	5%	▼	7%	7%	►
Wellington Combined	9%	7%	▲	0%	0%	►
Southern Combined	19%	20%	▼	53%	48%	▲
Professional Services	20%	31%	▼	17%	20%	▼
Network Performance	27%	19%	▲	13%	7%	▲



# Project Risk Dashboard

Summary	
4	Open Threats
5	Open Opps
1	Open Issues
10	Total



Top Opportunities						
Description	Target Response	Owner	Yeastment Status	Status	Next In Date	Last In Date
Enhanced ability to meet responsibilities as PCDU	Extreme - Opp	Debra & Ngwen	To research to understand managers and employees of 2016 and understand variations	Proposed	*****	*****
Improved relationship with Transport Services Providers.	High Opp	Debra & Ngwen	To place an article in Bus and Coach association magazine, send letters to uncontacted providers, arrange meetings with key providers, hold workshops with all providers.	Action	*****	*****
Improved integration across EIS & M&E functions	High Opp	Debra & Ngwen	To initiate communications with other Ministry departments of relevance for change and what they can expect to see changed.	Proposed	*****	*****

Top Threats						
Description	Current Response	Owner	Yeastment Status	Status	Next In Date	Last In Date
Failure to deliver a level of service equivalent or better than that which was provided by Senior Agents from Day 4 (1/7/17).	Moderate	Carry Gwiffith	To implement earlier monitoring. To develop backup plans if required.	Action	*****	*****
That operational activities will not produce the required response in time for 1/7/17.	Moderate	Debra & Ngwen	1. To understand relevant parties to ensure payments and applications earlier to be processed. 2. Timing for change to be designed for minimum impact on service delivery.	Action	*****	*****
Loss of key personnel during transition to DRU period.	Moderate	Debra & Ngwen	1	1	*****	*****

Top Issues					
Description	Current Status	Owner	Yeastment Status	Current Status	Status
Reliance by Senior Agents to support collaborative transition plan.	L3	Debra & Ngwen	17/03/2017	1. Engage earlier to request transition workshop 2. To point out collaborative approach, and 3. Give indication of contractual obligations	Live

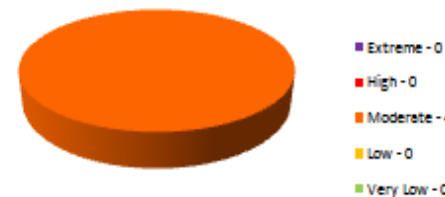
## Comment:



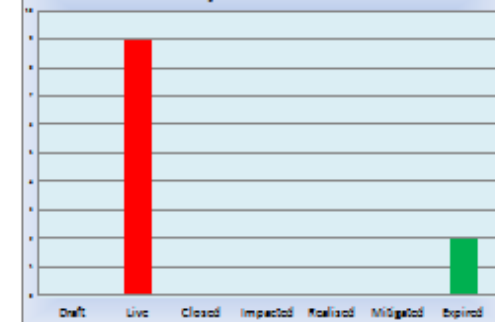
Project Opportunities



Project Threats



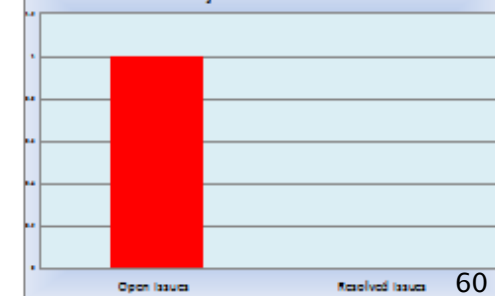
Project Risks - Status



Project Issues



Project Issues - Status



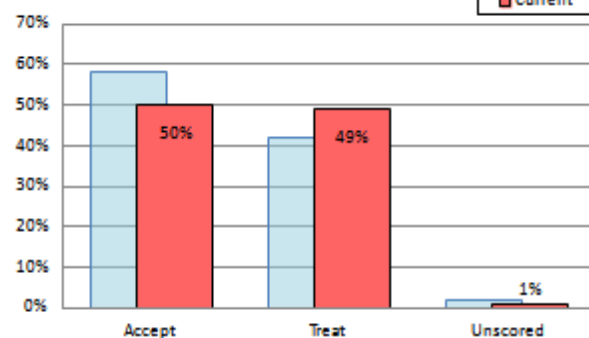
# Variance Report

Print date Report: 26/07/2013

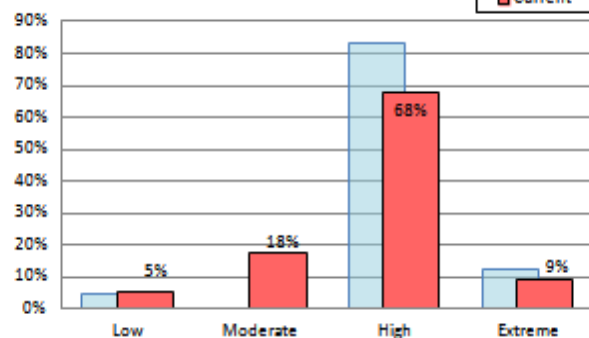
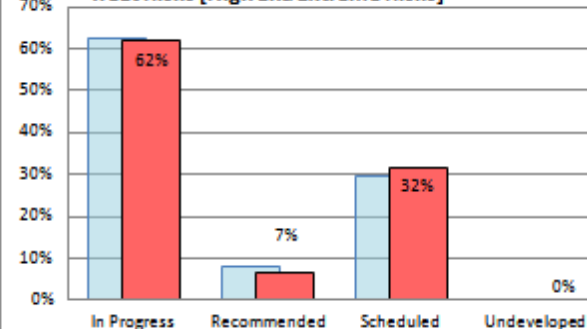
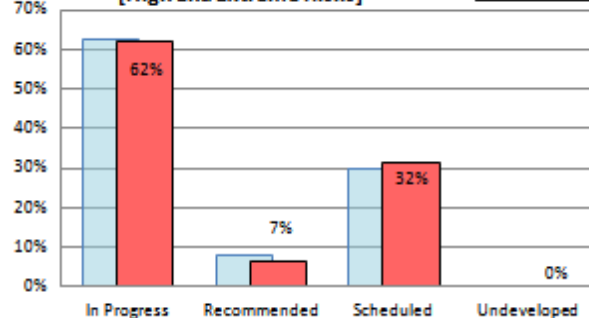
This Report Date: 26/07/2013

Previous Report Date: 10/06/2013

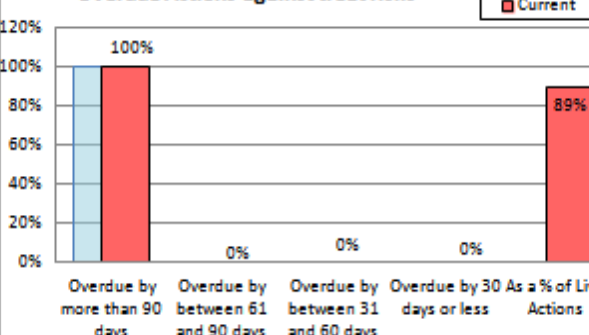
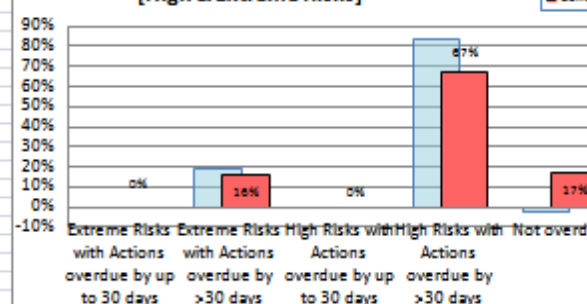
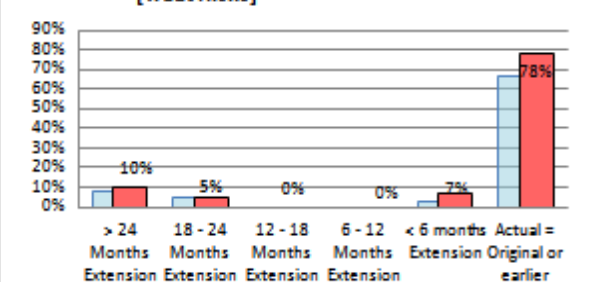
Risk Tolerance



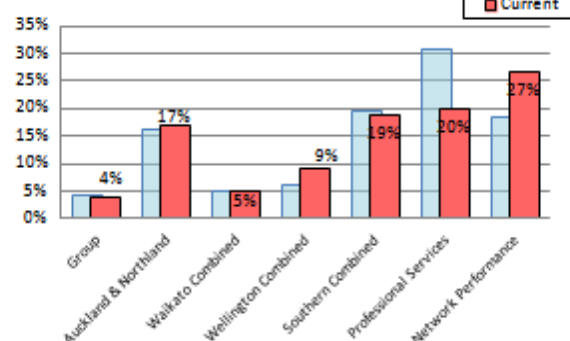
Risk Levels - Treat Risks

Action Status -  
Treat Risks [High and Extreme Risks]Action Status - Treat Risks  
[High and Extreme Risks]

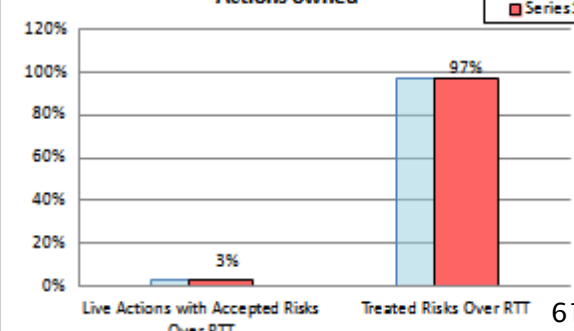
Overdue Actions against treat risks

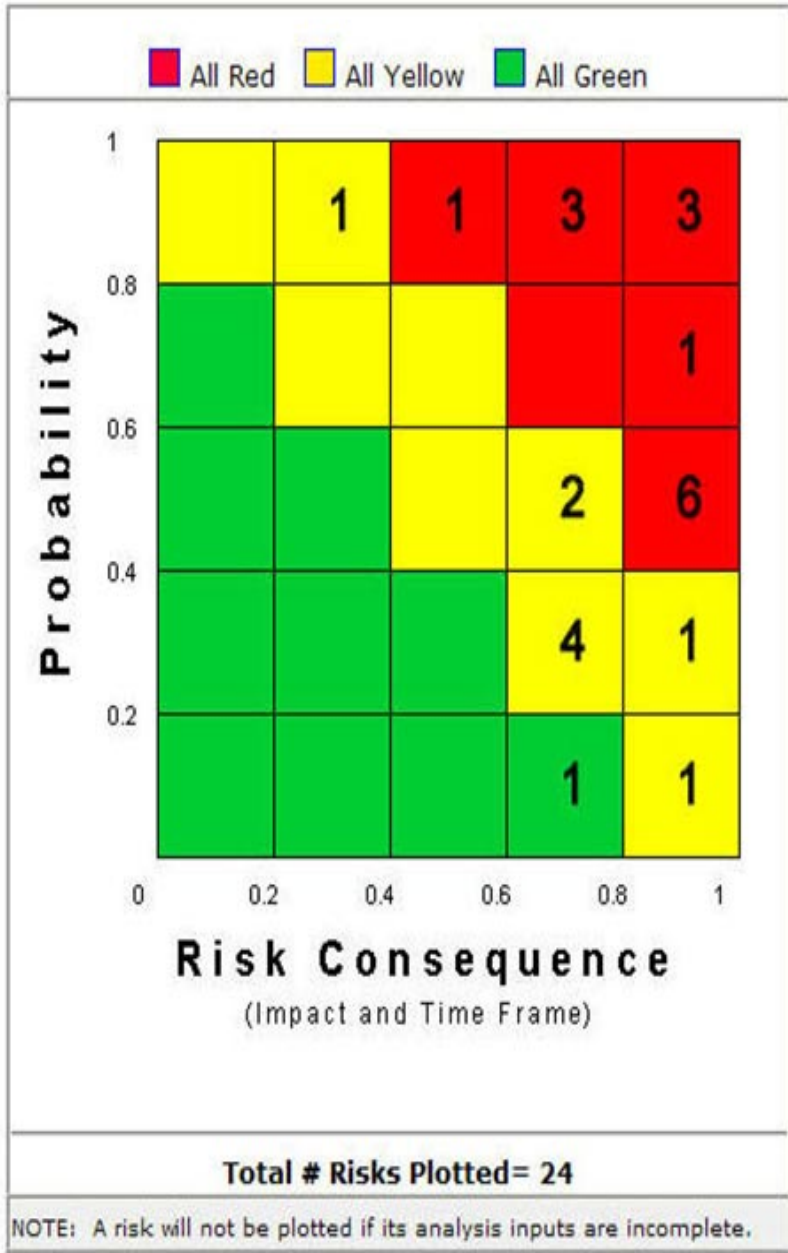
Overdue Actions as a % of Treat Risk Actions  
[High & Extreme Risks]Action Completion -  
Actual Due date Vs Original Due Date  
[Treat Risks]

Actions owned



Actions owned





All 5x5 Cells:  Red

Risk ID	Risk Name	Consequence	Probability	Mitigation
INF.003	<a href="#">Platform System Integration</a>	0.91	1.00	Yellow
MGT.001	<a href="#">Organizational Interfaces</a>	0.89	0.90	White
OPS.003	<a href="#">Ground Sampling Collection and Analysis</a>	0.84	1.00	Green
SE.016	<a href="#">Technology Readiness for Science Payload CIs</a>	0.87	0.70	Red
SE.015	<a href="#">Cannot handle real-time transmission rate</a>	0.91	0.60	Red
PROG.001	<a href="#">Stakeholder and Mission Partner Complexity</a>	0.73	0.90	Red
SE.017	<a href="#">Balloon weight</a>	0.89	0.50	White
OPS.006	<a href="#">Balloon inflation</a>	0.82	0.60	Yellow
MGT.002	<a href="#">WBS</a>	0.81	0.60	White
OPS.009	<a href="#">Accurately controlling vehicle altitude in the Venusian environment</a>	0.84	0.50	White
SE.005	<a href="#">Component single point of failure</a>	0.81	0.50	Green
APPS.001	<a href="#">SW Testing Environment</a>	0.67	1.00	Yellow

Figure 3. 5x5 Frequency Chart to Identify High Priority Risks

# Reporting to Suit the Audience

## Risk reporting

### Summary

We use this area to summarise activity since the last reporting period i.e. material things that have changed since last time. Whether there have been any specific events or whether there have been any underlying changes to impact in any of the themed risk areas.

### Group-wide overarching risk

Risk	Context	Controls	Inherent	Residual	Level of Control	Direction
<b>Business initiative, project risk</b> (35 underlying risks)	Project risk remains high but well managed through our project risk management activities. PMO reports a 95% level of confidence that our risk exposure falls beneath our risk appetite. Our business initiatives team are working on a set of initiative that will be reported on at the next R&AC.	IT systems audits	High	Medium	Effective	↔
<b>Workplace safety</b> (123 underlying risks)	Health and Safety continues to be a focus across the group. Much of the workplace safety risk exists within the operational subsidiaries such as Unit 1, Unit 2, Unit 3 etc. Controls are reported as being adequate and effective.	Subsidiary Health & Safety Systems Audit	Extreme	Medium	Improvable	↔
<b>Macro-economic</b> (22 underlying risks)	We continue to monitor the impact of international trade on our import/export portfolio. European trade is performing below targets but Asian trade.	Marketing Strategy Management Reporting	High	Low	Effective	↑
<b>Human Resource</b> (33 underlying risks)	All of our subsidiaries are reliant on their HR – i.e. having the right people in the right job at the right time. All subsidiaries continue to focus on HR. Generally speaking the risk is higher in Australia where job transiency is at it highest. Businesses in NZ report better retention figures.	Subsidiary HR Policies Brand management	High	Low	Effective	↓
<b>Revenue/Dividend</b> (45 underlying risks)	Our revenue targets continue to be met. Threats have been identified but continue to be managed within tolerant levels. Our diverse nature continues to provide the necessary balance to maintain targets. We are on target to meet shareholder dividend expectations.	Treasury Policy Management Reporting Audit	High	Low	Effective	↔

### Specific event based risk

Risk	Context	Controls	Inherent	Residual	Level of Control	Direction
<b>Trade union action</b> (Unit 1)	Our port operations continue to be threatened by strike action. We have developed contingency plans that will reduce the impact but our export activities could be reduced by 10%.	Relationship with Unions BCP	Extreme	High	Ineffective	↑
<b>Passenger volume</b> (Unit 2)	Passenger volumes – Failing to attract long haul flights.	Relationship with airlines Marketing strategy Management reporting	Extreme	High	Improvable	↑
<b>Gas Market Force Majeure event</b> (Unit 2)	95% of gas supply is derived from one supplier. The likelihood of a total supply failure is low but it could occur.	Gas market strategy Gas market contracts	Extreme	High	Effective	↔
<b>Billing system</b> (Unit 5)	Loss of support for billing system due to failure of supplier	Escrow BCP IT strategy	Extreme	High	Effective	↔



# External Providers

# PS Suppliers

Item	Description
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	<p>The Lump Sum includes all expenses relating to the preparation, regular updating and maintenance of the Activity Risk File in accordance with the Transport Agency's <i>Minimum Standard Z/44 - Risk Management</i>. Payment of [60%] of the Lump Sum will be prorated on a monthly basis over the term of the contract. The remainder will be paid on Client acceptance of the Final Contract Close Out Risk Report.</p>
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2.8	Risk Reviews
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	<p>The unit rate shall include all expenses relating to the preparation and attendance, during the Contract, of the Risk Reviews, including the Contract Close Out Risk Review. The Consultant should arrange for the reviews including venue, refreshments and presentation. Payment of the unit rate will be made following completion of the risk review.</p>
--	--



# PS Suppliers

defined in the PS Contract Specification, as follows:

## **Risk Management**

- 15.1 The Consultant will be provided with:
  - (a) The Client Risk Management Plan (RMP);
  - (b) A Client Project Risk & Issues Register that is to be utilised for the duration of the project.
- 15.2 The Consultant shall work with the Client to ensure risks and issues are identified, assessed, recorded and appropriately managed.
- 15.3 The Consultant shall be responsible for the application of risk management as defined in the EIS Risk Management process document [EIS Risk Management Process 2016](#) throughout the tenure of the contract to which this specification relates.
- 15.4 The Consultant shall ensure that the RMP and Risk & Issues Register are included in contract documents as agreed with the Client.





# PS Reporting Requirements

A *Consultant's Monthly Report* shall be submitted within the times specified in the Deliverables and Time Schedule section of this document. The Report will include:

1. A brief written report detailing the past month's progress, highlighting the key milestones, summarising the current status of the contract, and comparing it with the programme. Progress in regard to each critical path activity, including land purchase where applicable, must be discussed in some detail;
2. Financial progress information on all phases in tabular form. This should include all years, approved allocation, current invoice, expenditure to date, and forecast total;
3. Risk data as specified within section 7.1 of *Minimum Standard Z/44 - Risk Management*
4. A copy of the updated *Community Engagement Plan* where there has been significant amendments;



Nearly Done!

## Final Words.....

If you want to make RM work in Projects or in any aspect of an organisation I would suggest a multi faceted approach....

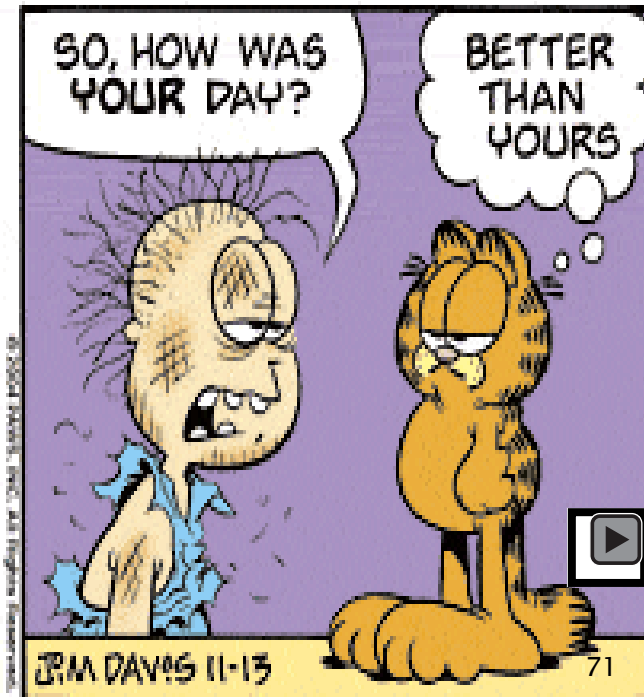
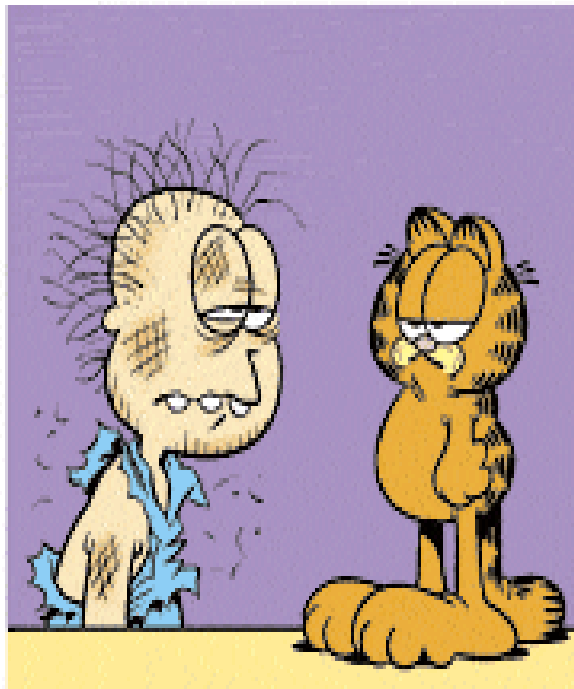
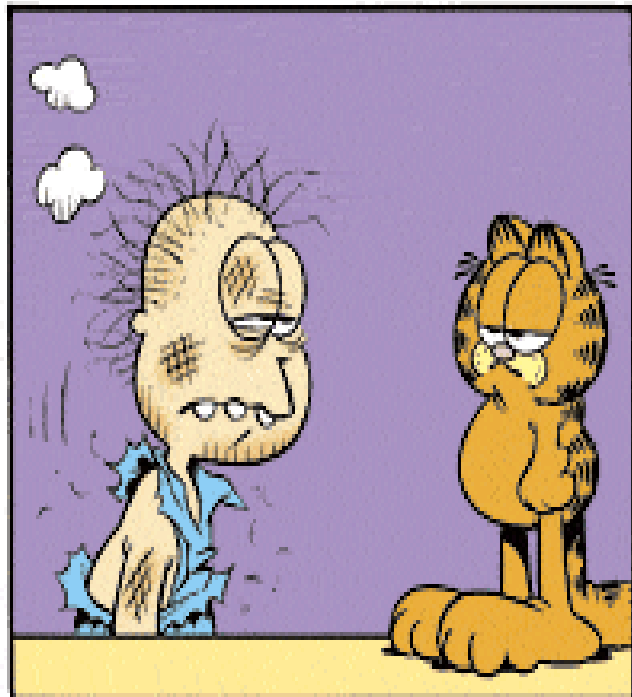
And...



**End every  
Presentation / Discussion / Training  
session / One-on-  
One / Workshop / Review / conversation  
with.....**



Never Hesitate to get in touch about anything RM –  
here to help - honest!!!



# What to know more?

**Contact:**

**Ian Rich**

**Somewhere in Wellington**

**Mob: 0274047081**



# THE END







**CONFERENCE 2017**

**Repositioning Risk Management**

17 - 18 August | Mac's Function Centre, Wellington

