BSBPMG517
MANAGE PROJECT RISK

PRACTICAL ASSESSMENT INSTRUCTIONS

- The following practical assessment will require the participant to complete work related activities.
- Observations will be conducted of the participant's work to determine whether they display sufficient practical skills and knowledge.
- Please fill in the details below, providing your name, signature and date of assessment.
  - Your signature acknowledges that the assessor provided clear instructions and the participant understood what was required to complete this assessment.
- The assessor may substitute a Practical Task with another task of equal value.
  - Alternate tasks must be fully documented by the assessor.

Participant name: Sarah Conley

Participant signature: Sarah Conley

Assessor name:

Assessor signature:

Date: Click here to enter a date.

Number of tasks	Number of tasks completed	Satisfactory?	
		Yes	No
1		☐	☐

ASSESSOR COMMENTS

BSBPMG517
MANAGE PROJECT RISK

Practical Task 1

Description of task:
A suitable observer is to verify the participant's ability to identify, analyse and refine project costs to produce a budget and use it and the principal mechanism to control project cost.

These tasks may be simulated or real. The participant is to gather evidence of how they have completed each component of the Practical Task, which is to be submitted with this Practical Assessment sheet. The observer is to provide detailed comments on the tasks completed by the participant. The assessor is to verify the observer's comments in the Assessor Comments section, and provide the Practical Assessment outcome on the front cover of this document.

Resources required:
Workplace risk management documentation (including risk register and risk management plan).

Assessment of task

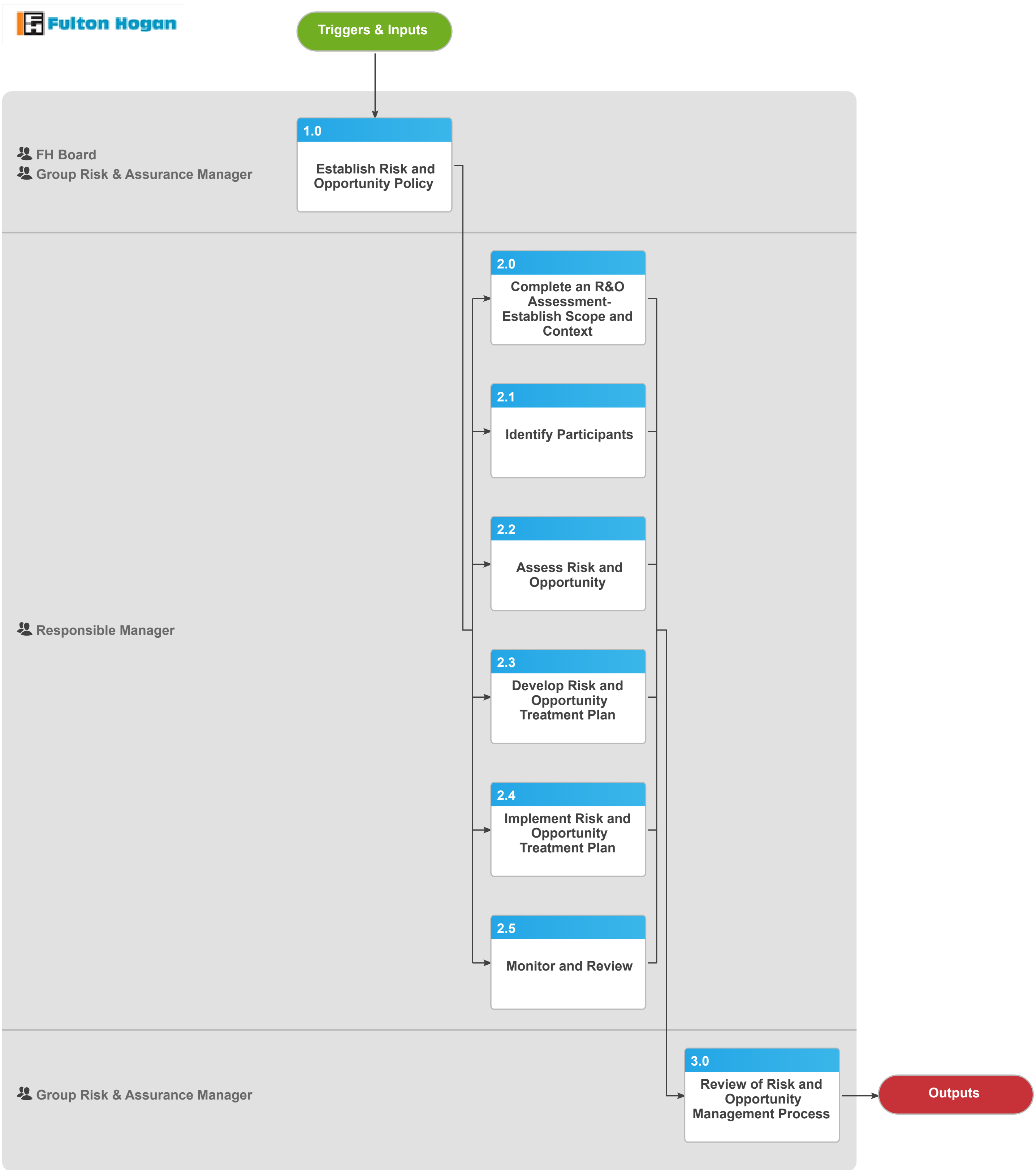
Name of participant:	Sarah Conley
Name of observer:	Luke Pyke
Role of observer (Confirm suitability to sign)	Project Manager
Email address of observer	Luke.Pyke@fultonhogan.com.au
Signature of observer:	
Date:	Click here to enter a date. 22\09\2020.

	When completing the task, did the participant:	**Tick if satisfactorily completed. Provide comments if left unticked.**
	1 Identify project risks	
1.1A.	Determine project risk objectives, standards and context, with input from stakeholders.	☑
1.1B.	Identify project risks using valid and reliable risk identification methods.	☑
1.1C.	Classify project risks within agreed risk categories.	☑
	2 Analyse project risks	
1.2A.	Determine risk analysis classification criteria and apply to agreed risk ranking system.	☑
1.2B.	Use risk analysis processes, within delegated authority, to analyse and qualify risks, threats and opportunities.	☑
1.2C.	Determine risk priorities in agreement with project client and other stakeholders.	☑
1.2D.	Document risk analysis outcomes for inclusion in risk register and risk management plan.	☑
	3 Establish risk treatments and controls	
1.3A.	Identify and document existing risk controls.	☑

1.3B.	Consider and determine risk treatment options using agreed consultative methods.	☑
1.3C.	Record and implement agreed risk treatments.	☑
1.3D.	Update risk plans and allocate risk responsibilities to project team members.	☑
	4 Monitor and control project risks	
1.4A.	Establish regular risk review processes to: • Maintain currency of risk plans • Monitor risk environment to identify changed circumstances impacting project risks	☑
1.4B.	Determine risk responses to changed environment.	☑
1.4C.	Implement agreed risk responses and modify plans to maintain currency of risk treatments and controls.	☑
	5 Assess risk management outcomes	
1.5A.	Review project outcomes to determine effectiveness of risk-management processes and procedures.	☑
1.5B.	Identify and document risk management issues and recommended improvements for application to future projects.	☑
	The participant's performance was: ☑ **Satisfactory** ☐ **Not Satisfactory**	

OBSERVER COMMENTS

Manage Risk and Opportunity v1.0



Manage Risk and Opportunity v1.0

Summary

Objective
This process details how we identify and manage risks and opportunities across the Fulton Hogan business.

Background
Risk is the negative effect of uncertainty on objectives. It is the threat that an event, action or non-action will adversely affect our ability to achieve objectives.

Opportunity is the positive effect of uncertainty on objectives. It is the possibility that an event, action or non-action will favorably affect our ability to achieve objectives.

The Group's approach to risk and opportunity management is based on the best practice standard AS/NZS ISO 31000:2018, Risk Management - Principles and Guidelines. This approach is reflected in this process for the Fulton Hogan Australian business.

Owner Michael Cockrem

Expert Marcus Gibson

Procedure

1.0 Establish Risk and Opportunity Policy
FH Board, Group Risk & Assurance Manager

a The Fulton Hogan Risk & Opportunity Policy provides the mandate and commitment to effective risk and opportunity management'. It requires that all employees:
- Utilise a risk and opportunity management approach as a routine part of decision making,
- Take appropriate actions to treat risk,
- Maximise opportunities to achieve our business goals, and
- Are transparent and say it as it is, no surprises.

Risk & Opportunity Policy

2.0 Complete an R&O Assessment- Establish Scope and Context
Responsible Manager

a Establish the specific business objectives on which the effect of risk and opportunity should be assessed (e.g. strategic, operational, project, site, function, process etc).

b Understand internal and external factors affecting the objectives

NOTE **What types of Internal Factors should be considered?**
Vision, mission, values and culture; Governance, organisation structure, roles and responsibilities; Strategy, objectives and policies; Contractual relationships and commitments; Networks, interdependencies and interconnections; Data, information systems and flows; Internal stakeholder relations; Standard processes and procedures, guidelines, work instructions.

NOTE **What types of External Factors should be considered?**
External stakeholder relationships, perceptions, values, needs and expectations; Key drivers and trends impacting the objectives; Social, cultural, political, legal, regulatory, financial, technological, economic, environmental factors (local, regional or national); Contractual relationships and commitments; Complexity of networks and dependencies.

2.1 Identify Participants
Responsible Manager

a Consult others to access expertise, knowledge and different views.

2.2 Assess Risk and Opportunity
Responsible Manager

a Source Copy of appropriate Risk Assessment Template, to record the risk assessment process and its outcomes.

NOTE **What Risk Assessments and Templates are available?**
- Group Strategic Risk Register
- Project Risk Register
- Workplace Risk Assessment (including SiD Risk Register)
- Aspects and Impacts
- SWMS
- Plant Risk Assessment
- Chemical Risk Assessment
- Staysafe Booklets

NOTE **Why is recording the risk assessment important?**
The assessment process and its outcomes should be documented and reported to interested parties as relevant and appropriate. Interested parties may be internal or external to Fulton Hogan where recording and reporting aims to:
- Improve the risk management process
- Provide information for decision-making
- Assist with risk communication and consultation activities
- Facilitate management and external parties meet their governance responsibilities

Factors to consider in determining the optimal form of reporting:
- Relevance of information to business objectives and decision-making
- Cost, frequency and timeliness of reporting
- Method of reporting
- Differing stakeholders and their specific information needs and requirements.

b Identify risks / opportunities that might prevent / help objectives being achieved.

NOTE **What tools and techniques are available to identify risks and opportunities?**

- Brainstorming
- Risk and Opportunity Workshops
- Interviews
- Checklists
- Structured “What-if” Technique
- Scenario analysis
- Fault Tree Analysis
- SWOT analysis
- Bow Tie analysis
- Incident Analysis
-Surveys

c Undertake analysis to comprehend the nature of the risks by:
- Establishing the features and magnitude of potential consequences
- Establishing the likelihood of potential events and consequences
- Identifying and understanding the effectiveness of existing risk treatment measures
- Deriving the level of risk using the Risk Matrix

HSQES Operational Risk Matrix

Potential Likelihood Level	Potential Consequence Level: Insignificant	Minor	Significant	Major	Catastrophic
Almost Certain The potential consequence is expected to occur in most circumstances	Med 11	High 16	High 20	Ext 23	Ext 25
Likely The potential consequence will probably occur in most circumstances	Med 7	Med 12	High 17	High 21	Ext 24
Possible The potential consequence is expected to occur at some time	Low 4	Med 8	Med 13	High 18	High 22
Unlikely The potential consequence could occur at some time	Low 2	Low 5	Med 9	Med 14	High 19
Rare The potential consequence may occur in exceptional circumstances	Low 1	Low 3	Low 6	Med 10	Med 15

Group Risk Matrix.PNG

NOTE **How do I use the Risk Matrix to assess opportunities?**

The Risk matrix can also be used to analyse opportunities by replacing Catastrophic with Outstanding for the highest Consequence level.

d Evaluate each identified risk to determine whether the level of risk is acceptable and to set priorities for treating all risks.

NOTE **How do I know if the level of risk is acceptable to the business or not?**

Acceptable risk scores and required treatment objectives are included on the Group Risk Acceptability table and within the HSQES Operational Risk Matrix.

Risk level	Risk score	Acceptability	Treatment objective
EXTREME	23 – 25	Never acceptable	Reduce risk level
HIGH	16 – 22	Generally not acceptable	Reduce risk level
MEDIUM	7 – 15	Acceptable subject to SFAIRP	Reduce risk subject to SFAIRP
LOW	1 - 6	Broadly acceptable	Maintain Low risk level

Group Risk Acceptability.PNG

HSQES Operational Risk Matrix

2.3 Develop Risk and Opportunity Treatment Plan

Responsible Manager

a Identify treatment options.

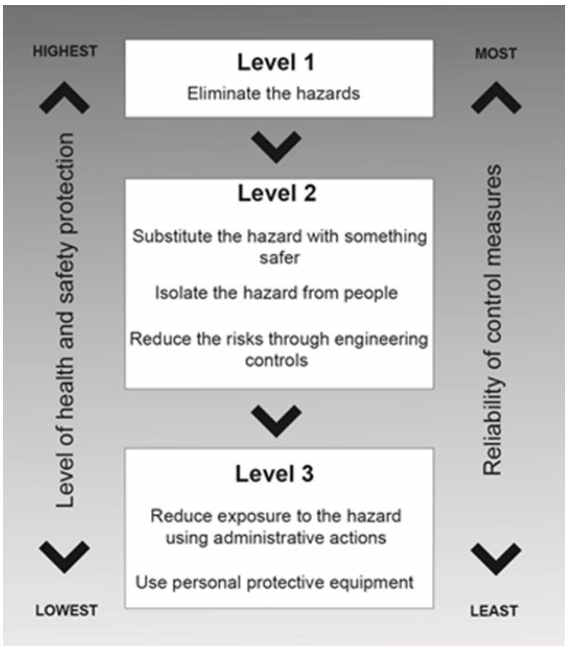
NOTE **What are the treatment options?**

- Avoid (or Terminate) – do not start or continue activities that create the risk.
- Transfer (or Share) – transfer or share the risk to another party, such as specialist contractor or insurance provider.
- Retain (or Accept) – retain the risk by informed choice where it is deemed acceptable (or accept subject to SFAIRP).
- Mitigate (or Control) – implement control measures that ensure the risk is modified so that the likelihood or consequence (or both) is reduced to an acceptable level (or is acceptable subject to SFAIRP). When mitigation is required, identify and implement necessary control measures.

NOTE **What are the requirements for treating safety risks (hierarchy of control)?**

A fundamental ranking system exists for Health and Safety risk controls - known as the ‘hierarchy of control’ – which seeks to eliminate hazards by using only higher-level controls.

When it is not reasonably practicable to do so, lower-level controls will be used but administrative actions and personal protective equipment (‘level 3’ controls) should only be used:
- When there are no other practical control measures available (i.e. as a last resort)
- As an interim measure until a more effective way of controlling the risk can be used
- To supplement high level control measures (i.e. as a back-up).



Hierarchy of Controls.png

b Reassess to identify residual risk. Treatment options must have reduced risk 'So Far As Is Reasonably Practicable (SFAIRP) and the risk level must be acceptable to the business.

NOTE **What is residual risk?**

Residual risk is the risk that remains following implementation of risk treatment measures. Resulting residual risk levels indicates the potential effectiveness of treatment options.

NOTE **What is 'So Far As Is Reasonably Practicable (SFAIRP)' ?**
'So Far As Is Reasonably Practicable (SFAIRP)' is a principal for evaluating risk acceptability and risk treatment objectives. The SFAIRP level is reached when it can be demonstrated that time, effort and cost of further controls become unreasonably disproportionate to the additional risk reduction obtained.

NOTE **How do I know if the level of risk is acceptable to the business or not?**
Acceptable risk scores and required treatment objectives are included on the Group Risk Acceptability table and within the HSQES Operational Risk Matrix.

Where a Health and Safety residual risk remains Extreme or High the activity MUST NOT proceed. See the HSQES Operational Risk Matrix for further detail.

NOTE **What if the risk level is not acceptable to the business?**
Identify additional treatment options and reassess the residual risk and acceptability.

Risk level	Risk score	Acceptability	Treatment objective
EXTREME	23 – 25	Never acceptable	Reduce risk level
HIGH	16 – 22	Generally not acceptable	Reduce risk level
MEDIUM	7 – 15	Acceptable subject to SFAIRP	Reduce risk subject to SFAIRP
LOW	1 - 6	Broadly acceptable	Maintain Low risk level

Group Risk Acceptability.PNG

HSQES Operational Risk Matrix

c Develop treatment plan.

NOTE **How should the treatment plan be documented?**
Control methods to treat and lower the identified risks should be documented on any Project Risk Register, applicable Management Plan (Health & Safety Plan, EMP, Incident & Emergency Response Plan, etc) SWMS, A&I or in other formats as required to the specific risk assessment being undertaken.

d Assign ownership of the risk or opportunity identified.

NOTE **What is the owner responsible for?**
The owner is accountable for controlling the Risk and/or Opportunity assigned to them and maintaining the relevant section in the R&O template used. The Owner is responsible for the management and actions undertaken in relation to the Risk or Opportunity, but may delegate some of the actions to the person best placed to implement these actions.

2.4 Implement Risk and Opportunity Treatment Plan

Responsible Manager

a Communicate the treatment plan.

NOTE **Why is communication important?**
A pervasive component of risk and opportunity management is effective communication and consultation with others in order to:
- Appropriately define the extent of risk and opportunity
- Access expertise, knowledge and different views
- Explain what actions are required
- Fulfil obligations of disclosure and transparency
- Inform interested parties (internal and external to Fulton Hogan).

b Implement the treatment plan.

2.5 Monitor and Review

Responsible Manager

a Check that teatment measures are effective and efficient in design and operation.

b Any risk that is not avoided, fully controlled or fully transferred is retained by Fulton Hogan and should be continuously managed.

c Check for new and emerging risks and opportunities. Ensure these are captured, assessed and treated as required.

d Ensure there is continuous improvement of the risk and opportunity framework.

3.0 Review of Risk and Opportunity Management Process

Group Risk & Assurance Manager

a A review of the effectiveness of the Fulton Hogan risk and opportunity management framework shall be undertaken on an at least annual basis, led by the Group Manager – Risk & Assurance in combination with National functional managers.

Risk & Opportunity Management Process Review Checklist

b Operational reviews of the effectiveness of the Risk and Opportunity management shall be undertaken as part of Management Reviews.

NOTE **How are Management Reviews to be undertaken?**
In accordance with the Management Review process.

PROCESS Manage Management Reviews

Triggers & Inputs

TRIGGERS

None Noted

INPUTS

Input	From Process	How Used
AS/NZS ISO 31000	N/A	Risk Management - Principles and Guidelines.

Outputs & Targets

OUTPUTS

Output	To Process	How Used
Risk and Opportunity Assessments	N/A	To inform risk treatment plan
Risk and Opportunity Treatment Plan	N/A	To control risk and enable opportunity

PERFORMANCE TARGETS

None Noted

Process Dependencies

PROCESS LINKS FROM THIS PROCESS

Process Name	Type of Link	Assigned Role
Manage Management Reviews	Note	Group Risk & Assurance Manager

PROCESS LINKS TO THIS PROCESS

Process Name	Type of Link	Assigned Role
Develop Workplace Risk Assessment (WRA)	Note	HS&E Lead, Responsible Manager, Workplace Manager
Manage Environmental & Development Approvals, Permits & Licences	Note	Project/Site Environment Manager, Regional Environment Manager, Responsible Manager
Manage Safety in Design	Note	Design Manager
Manage Value Engineering	Note	Design Manager
Management of Audits	Note	Auditor, Site/ Project Functional Manager
Management of Audits	Note	Auditor, Site/ Project Functional Manager
Management of Audits	Note	Auditor, Site/ Project Functional Manager
Managing Hazardous Manual Tasks	Note	HS&E Lead, Site Supervisor, Workplace Manager
Managing Worker Fatigue in the Workplace	Note	HS&E Lead, Site Supervisor, Workplace Manager
Prepare and Use Safe Work Method Statements (SWMS)	Note	Project/Site Safety Manager

RACI

RESPONSIBLE

Roles that perform process activities

FH Board, Group Risk & Assurance Manager, Responsible Manager

Systems that perform process activities

None Noted

ACCOUNTABLE

For ensuring that process is effective and improving

Process Owner	Michael Cockrem
Process Expert	Marcus Gibson

CONSULTED

Those whose opinions are sought

STAKEHOLDERS

None Noted

STAKEHOLDERS FROM LINKED PROCESSES

Process	Owner	Expert	Process Group
Develop Workplace Risk Assessment (WRA)	Derek Hamilton	Mark Freeman	Risk, Opportunity and Planning
Manage Environmental & Development Approvals, Permits & Licences	Rory Bracken	Jeff Hallberg	Risk, Opportunity and Planning
Manage Management Reviews	Dru Oxley	Dru Oxley	AU Governance
Manage Safety in Design	Tim Phelps	Derek Hamilton	Risk, Opportunity and Planning
Manage Value Engineering	Tim Phelps	Giammaria Gentile	Design
Management of Audits	Dru Oxley	Salar Aga	AU Governance
Management of Audits :: 2nd Party Audits	Dru Oxley	Dru Oxley	AU Governance
Management of Audits :: Internal Audits	Dru Oxley	Dru Oxley	AU Governance
Managing Hazardous Manual Tasks	Dean Bingham	Mark Freeman	Hazard Controls
Managing Worker Fatigue in the Workplace	Tony Aloisio	Dean Bingham	Hazard Controls
Prepare and	Derek	Mark	Risk,

Use Safe Work Method Statements (SWMS)	Hamilton	Freeman	Opportunity and Planning

INFORMED
Those notified of changes

All of the above. These parties are informed via dashboard notifications.

Systems

None Noted

Legislation & Reqs

None Noted

Process Approval

Published on 10-01-2020 (GMT) by Rachel Lowe

CONLEY, Sarah

Subject:	WRA for WP-02
Location:	Microsoft Teams Meeting
Start:	Thu 4/06/2020 10:00 AM
End:	Thu 4/06/2020 12:00 PM
Recurrence:	(none)
Meeting Status:	Meeting organizer
Organizer:	CONLEY, Sarah
Required Attendees:	CONLEY, Sarah; BOWEN, Gavin; LUTTON, Aaron; MAHER, David; HATTON, Thomas; PYKE, Luke
Optional Attendees:	HOWES, Joshua; MASVINGISE, Taurai

OnlineMeetingConfLink: conf:sip:Sarah.Conley@fultonhogan.com.au;gruu;opaque=app:conf:focus:id:teams:2:0!19:meeting_OGY1OWI5ZjYtYzk1Ni00YmUxLWJiOGQtNzMxMDJlYmU2YTli-thread.v2!1e28c88245cd4a40b5469c37d1b527ef!adb42340ff494969a827a0ddecd6174c
SchedulingServiceMeetingOptionsUrl: https://teams.microsoft.com/meetingOptions/?organizerId=1e28c882-45cd-4a40-b546-9c37d1b527ef&tenantId=adb42340-ff49-4969-a827-a0ddecd6174c&threadId=19_meeting_OGY1OWI5ZjYtYzk1Ni00YmUxLWJiOGQtNzMxMDJlYmU2YTli@thread.v2&messageId=0&language=en-US
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SkypeTeamsMeetingUrl: https://teams.microsoft.com/l/meetup-join/19%3ameeting_OGY1OWI5ZjYtYzk1Ni00YmUxLWJiOGQtNzMxMDJlYmU2YTli%40thread.v2/0?context=%7b%22Tid%22%3a%22adb42340-ff49-4969-a827-a0ddecd6174c%22%2c%22Oid%22%3a%221e28c882-45cd-4a40-b546-9c37d1b527ef%22%7d
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Booking out time to run through the WRA for WP-02

Join Microsoft Teams Meeting

Learn more about Teams | Meeting options

Risk & Opportunity Policy

Pursuing opportunities and proactively managing risk

We will:

- Empower our people to understand and effectively manage risk in the pursuit of business objectives
- Adopt a proactive approach to risk and opportunity management
- Maintain robust systems to assess and report on risks and opportunities
- Develop our people to manage risk
- Implement controls, monitor their effectiveness, and modify them as required to effectively manage risk
- Share and apply the learnings and decisions we make to manage risk

Our people will be risk management leaders by:

- Utilising a risk and opportunity management approach as a routine part of decision making
- Taking appropriate actions to treat risk
- Maximising opportunities to achieve our business goals
- Being transparent and saying it as it is, no surprises

C W Bruyn
Group Chief Executive Officer

June 2018

Fulton Hogan

Location of review:	DTMR Compound	Name(s) of reviewer(s):
Date of review:	18/09/2020	Sarah Conley; Luke Pyke

Items reviewed *These items are intended to prompt review of the different stages of the risk management process as it is applied at the particular level that which the review is conducted. Reviews should consider outcomes of reviews at subordinate levels.*	Used at Workplace		Effective? *(Only if used at workplace)*	
	Yes	No	Yes	No
Mandate & Commitment – *Is mandate and commitment to risk management present, still applicable and effective?*	☒	☐	☒	☐
Yes, available on TheHub at all times, guidance also in Program specific HSEMP				
Framework (Evaluation Criteria and Risk Matrix) – *Are the evaluation criteria still appropriate? Is the Matrix providing suitable, appropriate and effective classification of risks?*	☒	☐	☒	☐
Yes, client risk register template used in ECI phase through to Project Delivery. Then same FH matrix used in, WRA, SWMS and Take 5 to maintain consistency				
Establishing the Context – *Are the mechanisms for establishing the context, such as management meetings and related consultation being used effectively and ensuring that the broader context of risk is considered*				
• **CHAIR / HAZID Reviews**	☒	☐	☒	☐
• **Risk Register Reviews**	☒	☐	☒	☐
Delivery teams, estimators and designers all participate in reviews				
Risk Assessment - *Are the risk assessment tools and processes relevant to the review level, used, appropriate and effective?*				
• **Risk Register**	☒	☐	☒	☐
• **Workplace Risk Assessment**	☒	☐	☒	☐
Risk register used to determine risk with a financial implication. WRA used for HSEQ risk relating to delivery of project. WRA is used as a guide for required controls in SWMS				
Identification of controls and implementation of actions – *Are the controls and actions resulting from the risk assessment processes, appropriate to the degree of risk, being implemented correctly and effective in controlling the identified risks?*				
• **Workplace Risk Assessment**	☒	☐	☒	☐
• **Risk Register**	☒	☐	☒	☐

Items reviewed *These items are intended to prompt review of the different stages of the risk management process as it is applied at the particular level that which the review is conducted. Reviews should consider outcomes of reviews at subordinate levels.*	**Used at Workplace** Yes	No	**Effective?** *(Only if used at workplace)* Yes	No
All subcontractor SWMS and FH SWMS are assessed against the controls identified in the WRA *Where required, proposed treatments are included in contracts with subcontractors to ensure they are implemented.*				
Monitoring, review and reporting processes *– Are the review processes such as CAMs reports, inspections, assessments, meetings and reviews embedded through the review level and providing suitable feedback to management on the effectiveness of the risk management framework?*				
• **Workplace Risk Assessment**	☒	☐	☒	☐
• **Risk Register**	☒	☐	☒	☐
For all incidents (CAMS cases) the risk assessment requires review as an action. *Inspections app includes risk review, which are required to be conducted as a KPI dependent on risk classification in the WRA* *Risk register is to be reviewed at a minimum every 6 months, or when a scope changes*				
Communication and consultation around risk *– Are the communication and consultation arrangements facilitating two-way communication between different levels within the review level (i.e. worker and manager) AND between the different review levels (i.e. Workplace level and Operational/Regional level)*				
• Workplace Risk Assessment	☒	☐	☒	☐
• Risk Register	☒	☐	☒	☐
Program Manager and Works Delivery Manager monthly meeting to discuss status of all risk registers and WRA's across the whole of the program of works *WRA communicated to all workers as part of the induction.*				

Review Findings

Based on consideration of the review above, provide a summary as to the effectiveness of the risk management as it is applied at this level and subordinate levels. Where the process is found to be either "Effective but requires revision" or "Ineffective", actions to address the issues shall be identified and listed below.

☒ **Risk Management Process** ***Effective***
☐ **Risk Management Process** ***Effective but requires revision***
☐ **Risk Management Process** ***Ineffective***

Actions arising:	**Responsible:**	**Date for resolution:**
Note: All actions arising should be transferred to CAMs or the workplace Hazard Register for tracking		
Nil	Nil	Nil