

BSBPMG517 MANAGE PROJECT RISK

1 Identify project risks

1.1A. Determine project risk objectives, standards and context, with input from stakeholders.

At the time of the initial meetings between stakeholders, one of the agendas was the creation of a risk chart, where the risks were identified. A risk matrix was used to determine the level of risk and solutions prepared prior to commencement. Identifying these risks involved within the project prior to the commencement gives the opportunity to mitigate any foreseeable risk to the project before it starts.

1.1B. Identify project risks using valid and reliable risk identification methods.

The methods used to identify risks were expert judgement and prior project risk identification sheets. Risk associated with the project include but are not limited to, weather, delivery issues, procurement issues, staff breaks or staff leaving, budget blowout.

1.1C. Classify project risks within agreed risk categories.

Utilising the risk matrix included below the risks involved with the projects are categorised as follows.

Weather delay- Likely (4) Moderate (3) = High Risk(12) Plan to reduce risk created prior to project commencement.

Product delivery delay- Unlikely (2) Moderate(3) = Moderate(6) Plan to reduce risk created prior to project commencement.

Procurement problems- Possible(3) Moderate(3) = Moderate(9) Plan to reduce risk created prior to project commencement.

Staffing holidays, retirement, redundancy or Resignations- Unlikely(2) Minor(2) = Moderate(4) Plan to reduce risk created prior to project commencement.

Budget Blowout- Possible(3) Major(4) = High(12) Plan to reduce risk created prior to project commencement.

2 Analyse project risks

1.2A. Determine risk analysis classification criteria and apply to agreed risk ranking system.

Using the risk matrix mentioned above, a risk plan was created showing the risks, the likelihood of them happening, the solutions, the residual risk rating and the personnel responsible for the risk.

1.2B. Use risk analysis processes, within delegated authority, to analyse and qualify risks, threats and opportunities.

A pre-project meeting involving all stakeholders was held to determine risks and rank them in order of high to low risk, using existing controls and stakeholder input these risks were analysed. The result of this was used to create a risk management plan.

1.2C. Determine risk priorities in agreement with project client and other stakeholders.

During the pre-project meeting all of the stakeholders were invited to voice any risks they could see may happen. Each stakeholder was given the opportunity to rate the risks via the risk matrix and this information was then used to create the risk register and plan.

1.2D. Document risk analysis outcomes for inclusion in risk register and risk management plan.

All foreseeable risks conceived during the pre-project meeting between all stakeholders were documented and compiled into the risk plan using the risk matrix to determine the need for risk mitigation measures and controls.

3 Establish risk treatments and controls

1.3A. Identify and document existing risk controls.

Past project risk management plans were assessed and the risk controls were adapted to be utilised in this project. The Lessons Learnt document from the last project outlined the controls that worked well and the controls that were requiring improvement.

1.3B. Consider and determine risk treatment options using agreed consultative methods.

With consultation between all stakeholders, the risk control measures were agreed upon prior to the commencement of the project. Any changes throughout the project were agreed upon by the stakeholders prior to implementation.

1.3C. Record and implement agreed risk treatments.

Risk treatments or control measures are documented in the risk chart included below.

1.3D. Update risk plans and allocate risk responsibilities to project team members.

The risk chart included below shows the persons responsible for the execution of the control measure.

4 Monitor and control project risks

1.4A. Establish regular risk review processes to:

- Maintain currency of risk plans

Weekly meeting between staff and management are held. The project manager is also in regular contact with the key stakeholders to be sure that any concerns relating to risk are resolved.

- Monitor risk environment to identify changed circumstances impacting project risks

Risk mitigation is a key part of project management. One action I take is to be proactive wherever possible. A clear example would be in the case of checking daily weather forecasts to ensure our job can continue as per the program.

The project manager is responsible for overseeing that the hazards, risks and controls on their project are regularly monitored and reviewed. The project supervisor is responsible for ensuring that the controls including SWMS/JSAs and elemental plans, are regularly monitored and reviewed.

1.4B. Determine risk responses to changed environment.

If there is a considerable change to the project structure, timeline or scope, the risk matrix and plan are adapted to cover the changes, even if the project has to stop for a short period of time. Any short stoppage will be absorbed into the risk margin allowed within the budget and timeline.

1.4C. Implement agreed risk responses and modify plans to maintain currency of risk treatments and controls.

Meeting between staff and management are held onsite weekly to cover a number of agendas, one of these agendas covers the controls implemented to control risk, both WHS and business. If it is shown the control measures could be improved or modified, this is done immediately as staff and management are together. If there needs to be an urgent change made between these meetings a phone consult is arranged.

5 Assess risk management outcomes

1.5A. Review project outcomes to determine effectiveness of risk-management processes and procedures.

After the completion of the project before the final archiving a review of the risk management outcomes between Lightscape Electrical management was conducted. The meeting discussed the methods used to mitigate risk over the life of the project, also documented were the effectiveness of the controls used and whether they can be used again or need to be improved. The outcomes of the meeting will be used for the next project.

1.5B. Identify and document risk management issues and recommended improvements for application to future projects.

All documentation from the project and the meeting mentioned above will be archived and a copy also left available for the commencement of the next project.

With any change a summary of the changes and impacts of these are to be presented to the leadership team for review and comment prior to being authorised.

Risk	Risk Rating	Solution Method	Residual risk	Person Responsible
Weather Delays	Likely (4) Moderate(3) = Moderate (12)	Allow movement of tasks to suit small weather problems. Long range forecast shows no problematic weather.	Unlikely (2) Minor (2) = Moderate (4)	Project Manager/ Site supervisor.
Product delivery delays	Unlikely (2) Moderate(3) = Moderate (6)	Small products can be collected by site staff directly. Any major products (i.e. Poles) backup manufacturer. Discuss with client if the project can be completed with the delay.	Unlikely (2) Minor (2) = Moderate (4)	Project Manager
Procurement Problems	Possible (3) Moderate(3) = Moderate (9)	All small electrical products shall be sourced from another backup wholesaler. Poles will incur a delay from the backup, but are available.	Rare (1) Minor(2) = Low (2)	Project Manager
Staffing	Unlikely (2) Minor(2) = Moderate (4)	Staff holidays are known 4 weeks out from the start of project date. There are no foreseeable redundancies. Labour hire staff are available for any staff that choose to leave.	Rare (1) Insignificant(1) = Low(1)	Project Manager/ HR
Budget Blowout	Possible (3) Major(4) = High (12)	Close monitoring of the budget during the project. A small risk margin built into the project budget to allow for any unforeseeable problems.	Unlikely (2) Moderate(3) = Moderate (6)	Project Manager/ Site supervisor.

		CONSEQUENCES				
		Insignificant [1]	Minor [2]	Moderate [3]	Major [4]	Catastrophic [5]
LIKELIHOOD	Almost Certain [5]	Moderate (5)	High (10)	High (15)	Catastrophic (20)	Catastrophic (25)
	Likely [4]	Moderate (4)	Moderate (8)	High (12)	Catastrophic (16)	Catastrophic (20)
	Possible [3]	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
	Unlikely [2]	Low (2)	Moderate (4)	Moderate (6)	Moderate (8)	High (10)
	Rare [1]	Low (1)	Low (2)	Low (3)	Moderate (4)	Moderate (5)

If the residual risk	=	Catastrophic (16+)	then	Work unable to proceed seek other methods (Significant)
	=	High (10 – 15)	then	Permission from high level management for work to proceed (Significant)
	=	Moderate (4 – 9)	then	Permission from worker in charge for work to proceed (Insignificant)
	=	Low (1 – 3)	then	Work able to proceed (Insignificant)

1. Eliminate	→	2. Substitute	→	3. Isolate	→	4. Redesign	→	5. Administrative	→	6. PPE Last Resort
<i>Eliminate the hazard</i>		<i>Substitute with a less hazardous material, process or equipment</i>		<i>Isolate the hazard</i>		<i>Redesign equipment or work process</i>		<i>Introduce administrative controls</i>		<i>Use appropriate Personal Protective Equipment</i>

C = Consequence	L = Likelihood
5 = Catastrophic = Fatality, permanent disability, long term widespread impacts, huge financial loss.	5 = Almost Certain = It is almost certain that the risk will occur in most circumstances.
4 = Major = Permanent disability or extensive injuries, medium to long term widespread impact, major financial loss.	4 = Likely = The risk is likely to occur in most circumstances.
3 = Moderate = Lost time injury, reversible medium term local impact, high financial loss.	3 = Possible = There is uncertainty that the risk could occur.
2 = Minor = Medical treatment, reversible short – medium term impact to local area, medium financial loss.	2 = Unlikely = The risk could occur at some time but there is confidence that it will not.
1 = Insignificant = First aid, limited impact to minimal area, low financial loss. .	1 = Rare = The impact/risk may occur only in exceptional circumstances.