Engineering Policy 153

Project Risk Context Profiles

December 2023

Copyright

© The State of Queensland (Department of Transport and Main Roads) 2023.

Licence

This work is licensed by the State of Queensland (Department of Transport and Main Roads) under a Creative Commons Attribution (CC BY) 4.0 International licence.

CC BY licence summary statement

In essence, you are free to copy, communicate and adapt this work, as long as you attribute the work to the State of Queensland (Department of Transport and Main Roads). To view a copy of this licence, visit: https://creativecommons.org/licenses/by/4.0/

Translating and interpreting assistance

The Queensland Government is committed to providing accessible services to Queenslanders from all cultural and linguistic backgrounds. If you have difficulty understanding this publication and need a translator, please call the Translating and Interpreting Service (TIS National) on 13 14 50 and ask them to telephone the Queensland Department of Transport and Main Roads on 13 74 68.

Disclaimer

While every care has been taken in preparing this publication, the State of Queensland accepts no responsibility for decisions or actions taken as a result of any data, information, statement or advice, expressed or implied, contained within. To the best of our knowledge, the content was correct at the time of publishing.

Feedback

Please send your feedback regarding this document to: tmr.techdocs@tmr.qld.gov.au

Contents

1 Engineering Policy 1

1.1 Background 1

1.2 Policy statement 1

1.3 Applicability 1

1.4 Context 1

1.4.1 External context 2

1.4.2 Internal context 2

1.5 Objectives and benefits 2

1.6 Evaluation and policy review 3

1.7 References 3

1.8 Availability of the Project RCP tool 3

1.9 Contact personnel 3

2 Engineering Guidelines – Project RCP 4

2.1 Introduction 4

2.2 How to complete a Project RCP 5

2.3 Who is responsible for completing a Project RCP? 5

2.4 When to complete a Project RCP 6

2.5 What to do after completing a Project RCP 6

3 Review 6

1 Engineering Policy

1.1 Background

This policy was developed in consultation with Project Directors, Project Managers and various relevant Subject Matter Experts involved with the Department of Transport and Main Roads infrastructure project delivery.

1.2 Policy statement

Project Risk Context Profiles (RCPs) are applied to departmental projects to enable improved project risk management by attaining a better understanding of a project's risk context.

1.3 Applicability

This policy is applicable for delivering departmental infrastructure projects.

Table 1.3 provides guidance regarding the application of Project RCPs to departmental infrastructure projects.

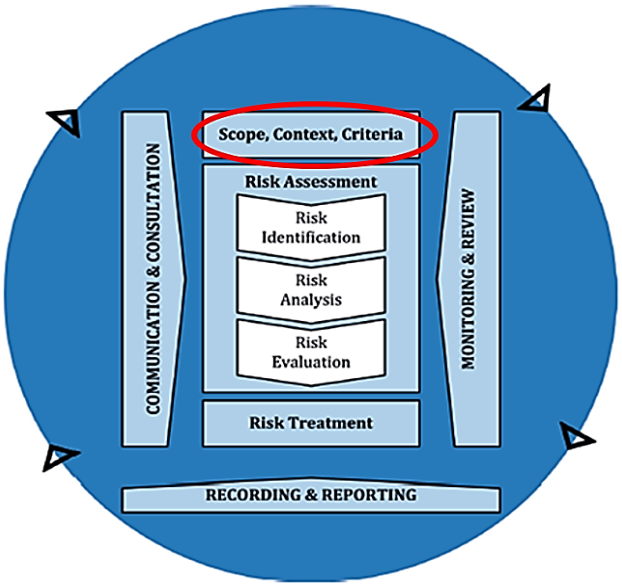
Table 1.3 – Application of Project RCPs according to project classification

Classification	Typical Threshold	Project Management Framework	Project RCP
Major Project	> 100 m	PAF	Apply Project RCP
Type 1	$50 m – $100 m	OnQ (PAF if high risk)	Apply Project RCP
Type 2	Straightforward, medium risk	OnQ	Apply Project RCP
Type 3	Simple, low risk	OnQ	Project RCP optional

1.4 Context

The department's Risk Management Framework is aligned to ISO 31000:2018 *Risk Management – Guidelines (the Standard).* The Risk Management Process as described by ISO 31000 is shown in Figure 1.4.

Figure 1.4 – Risk Management Process



Establishing the context is a critical component of the risk management process because it is within this context that the risk event might occur. Establishing the context involves defining the external and internal factors to be considered when managing risk.

1.4.1 External context

The external context can include, but is not limited to:

- whole-of-government considerations
- social and cultural, political, legal, regulatory, financial, technological, economic, natural and competitive environment, whether international, national, regional or local
- key drivers and trends having an impact on the department's objectives, and
- relationships with, perceptions and values of external stakeholders.

1.4.2 Internal context

The internal context is the environment in which the department seeks to achieve its objectives and is associated with the way in which we manage our risks. It is important to establish the internal context, as risks that are identified may threaten the department’s objectives.

The internal context can include, but is not limited to:

- governance, departmental structure, roles and accountabilities
- policies, objectives and the strategies in place to achieve them
- capabilities in terms of resources and knowledge
- the relationships with, and perceptions and values of, employees
- departmental culture
- information systems, information flows and decision-making processes
- standards, guidelines, policies and procedures adopted by the department, and
- the form and extent of contractual obligations.

1.5 Objectives and benefits

Project RCPs are a risk management tool that will support project managers in establishing a project’s risk context.

It is intended that Project RCPs will enable more effective and efficient project risk management. RCPs will assist Project Managers to identify and focus on a project’s key risks, and better prioritise the use of project resources.

The application of Project RCPs will:

- enable consistent assessment of project risk context for departmental infrastructure projects
- provide an effective process to prioritise project risk context areas
- enable the development of more effective project risk registers
- provide clear and consistent documentation to capture project risk context assessment, and
- enable effective discussions within project teams regarding project risk management.

1.6 Evaluation and policy review

The Manager – Risk (RISE (Risk, Insurance, Scheduling and Estimating), Program Management and Delivery) is responsible for reviewing this policy annually. Feedback to PDO_RISK@tmr.qld.gov.au is welcome at any time.

1.7 References

- ISO 31000:2018 *Risk Management – Guidelines*
- *Transport and Main Roads Risk Management Policy*
- *Transport and Main Roads Risk Management Framework, and*
- *Transport and Main Roads Risk Management Practice Guide.*
- *AS 8001 – Fraud and Corruption Control*
- *Transport and Main Roads Fraud and Corruption Control Framework; and*
- *Transport and Main Roads Fraud and Corruption Control Risk Management Guide.*

1.8 Availability of the Project RCP tool

The Project RCP tool is a component of the PDO Project Risk Log.

You can request a copy of this file, *PDO Project Risk Log_2023,* via email PDO_RISK@tmr.qld.gov.au or located at PDO Project Risk Tools.

1.9 Contact personnel

This policy is developed by the PDO Risk Team located in RISE Program Management and Delivery (PMD) within Infrastructure Delivery Services.

For further information please contact PDO_RISK@tmr.qld.gov.au.

2 Engineering Guidelines – Project RCP

2.1 Introduction

Project RCPs are intended to inform the project risk register (Excel and/or 3PCM), not replace the project risk register.

Project RCPs are intended to assess and document a project's risk context, whereas a project risk register is intended to assess and document specific project risks.

A good understanding of a project's risk context enables better and more effective project risk assessment. Project RCPs are a risk management tool, that will support project managers in gaining a more comprehensive understanding of a project's risk context.

The Project RCP tool is presented in Excel format and includes the following:

- cover sheet (including basic instructions)
- project information (to be completed by the Project Manager)
- worksheets for each risk category inclusive of areas, and
- dashboard (automatically created).

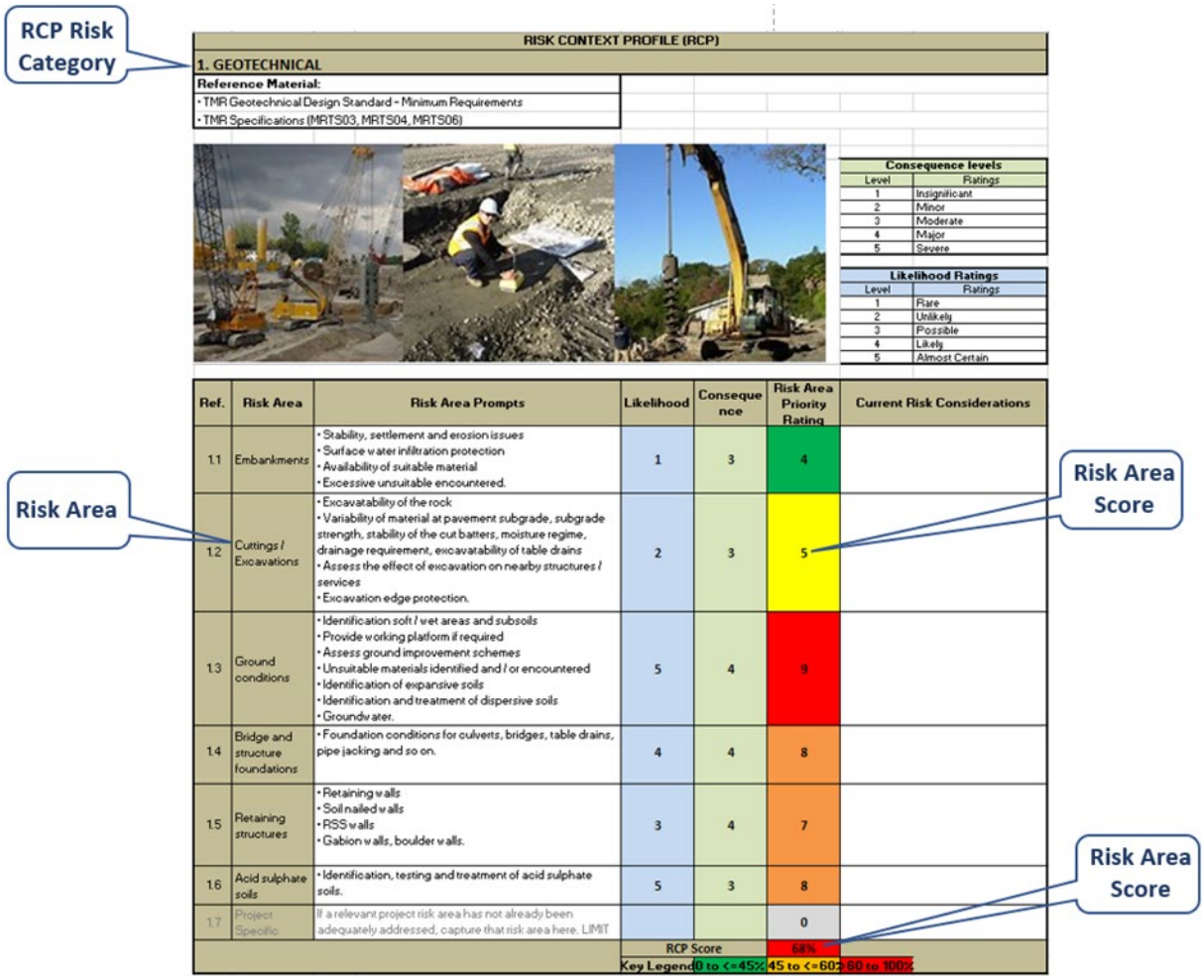
Each Project RCP consists of 10 project risk categories and areas within:

1. Geotechnical
2. Environmental, Weather, Cultural Heritage and Native Title
3. Vulnerable Road Users
4. Stakeholders
5. Procurement
6. Project Management
7. Safety and Well-Being
8. Contract Administration
9. Construction, and
10. Finalisation.

Each *risk category* has a set of relevant nominated risk areas. There is also provision for a project specific risk area.

An example of a Project RCP risk category worksheet is shown in Figure 2.1.

Figure 2.1 – Example of Project RCP risk category worksheet



2.2 How to complete a Project RCP

Each Project RCP category is completed one at a time. To do this, a score for *Probability* (1-5) and a score for *Impact* (1-5) for each risk area is determined. The Project RCP tool then calculates a score and rating (Low, Medium or High) for each risk area.

If a relevant project risk area is identified and has not already been adequately addressed by the existing nominated risk areas, then there is provision to add a *project specific risk area*.

The Project RCP tool will calculate the overall score and rating (Low, Medium or High) for each risk category.

The Project RCP tool will automatically create the Dashboard based on the results (refer Figure 2.5).

2.3 Who is responsible for completing a Project RCP?

The Project Manager is responsible for project risk management activities, including completing a Project RCP.

The Project Manager is encouraged to consult with any relevant subject matter experts and key project team members in completing a Project RCP.

The Project Manager (or assigned delegate) may choose to request a member of the PDO Risk Team, to facilitate completion of a Project RCP.

2.4 When to complete a Project RCP

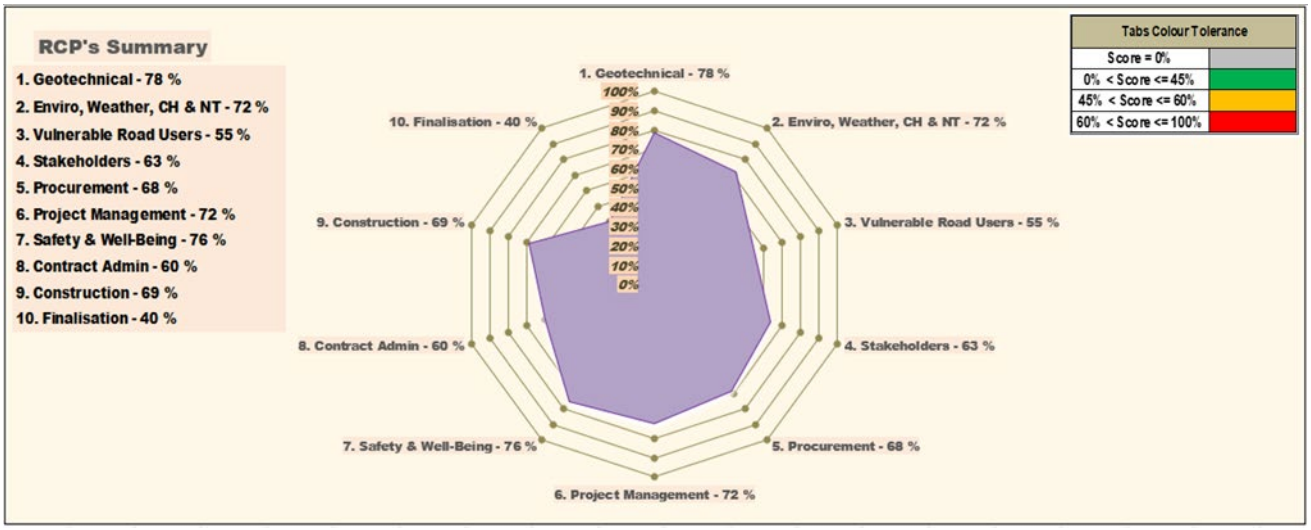
The Project Manager (or assigned delegate) may complete a Project RCP at any time during a project if it is beneficial, or a project's risk context has changed considerably since the last time a Project RCP was completed.

A Project RCP must be completed (or at least reviewed) prior to preparing or reviewing the project risk register.

2.5 What to do after completing a Project RCP

After completing a Project RCP, the *Dashboard* will provide an overview of the results (refer Figure 2.5). This ranking provides a useful basis to prioritise project risk management activities and resources.

Figure 2.5 – Dashboard - Project RCP risk category ranking



When constructing a risk register (Excel and/or 3PCM), the Project RCP areas within the categories will form the basis for initial risk identification.

If a project already has a current risk register, it is still recommended that a Project RCP be completed. In this situation, the results of the Project RCP can be cross referenced with the risk register (Excel and/or 3PCM) to ensure there is consistency across the project risk assessment.

3 Review

This policy will be reviewed annually by the Manager (Risk) – Program Management and Delivery.