

## Managing the element of surprise through integrated risk management

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Today's risk practitioners must think beyond the construct of a risk and opportunity register.

The good news is that, for most organisations, risk has moved beyond being seen as a compliance function. There is an increasing focus on risk-based decision making for management and Boards, which requires a strong foundation in an operationalised risk appetite and risk tolerance.

For project risk specialists, this extends even further to consideration of the full risk lifecycle, where risk forms part of integrated project controls. Decision makers are seeking early warnings and seamless processes for monitoring significant risks and their mitigations, particularly as risks become more certain and as a risk is realised.

Beyond risk reviews and maintaining risk data, insights on the potential impacts to project schedule and cost forecasts rely on strong processes and collaboration between risk managers, cost managers and planning managers to ensure:

- Material risks are captured in contingency calculations with contingency drawdown linked to the risks.
- Focus on undertaking and utilising quantitative risk analysis, controls assurance and action escalation.
- Effective integrated risk reporting based on agreed and appropriate triggers and metrics linked to risk appetite and risk tolerance.

This session will prompt consideration of whether we are thinking broadly enough when it comes to active risk management for complex projects.

*Topic focus areas: project risk, contingency and project management office; active risk management; risk-based decision making*