

STEP 1 – Establish the Context

Establishing the context (scope) involves setting the boundary for the Project Risk Management analysis process.

ENTRY Criteria (*Or what must I do, or have, before I start this step?*)

You must understand what is required of your project. At the very least you should have a Project Scope Statement. For most medium to large projects you will also have:

- Project Scope Statement ;
- Statement of Work;
- Project Management Plan; and
- Business Case.

Note: The Project Management Plan may have already identified delivery risks and these should be included.

1.1	<p>Ensure that the project objectives are understood and underpin the risk management planning activity. Consider the:</p> <ul style="list-style-type: none"> • internal and external context including: <ul style="list-style-type: none"> ○ legislative and policy implications; ○ internal and external stakeholders; ○ resources. Including limitations of staff expertise and financial constraints; ○ any effects to other projects or activities (dependencies); and ○ any effects from other projects or activities (dependencies). • Risk management context. • Project objectives and required benefits. • Organisational appetite for risk.
1.2	<p><u>Risk Category (Optional)</u></p> <p>The Risk Register can include a column ‘Risk Category’. These categories will be developed in the previous step and may include:</p> <ul style="list-style-type: none"> • Delivery Risk (DR) • Performance Risk (PR) • Project Management Risk (PjMR) • Organisational Risk (OR) • External Risk (ER) • Internally Generated Risk (IGR)¹ <p>To include a Risk Category in your Risk Register unhide Column D in the Scott Group Risk Register Template.</p>

¹ Depending on the maturity of the firm/organisation IGR’s should be listed as they represent internally generated problems such as cash flow and resources that if ignored can cause projects to fail.

1.3	Communicate as detailed in ' Ongoing Communication and Consultation '.
1.4	<p>Go to Step 6 'Manage Risk: Monitor, Report and Update' to record the results of this step. Specific to this section use the following steps.</p> <p>The Context for individual risks is documented as you identify risks. At this stage you will need to record the Risk Categories that you will use. This can be documented in the:</p> <ul style="list-style-type: none"> • Risk Management Plan, if you are including a full plan; • Project Management Plan; and/or • Noted in a separate Work Sheet in your Risk Register.
Note:	<p>The project context leads to the appropriate level of risk management effort and can initiate the Risk Management Plan. Therefore the desired outcome of this part of the Risk Management Process may include (depending on the size and complexity of the project) the production of a Risk Management Plan. The Risk Management Plan should include:</p> <ul style="list-style-type: none"> • The enterprise environmental factors including the organisational attitudes towards risk, and the people involved on the project; • A consistent approach to the management of risk that is tailored for each project; • The organisational process assets which includes the organisations predefined approach to risk management; and • A Project Scope Statement. <p>The Risk Management Plan can also form part of the Project Management Plan. (Refer to Scott Group Project Management Plan Pack).</p>
<p>EXIT Criteria (<i>When I have finished this step what should I have or what should I have done?</i>)</p> <p>You will have:</p> <ul style="list-style-type: none"> • An understanding of organisational and stakeholder risk appetite; • Developed Risk Categories (Optional); and • An understanding of limitations of skills, legislative requirements and financial constraints. 	