

Australian/New Zealand Standard™

**Managing risk in projects – Application
guidelines**



AS/NZS IEC 62198:2015

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PREFACE

This Standard was prepared by the Joint Standards Australia/Standards New Zealand Committee QR-005, Dependability, with input from the Joint Standards Australia/Standards New Zealand Committee OB-007, Risk Management.

The objective of this Standard is to provide principles and generic guidelines on managing risk and uncertainty in projects.

This Standard is identical with, and has been reproduced from IEC 62198 Ed.2.0 (2013), *Management of risk in projects—Application guidelines*.

As this Standard is reproduced from an International Standard, the following applies:

- (a) In the source text ‘this International Standard’ should read ‘this Australian/New Zealand Standard’.
- (b) A full point substitutes for a comma when referring to a decimal marker.

References to International Standards should be replaced by references to Australian or Australian/New Zealand Standards, as follows:

<i>Reference to International Standard</i>	<i>Australian/New Zealand Standard</i>
ISO	AS/NZS ISO
31000 Risk management—Principles and guidelines	31000 Risk management—Principles and guidelines

The term ‘informative’ has been used in this Standard to define the application of the annex to which it applies. An ‘informative’ annex is only for information and guidance.

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INTRODUCTION

Every project involves uncertainty and risk. Project risks can be related to the objectives of the project itself or to the objectives of the assets, products or services the project creates. This International Standard provides guidelines for managing risks in a project in a systematic and consistent way.

Risk management includes the coordinated activities to direct and control an organization with regard to risk. ISO 31000, *Risk management – Principles and guidelines*, describes the principles for effective risk management, the framework that provides the foundations and organizational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout an organization and a process for managing risk that can be applied to all types of risk in any organization. This standard shows how those general principles and guidelines apply to managing uncertainty in projects.

This standard is relevant to individuals and organizations concerned with all phases in the life cycle of projects. It can also be applied to sub-projects and to sets of inter-related projects and programmes.

The application of this standard needs to be tailored to each specific project. Therefore, it is considered inappropriate to impose a certification system for risk management practitioners.

The guidance provided in this standard is not intended to override existing industry-specific standards, although the guidance can be helpful in such instances.

NOTES

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AUSTRALIAN/NEW ZEALAND STANDARD

Managing risk in projects—Application guidelines**1 Scope**

This International Standard provides principles and generic guidelines on managing risk and uncertainty in projects. In particular it describes a systematic approach to managing risk in projects based on ISO 31000, *Risk management – Principles and guidelines*.

Guidance is provided on the principles for managing risk in projects, the framework and organizational requirements for implementing risk management and the process for conducting effective risk management.

This standard is not intended for the purpose of certification.

2 Normative references

The following documents, in whole or in part, are normatively referenced in this document and are indispensable for its application. For dated references, only the edition cited applies. For undated references, the latest edition of the referenced document (including any amendments) applies.

ISO 31000, *Risk management – Principles and guidelines*

3 Terms and definitions

For the purpose of this document, the following terms or definitions apply.

3.1 project

unique process consisting of a set of coordinated and controlled activities, with start and finish dates, undertaken to achieve an objective conforming to specific requirements, including the constraints of time, cost and resources

Note 1 to entry: An individual project may form part of a larger project structure.

Note 2 to entry: In some projects the objectives are updated and the product characteristics defined progressively as the project proceeds.

Note 3 to entry: The project's product is generally defined in the project scope. It may be one or several units of product and may be tangible or intangible.

Note 4 to entry: The project's organization is normally temporary and established for the lifetime of the project.

Note 5 to entry: The complexity of the interactions among project activities is not necessarily related to the project size.

[SOURCE: ISO 10006:2003, 3.5] [1]¹

3.2 project management

planning, organizing, monitoring, controlling and reporting of all aspects of a project and the motivation of all those involved in it to achieve the project objectives

¹ References in square brackets refer to the Bibliography.