Contents

Preface v
Acknowledgements x

1 Directions for Risk Management Development  1
  1.1 Introduction  1
  1.2 Enterprise Risk Management and all that  1
  1.3 Dimensions of Risk Management Development  4
  1.4 Pathways for Risk Management Development  15

2 Risk Management Infrastructure  17
  2.1 Introduction  17
  2.2 Roles and Responsibilities  18
  2.3 Guiding Principles  28
  2.4 Strategy for Risk Management Development  28
  2.5 Policies and Guidelines for Risk Management  29
  2.6 Information Systems and Decision Support  31
  2.7 A Corporate Risk Management Manual  32

3 Risk, Threats, Opportunities, Objectives and Uncertainty Management  37
  3.1 Introduction  37
  3.2 Definitions of Risk  37
  3.3 Threats and Opportunities  39
  3.4 Uncertainty as Variability and Ambiguity  41
  3.5 Risk, Uncertainty, and Objectives  42
  3.6 Uncertainty Management  45
  3.7 Conclusion  47

4 Sources of Uncertainty  49
  4.1 Introduction  49
  4.2 A Corporate Strategy Perspective  49
  4.3 An Asset Management Perspective  56
  4.4 A People Perspective  63
  4.5 A Project Perspective  69
  4.6 A Systems Perspective  73
  4.7 Conclusion  82
5 Decision Processes
5.1 Introduction
5.2 A Basic Decision Process Framework
5.3 Uncertainty in the Decision Process
5.4 Characteristics of an Individual Decision Maker
5.5 Attitude to Risk
5.6 Framing Effects
5.7 Group Decision Processes
5.8 Conclusions

6 Objectives for Risk Management
6.1 Introduction
6.2 Benefits or Objectives?
6.3 Process Focused Objectives
6.4 Application Focused Objectives
6.5 Performance Focused Objectives
6.6 Strategic Capability Objectives
6.7 Objectives of Documentation
6.8 Links Between Levels of Objective
6.9 Factors Influencing Risk Management Objectives
6.10 Conclusion

7 Standards and the Risk Management Process
7.1 Introduction
7.2 Standards and Guidelines
7.3 The AIRMIC, ALARM, IRM Process Framework
7.4 The Australia/New Zealand Standard 4360
7.5 The OGC Process Framework
7.6 A Project Context Process Framework
7.7 Iterative Processes
7.8 The COSO Enterprise Risk Management Framework
7.9 Distinguishing Process and Capability
7.10 Conclusion