



# Risk Management

Engineering and construction projects do not spontaneously fail. In every case there is a clear trail back to an unrealised, misunderstood or unmanaged project risk. For over forty years we have been involved in the aftermath of projects which, at some point during their execution "failed". Those projects ended in dispute which had a detrimental impact on the contracting parties. We have gained a unique understanding of how to identify, evaluate and manage project risk, having retrospectively reviewed substantial numbers of problem projects.

This understanding assists us in providing Project Risk Management Programmes which typical include:

**IDENTIFICATION** of factors that create or impact risk

**QUANTIFICATION** of the potential impact of each project risk factor

**DETERMINATION** of which factors are controllable

**ESTABLISHING** baseline assumptions for factors which are not controllable

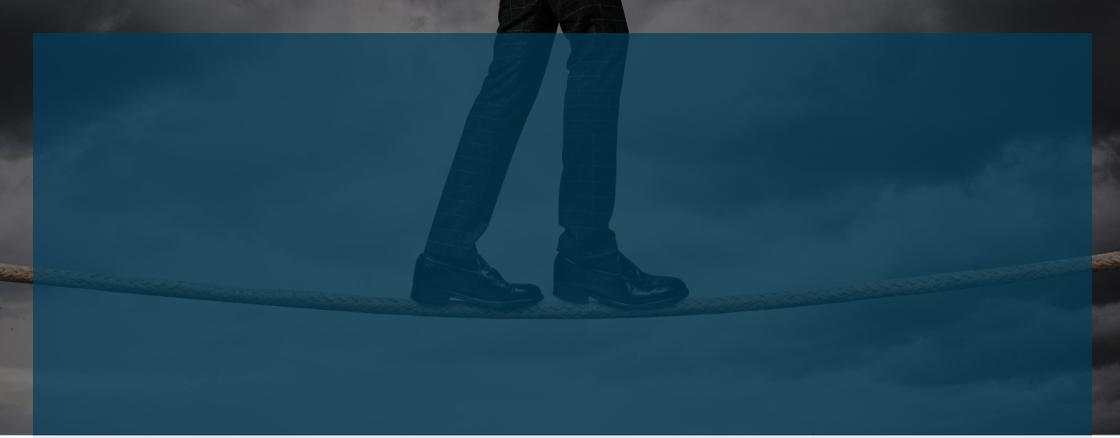
**AVOIDING** risk impact by effective management of controllable factors

**MITIGATION** of risk impact of unplanned uncontrollable factors with a controllable response.

## Risk Assessment

The greatest risk facing those engaged in construction projects is the failure to achieve timely completion at a cost that is within the project budget. Early identification and assessment of the factors which may result in failure is important if a project is to succeed.

To assist our clients we review the essential elements of the project deliverables from time and cost point of view. This involves an in-depth assessment of both contractual and project issues, allowing risk to be identified and assessed at an early stage.



## Risk Management

Despite early risk assessment, identified risks need to be managed and reviewed on an ongoing basis. In addition, risk appears at all stages of a project including unexpected events or outcomes inherent in the execution of any scope of work.

To protect our clients we are able to manage, oversee and maintain key elements of projects such as overall management and organisational practices, cost management, and control systems, scheduling practices and procedures, change and claims control procedures together with record keeping and document control.

## Due Diligence

The technical and commercial risks inherent in any project finance transaction are often considerable. We deliver sound analysis and pragmatic advice to banks, equity investors and insurers engaged in financing both non recourse and asses-backed transactions. Our experience in the execution of complex construction projects provides us with a thorough appreciation of the risks facing our clients. The cornerstone of our approach to the due diligence process is to translate technical obligations for the borrower into commercial risk for the lender. We undertake a rigorous review, ascertain risk and deliver clear and informed solutions on how best to transfer, mitigate or insure such factors.