



# COMMUNIQUÉ

*Newsletter of the  
New Zealand Architects Cooperative Society Ltd  
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## *Welcome To COMMUNIQUÉ*

### **Risk Management Checklist**

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**H**ow good are the Risk Management procedures in your office? Do you regularly review and upgrade them? Are your Risk Management procedures written down and easily accessible? How diligently do you undertake your Risk Management procedures?

NZACS, as part of its on going commitment in providing Risk Management support to member firms, is pleased to offer the attached Risk Management Checklist. The Checklist has been prepared by Claims Director, Colin Orchiston, as a refinement of his 101 Tips.

It is a comprehensive checklist which may appear daunting. However, any effective office risk management strategy is, by necessity, required to cover all aspects of project and office management.

Members are urged to use the checklist as offered or incorporate parts in to an already well established office process.

The receipt of the checklist provides a great opportunity for members to conduct a full review their Risk Management procedures, implement changes and enhancements, and then focus on ensuring the whole office understands the need carry out sound risk management as encompassed in the revised procedures.

**Alan Purdie**  
**Editor**

### **COMMUNIQUÉ**

***The Official Newsletter of the New Zealand  
Architects Cooperative Society Ltd***

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***We welcome contributions from readers,  
on how they manage risk.***

# NZACS Risk Management Checklist

NZACS Risk Management Checklist				
Project No.....		Date: .....	Check/Tick boxes where applicable	
			<b>General</b>	<b>Project</b>
<b>A</b>	<b>COMMUNICATIONS</b>			
1	Are they confirmed in writing?		<input type="checkbox"/>	
2	If written, are they framed in a manner that requires the recipient to respond if they disagree?		<input type="checkbox"/>	
3	Do you respond immediately in writing if you disagree with those received?		<input type="checkbox"/>	
4	Do all records and communications and notes of conversations carry a date, file reference and identify the persons involved?		<input type="checkbox"/>	
5	Do you establish – at the earliest opportunity - defined channels of communication among all personnel involved in the project?		<input type="checkbox"/>	<input type="checkbox"/>
6	Do those procedures provide verification of information given and received?		<input type="checkbox"/>	
7	Are you able to verify claims and actions with timesheet and disbursement records?		<input type="checkbox"/>	
8	Are you satisfied that you could withstand being cross-examined in court about your correspondence?		<input type="checkbox"/>	
9	Are adjectives used in correspondence only when unavoidably necessary?		<input type="checkbox"/>	
<b>B</b>	<b>COMPUTERS</b>			
10	Do you regularly back up all computer records?		<input type="checkbox"/>	
11	Are backups kept off site?		<input type="checkbox"/>	
12	Are backup procedures reviewed for security, durability of storage mediums, and the available technology for reinstatement?		<input type="checkbox"/>	
13	Have you installed, and do you regularly update anti-virus software?		<input type="checkbox"/>	
14	Is all your software currently licensed (including that run by staff which may not be “officially” in the office system)?		<input type="checkbox"/>	
<b>C</b>	<b>EMAILS</b>			
15	Do you have effective and monitored procedures for controlling staff emails both personal and business?		<input type="checkbox"/>	
16	Are those email procedures subject to the same checks and balances as for written correspondence?		<input type="checkbox"/>	
17	Do you have an office policy on how email correspondence is archived and/or filed for future reference (perhaps in the case of a dispute)?		<input type="checkbox"/>	

<b>D</b>	<b>HEALTH AND SAFETY</b>		
18	Have you surveyed your office for potential hazards?	<input type="checkbox"/>	
19	Have you taken all reasonable steps to minimise and/or monitor those hazards?	<input type="checkbox"/>	
20	Have those persons who are subject to the risk of those hazards been instructed in how to deal with those risks to minimise harm?	<input type="checkbox"/>	
21	Are all workplace accidents recorded and reviewed for feedback and improvement of the health and safety plans?	<input type="checkbox"/>	
<b>E</b>	<b>TECHNICAL AND TRADE INFORMATION</b>		
22	Do you retain information which is obsolete but which you relied on for a project and which may be useful in defending a claim in future years?	<input type="checkbox"/>	
23	When updated information is received, do you date it then and there?	<input type="checkbox"/>	
24	When updated information is received, do you review it for the effect the updates/changes may have on current and past projects?	<input type="checkbox"/>	
25	Do you retain on the job file a copy of the product literature you relied on for that project?	<input type="checkbox"/>	<input type="checkbox"/>
<b>F</b>	<b>PROFESSIONAL INDEMNITY COVER</b>		
26	Have you read and understood the current terms of your PI policy?	<input type="checkbox"/>	
27	Have you adopted office procedures and design technology to minimise the potential for PI claims against you? (Especially those for which you may not be covered!)	<input type="checkbox"/>	
28	Have you confirmed whether your PI cover covers you for work done by contract staff?	<input type="checkbox"/>	
29	Do you have a clear policy about whether or not your staff may carry out "PJs", and on what basis?	<input type="checkbox"/>	
30	Do you understand your liabilities and extent of PI cover in the event of "PJs" going wrong?	<input type="checkbox"/>	
31	Do you consult/advise your PI insurers when events arise which may give rise to a claim under your policy?	<input type="checkbox"/>	
32	Does your office budget include a sum to cover adverse contingencies, including the prospect of meeting your excess in the event of PI claims against you?	<input type="checkbox"/>	
33	Do you maintain a prudent separation between your business affairs and your personal ones?	<input type="checkbox"/>	
<b>G</b>	<b>FEES</b>		
34	Do you send out fee claims regularly, and identify the work done which is being charged for?	<input type="checkbox"/>	
35	Do you maintain a prudent balance between work in progress and cash flow for each project, and for all projects?	<input type="checkbox"/>	
36	Do you specifically assess them to fairly reflect the risk, technical complexity, level of skill, and extent of attendances required on each project?	<input type="checkbox"/>	<input type="checkbox"/>

37	Do you satisfy yourself that they will not be unduly dependent on the financial outcomes of the project nor upon any matters in which you must exercise independent judgement? (e.g. the issue of a Practical Completion Certificate).	<input type="checkbox"/>	<input type="checkbox"/>
38	Do you review them against progress during - and against the actual costs on completion of - a project to provide a basis for quoting on similar or comparable projects?	<input type="checkbox"/>	
39	On smaller jobs, do you send fees with the drawings or the documentation - or as soon as possible after handing them over - so the client can relate your fee to the work done?	<input type="checkbox"/>	
<b>H</b>	<b>CLIENTS</b>		
40	Do you adequately enquire about their background, disposition, solvency and intentions before accepting the project?	<input type="checkbox"/>	<input type="checkbox"/>
41	Do you confirm the design brief – and the changes thereto – in writing?	<input type="checkbox"/>	<input type="checkbox"/>
42	Is the client represented by a single “decision-maker”?	<input type="checkbox"/>	<input type="checkbox"/>
43	Are the instructions being given to you by the “client” from a person authorised to give such instructions? (if that person is a consultant project manager, are they taking responsibility for issuing those instructions?)	<input type="checkbox"/>	<input type="checkbox"/>
44	Do you advise them when you consider that design or briefing changes affect the project expenditure?	<input type="checkbox"/>	
45	Do you understand their expectations and priorities as regards cost / size / function / quality / timeframes / risks, and raise any concerns you have about those issues?	<input type="checkbox"/>	<input type="checkbox"/>
46	Do you confirm their budget, the items it includes (e.g.: inflation, contingencies, fees, consents, financing, relocation costs, GST, separate contracts, furniture, fittings, client-supplied items), and the changes thereto in writing?	<input type="checkbox"/>	<input type="checkbox"/>
47	Do you take the earliest opportunity to advise them of the need (and costs) for the consultants necessary for the design and documentation?	<input type="checkbox"/>	<input type="checkbox"/>
48	If the client changes, do you reconfirm conditions of engagement, fee arrangements, briefing, and lines of authority and communication?	<input type="checkbox"/>	
49	Do you regularly report to them on progress, costs, timing, and quality? Do you provide the time and opportunity for them to raise and resolve concerns thus arising?	<input type="checkbox"/>	
50	Do you confirm that they understand your role as architect, including quasi-judicial roles during construction administration?	<input type="checkbox"/>	<input type="checkbox"/>
51	If your client has changed – or you have been novated – do you confirm that the basis of your engagement is otherwise unchanged?	<input type="checkbox"/>	
<b>I</b>	<b>PROJECT CHARACTERISTICS</b>		
52	Do you assess the apparent risks arising from the nature of the project? (e.g. committee-driven, speculative, apartments, politically/culturally/locally/environmentally contentious).	<input type="checkbox"/>	<input type="checkbox"/>
53	Is the type/size/complexity of the project within your current capabilities?	<input type="checkbox"/>	<input type="checkbox"/>
54	Are the timeframes set for the project reasonable?	<input type="checkbox"/>	<input type="checkbox"/>

55	Do the proposed delivery methods proposed sit comfortably with your work methods and resources?	<input type="checkbox"/>	<input type="checkbox"/>
56	Have the roles and responsibilities of the participants been adequately defined?	<input type="checkbox"/>	<input type="checkbox"/>
57	Does the location of the project suggest abnormal or specific risks?	<input type="checkbox"/>	<input type="checkbox"/>
<b>J</b>	<b>CONDITIONS OF ENGAGEMENT</b>		
58	Are they in writing?	<input type="checkbox"/>	<input type="checkbox"/>
59	Does the person who appointed you have the authority to do so?	<input type="checkbox"/>	<input type="checkbox"/>
60	Do they confirm the amount and basis of your fees, when they are payable, the consequences of non-payment, and for interest and debt recovery costs if necessary?	<input type="checkbox"/>	<input type="checkbox"/>
61	Do they confirm the terms of copyright in the plans, written documentation and electronic media?	<input type="checkbox"/>	<input type="checkbox"/>
62	Do they confirm the scope of work, and the procedures and consequences of varying that scope?	<input type="checkbox"/>	<input type="checkbox"/>
63	Do they confirm the extent of your responsibility, and the limitations of your liability to the client or any other parties?	<input type="checkbox"/>	<input type="checkbox"/>
64	Do they provide that your liability is on a proportional – rather than joint and several – basis?	<input type="checkbox"/>	<input type="checkbox"/>
65	If they are other than NZIA standards, do you make absolutely sure – after specific enquiry – that they do not expose you to uninsured risks and/or an unreasonable standard of performance?	<input type="checkbox"/>	<input type="checkbox"/>
66	Do they provide for an equitable basis to terminate the commission if required?	<input type="checkbox"/>	<input type="checkbox"/>
67	Where “partial services” are undertaken, do you provide a suitable disclaimer in respect of work beyond your brief?	<input type="checkbox"/>	<input type="checkbox"/>
68	Where “partial services” are undertaken, do you take steps to ensure that any problems with your documentation are raised with you sooner rather than later?	<input type="checkbox"/>	<input type="checkbox"/>
69	Do they confirm any limitations on the extent of your authority as agent for the client?	<input type="checkbox"/>	<input type="checkbox"/>
70	Do you satisfy yourself that they don’t “cut across” the engagement of other (perhaps unpaid) architects, or require you to breach their copyright?	<input type="checkbox"/>	<input type="checkbox"/>
71	Do they confirm responsibility for peripheral tasks and supplies e.g. other consultants, resource consents, surveys, furniture, fittings, and IT systems?	<input type="checkbox"/>	<input type="checkbox"/>
<b>K</b>	<b>CONSULTANTS</b>		
72	Do they have the resources and capability necessary?	<input type="checkbox"/>	<input type="checkbox"/>
73	Do you check to see whether your conditions of engagement are any more onerous than those of other consultants?	<input type="checkbox"/>	<input type="checkbox"/>
74	Do you satisfy yourself that the conditions of engagement of associated consultants or project managers are not exposing you to bearing an undue share of their liabilities?	<input type="checkbox"/>	<input type="checkbox"/>
75	In respect of their terms of engagement, do you apply similar criteria as set out above for “Conditions of Engagement”?	<input type="checkbox"/>	<input type="checkbox"/>

76	Do you confirm your roles and responsibilities in respect of consultants and project managers, and check that the terms of all concerned are consistent? (especially for payments, scope of work, responsibilities, and co-ordination)	<input type="checkbox"/>	<input type="checkbox"/>
77	In sub-consultancy agreements, do you include a clause (as between you - as head or subconsultant - and the client and between you and other consultants recording that subconsultants carry the same level of liability as the head consultants?	<input type="checkbox"/>	<input type="checkbox"/>
78	In respect of the engagement of engineering sub-consultants on standard ACENZ terms, do you substitute their dispute resolution clauses with one that includes for both mediation and arbitration?	<input type="checkbox"/>	<input type="checkbox"/>
79	Do you check the P.I. cover and/or limitations on liability by the consultants, and require that they keep in force cover at least to the extent of yours?	<input type="checkbox"/>	<input type="checkbox"/>
<b>L</b>	<b>CODE COMPLIANCE</b>		
80	When doing alteration projects, do you first confirm the existing level of compliance, the effect that may have on the nature and extent of alterations, and the effect the alterations may have upon it?	<input type="checkbox"/>	<input type="checkbox"/>
81	Do you take the earliest opportunity to advise the client of issues in relation to resource consents, surveying, leasing, Code compliance, insurance, defective construction or other matters, and the need for expert advice by others and/or secondary consultants at the client's cost.	<input type="checkbox"/>	<input type="checkbox"/>
<b>M</b>	<b>DESIGN MANAGEMENT</b>		
82	Do you record the names of the persons you obtained information from when seeking assistance from suppliers, territorial authorities and utility companies?	<input type="checkbox"/>	
83	Do you confirm in writing significant information given by suppliers, territorial authorities and utility companies?	<input type="checkbox"/>	
84	Do you check at least all of the following (where relevant) before firming up designs:		
	boundaries (including in relation to fence lines)	<input type="checkbox"/>	<input type="checkbox"/>
	rights of way, easements and covenants	<input type="checkbox"/>	<input type="checkbox"/>
	resource consent controls	<input type="checkbox"/>	<input type="checkbox"/>
	underground services	<input type="checkbox"/>	<input type="checkbox"/>
	services connections and levels	<input type="checkbox"/>	<input type="checkbox"/>
	existing site levels and datum	<input type="checkbox"/>	<input type="checkbox"/>
	subsoil conditions (incl possible contaminants)	<input type="checkbox"/>	<input type="checkbox"/>
	existing structures, existing vegetation to be retained	<input type="checkbox"/>	<input type="checkbox"/>
	previous drawings against the as-built situation	<input type="checkbox"/>	<input type="checkbox"/>
	anomalies between existing site information and existing site conditions	<input type="checkbox"/>	<input type="checkbox"/>
85	Do you have a procedure in place for ensuring that the information from these checks makes it to your current documentation?	<input type="checkbox"/>	
86	Do you evaluate materials, systems and equipment on a case-by –case basis before incorporating them in your documentation?	<input type="checkbox"/>	
87	Do you make clear to your client your reservations in using procedures materials systems or equipment when you disagree with their instructions to use them – and expressly limit your liability if necessary?	<input type="checkbox"/>	

88	Do you review your design against the budget on a regular basis?	<input type="checkbox"/>	<input type="checkbox"/>
89	Do you review your design against the design brief on a regular basis?	<input type="checkbox"/>	<input type="checkbox"/>
90	Do you review your design against the current technical information on a regular basis?	<input type="checkbox"/>	<input type="checkbox"/>
<b>N</b>	<b>ESTIMATES AND COSTS</b>		
91	Do you advise the client of the necessity to obtain expert assistance with estimates where necessary?	<input type="checkbox"/>	<input type="checkbox"/>
92	Do you explain the assumptions of and the basis of your estimates – in particular the items not included?	<input type="checkbox"/>	<input type="checkbox"/>
93	Do you explain to your client the range of variables inherent in estimating, the effect of the market and the extent of documentation on accuracy, and the difference between an estimate and a quote?	<input type="checkbox"/>	<input type="checkbox"/>
94	Do you advise the client of the cost consequences of changes to the scope of works?	<input type="checkbox"/>	
95	When making revisions to reduce costs, do you ensure the client acknowledges the impact on the original briefing and quality expectations?	<input type="checkbox"/>	
96	Do you advise the client of the merits of including for a contingency sum?	<input type="checkbox"/>	<input type="checkbox"/>
<b>O</b>	<b>DOCUMENTATION PROCEDURES</b>		
97	Do you obtain the client's written approval of the agreed sketch proposal and estimates before commencing detailed design, contract documentation and specification?	<input type="checkbox"/>	<input type="checkbox"/>
98	Do you appoint one person within the design team to maintain an overview of the content, co-ordination and consistency of the information on the drawings?	<input type="checkbox"/>	<input type="checkbox"/>
99	Do you have an office policy (or a project-specific policy) on the balance between the information shown on the drawings and in the specification?	<input type="checkbox"/>	<input type="checkbox"/>
100	Do you have standard procedures for drawings, specifications and checking (including peer review)?	<input type="checkbox"/>	
101	Do you agree them with relevant consultants to avoid conflicts, contradictions, information gaps or ambiguities?	<input type="checkbox"/>	
102	Do you maintain a watching brief on the NZIA Practice Notes and adapt your procedures accordingly?	<input type="checkbox"/>	
103	Do you maintain a watching brief on new legislation, and the BRANZ and SANZ publications, and review your documentation accordingly?	<input type="checkbox"/>	
104	Do you review the extent and content of your documents against the Construction Industry Council Guidelines?	<input type="checkbox"/>	
<b>P</b>	<b>SPECIFICATIONS</b>		
105	Do you restrict adjectives to those which are unavoidably necessary?	<input type="checkbox"/>	
106	Do all draughting staff maintain a "running list" of items to prompt the specification writer?	<input type="checkbox"/>	

107	Is consideration given to whether each item should be described on a prescriptive or performance basis?	<input type="checkbox"/>	<input type="checkbox"/>
108	Are they compiled and written so that those likely to read them will? (And so that they are likely to understand them?)	<input type="checkbox"/>	
109	Does every section positively refer to and incorporate (or include) the relevant P&G items?	<input type="checkbox"/>	<input type="checkbox"/>
110	Do you maintain a standard list of P&G items, and Specific Conditions, and tailor them as required for each project?	<input type="checkbox"/>	
111	If using a standard specification (e.g. Masterspec) do you tailor it to suit each project by modifying individual clauses, deleting where necessary, and filling in the "blanks" where required?	<input type="checkbox"/>	
112	Do you insist that NZIA standard guarantee forms, or industry-standard guarantee forms are used instead of generating your own or incorporating those suggested by your client?	<input type="checkbox"/>	
<b>Q</b>	<b>TENDERING</b>		
113	Do you ensure that all tender information is made available on an equal basis to tenderers?	<input type="checkbox"/>	
114	Do you "match" the tender conditions of contractors and nominated subcontractors and/or notify each of the other's conditions?	<input type="checkbox"/>	
115	Do you enforce tender closing dates?	<input type="checkbox"/>	
116	Do you have a defined process for checking for "blunders" in submitted tenders, and for dealing with them if they arise?	<input type="checkbox"/>	
117	Are you aware that a contract is in existence from the moment you accept a tender, and do you thus take care in post-tender negotiations to not unwittingly create any such commitment?	<input type="checkbox"/>	
118	Do your tender invitations make it clear that calling for tenders does not necessarily mean a contract will be formed? (e.g. "lowest or any tender may not be accepted")	<input type="checkbox"/>	<input type="checkbox"/>
119	Does the prospective contractor have the necessary experience, skills, management, and resources to carry out the project in accordance with the contract terms?	<input type="checkbox"/>	<input type="checkbox"/>
120	Do you explain to clients the potential problems in accepting an unreasonably low tender?	<input type="checkbox"/>	
121	Do you insist on clear instructions from the client before accepting a tender?	<input type="checkbox"/>	<input type="checkbox"/>
<b>R</b>	<b>CONTRACT ADMINISTRATION</b>		
122	Do you confirm that contract insurances are in place before work starts on site?	<input type="checkbox"/>	<input type="checkbox"/>
123	Do you confirm that a site-specific (or appropriate) Health and Safety programmes are in place before work starts on site?	<input type="checkbox"/>	<input type="checkbox"/>
124	Do you confirm all other pre-commencement obligations (if any) before work starts on site?	<input type="checkbox"/>	<input type="checkbox"/>
125	Do you make clear to the client the proper procedures for communicating with the contractor?	<input type="checkbox"/>	<input type="checkbox"/>
126	Do you make clear to the client the responsibilities you have in relation to contract interpretation and certification?	<input type="checkbox"/>	<input type="checkbox"/>

127	Do you have standard procedures or a checklist for dealing with:		
	site visits	<input type="checkbox"/>	<input type="checkbox"/>
	site instructions	<input type="checkbox"/>	<input type="checkbox"/>
	health and safety plans	<input type="checkbox"/>	<input type="checkbox"/>
	requests for information	<input type="checkbox"/>	<input type="checkbox"/>
	variations	<input type="checkbox"/>	<input type="checkbox"/>
	contingency items	<input type="checkbox"/>	<input type="checkbox"/>
	monetary allowances	<input type="checkbox"/>	<input type="checkbox"/>
	progress claims	<input type="checkbox"/>	<input type="checkbox"/>
	time extensions	<input type="checkbox"/>	<input type="checkbox"/>
	site meetings	<input type="checkbox"/>	<input type="checkbox"/>
	shop drawings	<input type="checkbox"/>	<input type="checkbox"/>
	payments for off-site items	<input type="checkbox"/>	<input type="checkbox"/>
	snag lists or defects reports	<input type="checkbox"/>	<input type="checkbox"/>
	practical completion	<input type="checkbox"/>	<input type="checkbox"/>
	occupation, handover and insurance transfer	<input type="checkbox"/>	<input type="checkbox"/>
	guarantees and warranties	<input type="checkbox"/>	<input type="checkbox"/>
	as built documentation	<input type="checkbox"/>	<input type="checkbox"/>
	final completion	<input type="checkbox"/>	<input type="checkbox"/>
<b>S</b>	<b>PROBLEMS, HASSLES AND DISPUTES</b>		
128	In the event of difficulties, do you open dialogue with those involved to resolve the issues as soon as you have the necessary information to do so?	<input type="checkbox"/>	
129	In respect of clients who are “consumers”, do you explain and obtain an undertaking to refer disputes between you to arbitration?	<input type="checkbox"/>	<input type="checkbox"/>
130	If you are taking over a project after commencement by others, do you specifically exclude responsibility for “inherited” decisions?	<input type="checkbox"/>	
131	Do you firmly resist any attempt by the client to modify standard forms of contract?	<input type="checkbox"/>	
132	Where contracts are to be formed between contractors and clients who are “consumers”, do you explain and obtain the necessary declarations under the Arbitration Act?	<input type="checkbox"/>	<input type="checkbox"/>
133	Do you ensure that contractors are aware of the specific information required on claims forms (especially in respect of residential contracts) to preserve their rights under the Construction Contracts Act?	<input type="checkbox"/>	<input type="checkbox"/>
134	Do you advise your PI insurer as soon as it becomes apparent that a claim on your policy may arise?	<input type="checkbox"/>	