



**SUCCESSION
TRAINING**

BSB51415 Diploma of Project Management



Risk Management

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ASSESSMENT WORKBOOK COVERSHEET

WORKBOOK:	Workbook 4
TITLE:	Risk Management
FIRST AND SURNAME:	Brad Kayll
PHONE:	0422800669
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Please read the Candidate Declaration below and if you agree to the terms of the declaration sign and date in the space provided.

By submitting this work, I declare that:

- I have been advised of the assessment requirements, have been made aware of my rights and responsibilities as an assessment candidate, and choose to be assessed at this time.
- I am aware that there is a limit to the number of submissions that I can make for each assessment and I am submitting all documents required to complete this Assessment Workbook.
- I have organised and named the files I am submitting according to the instructions provided and I am aware that my assessor will not assess work that cannot be clearly identified and may request the work be resubmitted according to the correct process.
- This work is my own and contains no material written by another person except where due reference is made. I am aware that a false declaration may lead to the withdrawal of a qualification or statement of attainment.
- I am aware that there is a policy of checking the validity of qualifications that I submit as evidence as well as the qualifications/evidence of parties who verify my performance or observable skills. I give my consent to contact these parties for verification purposes.

Name: Brad Kayll

Signature: BK

Date:
07/07/20

KNOWLEDGE ASSESSMENT

1. Classify each project risk provided below into different risk categories.

Write the letters that correspond to your answers in the spaces provided.

Guidance: Although a project risk may be classified into more than one (1) risk category, you must choose only one (1) risk category for each project risk. Having multiple answers is not allowed.

Risk Categories	
a. communications b. compliance c. consultative d. environmental e. finance f. health and safety g. human resources h. legal i. organisational brand	j. physical k. political l. project assumptions m. project constraints n. project process risks o. quality p. social q. technology
Project Risks	
H	Breach of contract
A	Requirements are misinterpreted by the project team and gaps and variances develop between expectations, requirements, and work packages.
G	Stakeholder turnover or stakeholders suddenly leaving the project due to conflicts and disagreements.
M	Required activities are unintentionally missed out or are missing from scope definition.
B	Project team members sustain injuries due to lack or inadequate risk controls.
N	Inexperienced project team members produce lower quality products, which would result in more retesting than originally planned.
E	Costs are incurred in foreign currencies exchange rates.

P	Project deliverables and specifications are found to be culturally inappropriate to the target market.
J	A number of project activities emit air pollution and put project team members at risk for lung cancer.
Q	Sensitive and confidential project data and information are stolen by hackers.

2. Provide one (1) example of project risks for each risk categories listed below. Do not use the project risks provided in Written Question 1.

Risk Categories	Project Risks
Human resources	When one of your employees/team members leaves or quits causing your company big delays in the project to go through the process of replacing them and hiring a new member.
Legal	There are all kinds of legal issues when not handing over a project by the contracted date. Problems include liquidated damages and contract termination.

5. The following are different tools and techniques used in Qualitative and Quantitative Risk Management. Match each tool and technique to its correct description.

	Tools and Techniques	Description
<i>C</i>	Expert judgement	a. This draws on experience and historical data to quantify the probability and impact of risks on project objectives.
<i>A</i>	Interviewing	b. This is a statistical concept used to calculate the average outcome when the future includes scenarios that may or may not happen.
<i>D</i>	Sensitivity analysis	c. This can be used in both Qualitative and Quantitative Risk Management. In the qualitative approach, this is used to assess the probability and impact of each risk to determine its location in the matrix. In the quantitative approach, this is used to identify potential cost and schedule impacts, and to evaluate probability.
<i>B</i>	Expected monetary value analysis (EVM)	d. This helps to determine which risks have the most potential impact on the project. It examines the extent to which the uncertainty of each project element affects the objective being examined when all other uncertain elements are held at their baseline values.
<i>F</i>	Risk categorisation	e. This is used to rate risks as low, moderate, or high priority.
<i>E</i>	Probability and impact matrix	f. This is used to classify risk in terms of its sources or area of impact. It involves grouping risks coming from common root causes, leading to developing more effective risk responses.

Instructions to Student

In the real world you are likely to encounter the situation where you enter a project, taking over from another project manager. The documentation that is handed over to you is not necessarily up to scratch, and there could be serious issues with the project. This assessment captures that real life scenario.

The case studies are the first part of dealing with “multiple complex projects” required in all the units of this subject. The other assessment covering this requirement is the practical assessment. When you have completed the case studies you will be able to commence the practical assessment which covers the generic skills needed to function as an effective project team member. This assessment on the other hand covers the application of the underpinning knowledge and background theory.

Introduction

You have just finished the consultancy work in the previous workbook. The steering committee are about to sign off on the changes, but have requested you look at the risk aspects of the project as this has not been taken into account properly in the past.

Sam has suggested the risk management plan was fine for the start of the project, but given all the recent upheaval with a new project sponsor and a new contractor, and as a result the time lines blowing out, there seem to be more risks that need to be documented.

The project documentation has not been updated since the previous workbook. If you do not already have version 3 of the project documentation, you may download it from here:

Project Charter version 3 (.pdf)

Project Plan version 3 (.pdf)

Project Gantt Chart version 3 (.mpp)

Project Gantt Chart version 3 (.pdf)

Project Network Diagram version 3 (.pdf)

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(username: cstclearner password: CstcPty@123)
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Note: These documents were generated in year 2016. For the purpose of this assessment, refer to ‘2016’ as the current year and ‘2017’ as the succeeding year.

Issues Register

Issue #	Date/ time raised	Description	Raised by	Action History	Status open/ closed
1	17/07/20xx	Project starting a week early due to requirements for Earth moving Logistics Pty Ltd needing additional notice of the movement of supplies and equipment.	Sam Ng	Started: 27/07/16 (Fri) Finish: 08/08/16 (Wed) Duration: 8 days Res: Andrew Lowe (site supervisor) Change request 1)	closed
2	17/07/20xx	Three additional retaining walls needed for additional chalets.	Sam Ng	Change Request 1) The addition of 3 new retaining walls and services to additional units as per updated site plan. The increase of road gravel to equal \$6,500. Start: 27/08/16 (Mon) Finish: 24/09/16 (Mon) Duration: 20 days	Closed
3	22/11/20xx	Project sponsor going into liquidation.	Sam Ng	Massive Eco Development Corporation to be replaced by Cascade Peak Hotel as the major project sponsor. The project will therefore be delayed to recommence on Jan 7 2017. An extra \$100,000 funding will be provided to get the project back on schedule. Change in sponsor and they've agreed to take over	Closed

Issues Register

Issue #	Date/time raised	Description	Raised by	Action History	Status open/closed
4	28/11/20xx	Andrew (site supervisor) not having the IT skills required for e-mail and Internet access – affecting his reporting abilities.	Sam Ng	IT training provided to up skill Andrews reporting abilities to adequate	Closed
5	30/11/20xx	Two landscaping team members leaving the organisation.	Sam Ng.	Change Request 3) A new excavation contractor and two new landscapers included. Risk review with risk register and issues register updated. An additional cost of \$34,000 for site damage and \$15,139 to replace plants lost during site closure. They've been hired but haven't commenced work yet.	Open
6	14/12/20xx	Damage to site due to being abandoned for seven weeks.	Andrew Lowe Sam Ng	Cascade Peak Hotel takes over as new major sponsor. There are slight delays although cash injection gets the project back on track. Sam and Andrew to go to site to assess damage left by previous sponsor, and what needs to be done to rectify situation	Open

2. Conduct a risk review of the existing risks using the following template.

Project Risk Review Matrix				
Project Name	Cascade Peak Chalets Landscaping Project			
Prepared by	Brad Kayll			
Date	07/07/20			
Meeting date	07/07/20			
Purpose of the meeting	Assess the Project Risk Process			
Identified Risk	Changes in Probability Of Occurrence	Changes in Priority	Changes in Ownership/ Responsibility	Changes in Needed Response
Severe weather during the project.	No change. Not an issue	No change. Not an issue	No change. Not an issue	No change. Not an issue
Delays in the construction of the chalets.	This is happening now, so there is no increased probability	High priority - as the project is not far from been back on track	Cascade Peak Hotel is now responsible for this issue	This delay is due to the change of project major sponsor. A response plan is now required
Delays in supply of the glasshouse and landscaping supplies.	N/A	N/A	N/A	N/A
Delays in supply of road base.	N/A	N/A	N/A	N/A
Landscapers leaving the company.	This issue has already be raised twice - there is a high probability of remaining landscapers doing the same as for the change in major sponsor	This is high priority as new landscapers will be inducted into the firm	No change	An induction pack has been established for future employees

3. Conduct a Risk Identification SWOT analysis for the project, taking into account the recent changes.

Guidance: For the purpose of this assessment, assume that you will be facilitating this meeting with the project manager and site supervisor in attendance.

Risk Identification – SWOT Analysis

Project Name	<i>Cascade Peak Landscaping Project</i>
Prepared by	<i>Brad Kayll</i>
Date	07/07/20
Project Manager	<i>Sam Ng, Awesome Landscapes</i>
SWOT Analysis Facilitator	Sam Ng, Awesome Landscapes
SWOT Analysis Participants	Sam Ng, Andrew Lowe, Susan King
SWOT Analysis Recorder	Kelly Peacock
Date of SWOT Analysis	07/07/20

Project Strengths

What potential strengths exist about the project, the project team, the sponsor, the organisation structure, the client, the project schedule, the project budget, the product of the project, etc.?

- a. **Past experience in successfully delivering similar sized landscaping projects in the construction industry.**
- b. **Extensive experience in maintaining native flora in the area.**
- c. **Cascade Peak Hotel has been successfully operating for 50 years, but due to the increase in tourism in the area they have decided to expand to accomodate the demand, which has lead to them been the most successful provider of accomodation in the area.**
- d. **Successful experience in delivering a high standard final product on time and under budget.**
- e. **Finally the project allows for ongoing local employment, which includes resort staff, bus drivers, service people for chalets etc., and ground staff.**

Project Weaknesses

What potential weaknesses exist about the project, the project team, the sponsor, the organisation structure, the client, the project schedule, the project budget, the product of the project, etc.?

- a.
- b. **Dependence on external contractors for all excavation and deliveries meaning performance is difficult to monitor**
- c. **Progress of the project is heavily dependent on the progress of the construction of the progress**
- d. **The change in sponsor has set the project back a little**
- e. **Due to the project been so environmentally sensitive, issues can arrive out of our hands like weather and vandalism and shifts in the environment**

Project Opportunities

What potential opportunities exist in regard to achieving the project requirements, the product requirements, the project schedule, the project resources, the project quality, etc.?

- a. **If the project is delivered on time and the standard is deemed high, this helps our company with future work with Eco-Development but also other work in sensitive environmental work in the industry**
- b. **There will be ongoing opportunities in the maintenance at the resort once the project is finished**
- c. **There is a personal goal of achieving the project on schedule for Sam Ng himself, this could lead to other big projects for him to be PM**
- d.
- e.

Project Threats

What potential threats exist in regard to achieving the project requirements, the product requirements, the project schedule, the project resources, the project quality, etc.?

- a. Any delays in the construction process will impact negatively on the delivery of this project
- b. Delays with contractors or delivery of difficult to get materials can decrease our ability to deliver the project on time
- c. Inclement weather conditions can create delays in the project but also severe weather can affect the environment in terms of erosion etc.. and can also impact negatively on the delivery of the project
- d. Project sponsor could go into liquidation
- e. Plant and equipment delays can cause many problems

4. Based on the work done in the previous workbook, identify one (1) new risk within each of the following functions of project management and complete a risk analysis for it in the following risk brainstorming session worksheet template.

Guidance:

- a. When populating the fields of the Risk Brainstorming Session Worksheet, refer to the Risk Rating Table below.
- b. Further guidance is provided for you within the Risk Brainstorming Session Worksheet Template below.

Risk Rating Table

Likelihood	Consequence				
	Insignificant 1	Minor 2	Moderate 3	Major 4	Severe 5
A (Almost certain)	High	High	Very High	Very High	Very High
B (Likely)	Moderate	High	High	Very High	Very High
C (Occasionally)	Low	Moderate	High	Very High	Very High
D (Unlikely)	Low	Low	Moderate	High	Very High
E (Rare)	Low	Low	Moderate	High	High

Source: AS/NZS 31000 Risk Management

Risk Brainstorming Session Worksheet

Project Name: Cascade Peak Chalet Landscaping

Prepared by: *Brad Kayll*

Date: 20/7/2020

Session Facilitator: Sam Ng

Title/Position: Project Manager

Participating Group:
Andrew Lowe - Site Supervisor
Susan King - Landscaper
Kelly Pollock - Project Administrator

Location: *Awesome Landscaping site office*

Identified Risk	Initial Risks			Controls to be used on risk	Revised Risk			Proposed Actions	Identified by Whom?	Who is responsible?
	Likelihood of Occurrence	Potential Impact	Initial Risk Rating		Likelihood of Occurrence	Potential Impact	Revised Risk Rating			

<i>Guidance: Identify at least one (1) risk for each of the following functions of project management</i>	A: Almost certain B: Likely C: Occasionally D: Unlikely E: Rare.	1 Insignificant 2 Minor 3 Moderate 4 Major 5 Severe	Very High High Moderate Low	Elimination Substitution Isolation Engineering control Administrative control PPE (Personal protective equipment)	A: Almost certain B: Likely C: Occasionally D: Unlikely E: Rare.	1 Insignificant 2 Minor 3 Moderate 4 Major 5 Severe	Very High High Moderate Low	For each risk, a specific action must be briefly described here should the risk become an incident.	For the purpose of this simulation, you may indicate any project stakeholder in the Cascade Peak Chalets Project.	This must be either Sam Ng, the site supervisor, or other relevant project stakeholder who would be responsible for ensuring the risk does not occur, or if it does occur, will be the responsible for dealing with its impact.
	Your response can either be a number, a descriptor or both.	Your response can either be a number, a descriptor or both.			Your response can either be a letter, a descriptor or both.	Your response can either be a number, a descriptor or both.				

(Time) Severe weather during the construction of the process causing delays	Occasionally	Moderate	High	Isolation and engineering controls	Occasionally	Minor	Moderate	Assess all damaged areas and focus all landscaping resources on repairing damage. Report all of the findings and include in a change request	Andrew Lowe	Andrew Lowe
(Cost) Digging contractor not performing the tasks to the required standard causing unnecessary costs	Occasionally	Moderate	High	Administrative	Unlikely	Moderate	Moderate	Onsite rectification or find a new contractor	Andrew Lowe	Andrew Lowe
(Quality) Underground utilities not being installed properly causing quality issues	Occasionally	Major	Very High	Administrative	Unlikely	Moderate	Moderate	Onsite Rectification or find new contractor. Compensation if required	Andrew Lowe	Andrew Lowe

- Prepare job description
- Job advertisement on Seek ASAP when supervisor resigns
- Project Manager to work closely with site supervisor to be able to handle changeover smoothly
- Once chosen the new Site Supervisor to start ASAP
- Ensure there is a smooth handover between the site supervisor and the Project Manager
- The Project Manager to work closely with the incoming Site Supervisor and to monitor the duties and responsibilities of the new member

Budget and Time for Response

Sam Ng, Project Manager to devote an extra 10 hours per week to spend between recruiting and retrieving information from the outgoing site supervisor

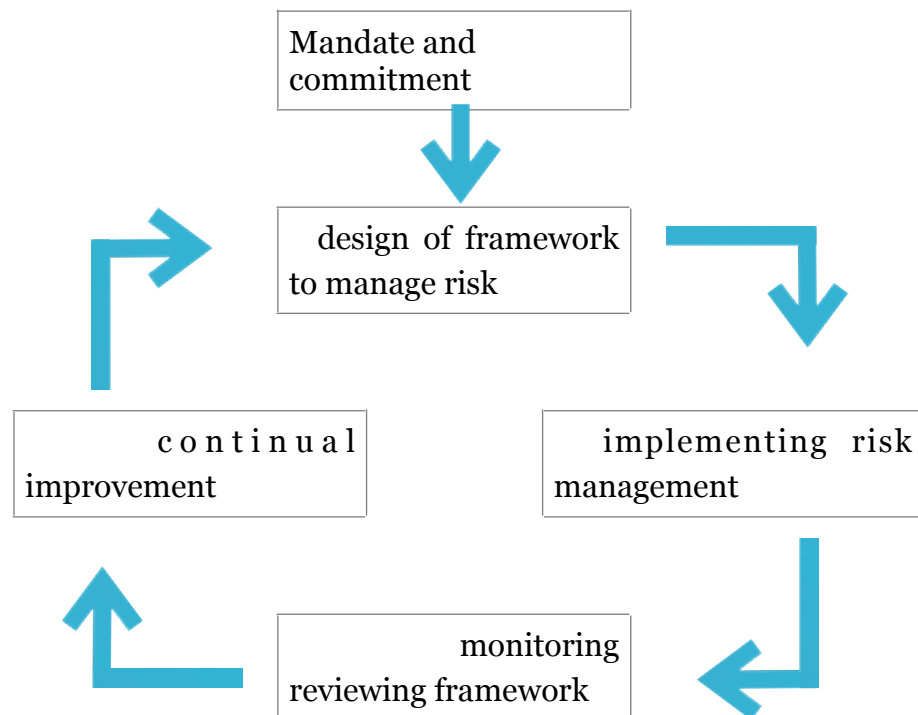
Contingency / Fallback Plans

Project Manager to suitably split their role as site supervisor and PM until the suitable replacement can be found and bought up to speed with the project

6. As set out in Risk Management Plan (Appendix 22 of the Project Plan), the risk management processes for the project will follow the AS/NZS ISO 31000 2009 Standard under the PMBOK project management methodology.
 - a. In your, own words, discuss the framework that is set by AS/NZS ISO 31000.
 - b. Complete the illustration of the risk management framework set by AS/NZS 31000 by providing the correct labels.
 - c. In your own words, discuss the model that is followed by the framework of AS/NZS ISO 31000.

Do not exceed fifty (50) words for each discussion.

B)



WORKBOOK CHECKLIST

When you have completed this workbook, please ensure you have completed all parts of it:

Written Questions

Case Study

Students must achieve a satisfactory result to ALL assessment tasks to be awarded COMPETENT for the unit relevant to this subject.

To award the student competent in the units relevant to this subject, the student must successfully complete all the requirements listed above according to the prescribed benchmarks.

End of Document