



BSB51415 Diploma of Project Management



Risk Management

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Version control & document history

Date	Summary of modifications made	Version
5 May 2016	Version 1.0 produced following assessment validation.	1.0
23 November 2017	Updated the following: ▪ Case Study Question 4 'Risk Brainstorming Session Worksheet' – Integration changed to Cost. ▪ Minor update to preliminary pages and Instructions. ▪ Updated 'Written Questions' to 'Knowledge Assessment'	1.1
18 October 2018	Change to Practical Assessment	1.11

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ASSESSMENT WORKBOOK COVERSHEET

WORKBOOK:	Workbook 4
TITLE:	Risk Management
FIRST AND SURNAME:	Zac Markwell
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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.

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.
N	Required activities are unintentionally missed out or are missing from scope definition.

Project Risks

	plumbing service would be supplied by the plumbing company. The decision of re-visiting completed works at the cost of the company after inspection where carried out, could result in a dispute of incorporating all involved partys in covering the cost of the request of the engineering company.
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3. The following are key components of a risk management plan. Match each component to its correct description.

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

	Key Components of a Risk Management Plan	Description
D	Context	a. This involves the assignment of an overall risk rating to each of the risk events identified through analysing inherent risk, identifying and evaluating controls, and analysing residual risk. It helps validate and prioritise key risks to monitor and it highlights any opportunities for improvements to current activities used as controls in the project.
F	Risk identification	b. This involves developing a range of options for mitigating the risk, assessing those options, and then preparing and implementing action plans. The highest rated risks should be addressed as a matter of urgency.

A	Risk analysis and evaluation	c. This should be a planned part of the risk management process. It involves regular checking or surveillance, wherein the results are recorded and reported externally and internally, as appropriate.
B	Risk treatment	d. This involves defining the scope for the risk management process and sets the criteria against which the risks will be assessed.
C	Monitoring and review	e. These must integrated into the entire risk management plan. These involve seeking and sharing views and information regarding project risks and considering other project stakeholders' view as part of decision making processes.
E	Communication and consultation	f. This is a critical step in effective risk management and needs to be comprehensive. If a potential risk is not known at this stage it is omitted from further analysis, which means a material risk may be given insufficient attention.

4. The following statements describe Quantitative and Qualitative Risk Management in terms of their characteristics, applications, and techniques they use.

Write **QNT** if the statement refers to Quantitative Risk Management and **QLT** if it refers to Qualitative Risk Management.

Write your answers in the spaces provided.

QNT	a. It makes use of tools and techniques such as probability distributions, sensitivity analysis, expected monetary value analysis, and etc.
QLT	b. It assesses the priority of identified risk using their relative probability or likelihood of occurrence, the corresponding impact on project objectives if the risks occur.
QLT	c. It is used to determine categorisation of risks, causes of project risks, ranking of risks, and etc.
QNT	d. It involves numerical analysis of the effect of identified risks on overall project objectives.
QLT	e. It involves prioritizing risks for further analysis or action by assessing and combining their probability of occurrence and impact.

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
C	Expert judgement	a. This draws on experience and historical data to quantify the probability and impact of risks on project objectives.
A	Interviewing	b. This is a statistical concept used to calculate the average outcome when the future includes scenarios that may or may not happen.
D	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.

B	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.
F	Risk categorisation	e. This is used to rate risks as low, moderate, or high priority.
E	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.

CASE STUDY

Instructions to Student

These case studies are hypothetical situations which will not require you to have access to a workplace, although your past and present workplace experiences may help with the responses you provide. You will be expected to encounter similar situations to these in future as you work in a project team environment.

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 \(.pdf\)**](#)

(username: cstclearner password: CstcPty@123)

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.

1. The issues register has not been populated in the project plan. You have raised this with Sam, and he has provided you with the following information to complete the table for inclusion into the next version of the project plan. Evaluate the following issues that have occurred during the course of the project to date and populate the following issues register.

Guidance:

- a. You will be able to find out background information about each issue in the current version of the Project Plan (version 3).
- b. '20xx' refers to the current year.
- c. When populating the Issues Register, always refer to the current 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 Earthmoving Logistics Pty Ltd needing additional notice of the movement of supplies and equipment.	Sam Ng	Change request implemented for a start date of 27 th of July.	Closed
2	17/07/20xx	Three additional retaining walls needed for additional chalets.	Sam Ng	Change request implemented for start date of 27 th of July	Closed
3	22/11/20xx	Project sponsor going into liquidation.	Sam Ng	New project sponsor Cascade Peak Hotel taken ownership and project to proceed.	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	Commence computer communication upskilling and gain training in Horticulture.	Closed
5	30/11/20xx	Two landscaping team members leaving the organisation.	Sam Ng.	Interview candidates and hire most suitable candidate to fore fill roll.	Open
6	14/12/20xx	Damage to site due to being abandoned for seven weeks.	Andrew Lowe	Sam and Andrew to visit site and access/review then rectify any issues.	Open

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

Project Risk Review Matrix				
Project Name	Cascade Peaks Lodge			
Prepared by	Zac Markwell			
Date	2-23-2017			
Meeting date	2-25-2017			
Purpose of the meeting	Project risk review			
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	No Change	No Change	No Change
Delays in the construction of the chalets.	Current occurring with probability increasing	High priority as project aim to get back on track	New project sponsor Cascade peaks hotel is now sponsor party	Delay was due to change in project ownership, a action plan is now require to implement changes

Delays in supply of the glasshouse and landscaping supplies.	NA	NA	NA	NA
Delays in supply of road base.	Na	NA	NA	NA
Landscapers leaving the company.	Already occurred due to change in ownership	New landscapers to be site inducted and sign off on Awesome Landscapes work method statements	No Change	NA
Digging contractor not performing the work to the required standard.	This is due to new contractor having no history with hiring company	High priority	Management change in excavation contractor requires works to be reviewed and monitor to ensure a suitable quality is met.	NA

Underground utilities not being installed properly.	Due to the ownership change resulting in unfinished works	High priority due to exposed services over delay.	New contractor to ensure works in completed to suitable expected standard.	NA
Lengthy processing of change request by Council.	Expected slow response and processing time from local authority .	low	No Change	NA
Timeframes not being properly communicated to landscapers and contractors.	High probability, project recommence will produce on new timeframe and budget expectations.	High	No Change	Increase supervision and monitoring of program requirements.

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	Cascade Peaks Chalet lodges
Prepared by	Zac Markwell
Date	2-11-2017
Project Manager	Sam NG
SWOT Analysis Facilitator	Zac Markwell
SWOT Analysis Participants	Awesome Landscapes Cascade Peaks project team

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.** The request for some extra training shows some lag in terms of communication skills in the project team
- b.** Due to many changes and moving components of the project some organisation structure and communication could be affected during the project.
- c.** Sponsors invested knowledge of the project could be a hindrance due to their lack of experience with construction style projects. Extra communication and meeting may have to be enforced to ensure all project information is communicated effectively.
- d.** The project schedule may be affective due to its delay in the long term of the project timeframe. The setback pushes the project into different weather patterns and tourism season. Which there for could result in further works, on-going maintenance to ensure a quality delivered project and possible tighter time frame to meet the upcoming tourism influx.
- e.** The extended project timeline has put extra strain on maintaining the green house and constant environmental concerns with the project site during this

delay. Which inevitably could effect the final result of the project finishing on budget and delivered to set standards.

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 project is delivered to a high quality further inhouse works direct the Cascade Peaks lodge could be establish for on-going maintenance and upgrades
- b.** The relationship built with local distributor and suppliers could further relationships between companies for upcoming projects in the area, thus have a decrease in cost on deliverables.
- c.** The resources invested in this project would be advantageous to Awesome Landscapes as the assets are now obtained and would make further contracts more efficient.
- d.** Inspection test procedures developed from this project will now be a set standard of deliverable for Awesome Landscapes when quoting further

contracts and ensures all team members have an understanding of the quality of deliverables expected.

- e. The successful completion of the Cascade Peaks project would show the local Authority that Awesome Landscapes have experience in delivering a project under their expected environmental standards and have a invested knowledge in keeping this standard to obtain further projects with in the area or gain a positive project reference.

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.** The delay could result in allowing the project to continue through unplanned weather events
- b.** The project schedule could be shortened by the sponsor to maximise income opportunity that could be gained by the upcoming tourism season.
- c.** Due to the long standard delay of the project the greenhouse plants could be affected.
- d.** The increased exposure of plants and project site during the stand down period could result in a wilted project quality.

- e. The ongoing process involved during the stand down of the project could have opened opportunities for competing contractors to establish business relationships and understanding of project specific which could affect further contracts in the area.

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 Peaks Lodge
Prepared by:	Zac Markwell
Date:	2-11-2017
Session Facilitator:	Sam NG
Title/Position:	Project Manager
Participating Group:	Project team
Location:	Cascade Peaks

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Identified Risk	Initial Risks	Controls to be used on risk	Revised Risk	Proposed Actions	Identified by Whom?	Who is responsible?
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[illegible]

Guidance: Identify at least one (1) risk for each of the following functions of project management	A: Almost certain B: Likely C: Occasionally D: Unlikely E: Rare. Your response can either be a letter, a description or both.	1 Insignificant 2 Minor 3 Moderate 4 Major 5 Severe Your response can either be a number, a description or both.	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. Your response can either be a letter, a description or both.	1 Insignificant 2 Minor 3 Moderate 4 Major 5 Severe Your response can either be a number, a description or both.	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.

(Integration) Extra chalets to be constructed.	D	3	MOD	Admin control	E	1	low	Communication between steering committee to ensure works is completed efficiently and at the correct procedures are followed.	Sam NG	Andrew Lowe
(Scope) Required to deliver complete landscape package to project with possible effect of upcoming tourism season.	B	3	High	Communication and pre-planning	B	2	High	Prompt and clear communication between steering committee to deliver project.	Sam NG	Andrew Lowe
(Time) Due to the delay in program the project timeline has been pushed back and could possibly be affected by weather	D	3	Mod	Admin and management	D	2	Low	Management measure put in place to adjust to possible inclement weather followed by communication to steering committee.	Sam NG	Andrew Lowe

(Cost) Project delay could due to weather may result increased cost	C	3	Mod	Management recognition and action.	D	2	Low	Put landscapers onto other projects/maintenance work where available and negotiate a change request where needed.	Sam NG	Andrew Lowe
(Quality) Due to possible inclement weather, plant damage and new contractor relationships, project deliverable quality may not be met.	C	3	Low	management overview and guidance.	D	2	Very Low	Management to organise greenhouse maintainer; monitoring and review of contractors	Sam NG	Andrew Lowe

(HR - landscaping site supervisor leaving project)	C	4	High	Admin adjustment and senior management control. Project staff to be long-term employees.	C	3	Mod	Management to take project guidance, admin to advertise for replacement roll.	Susan	Sam NG
(HR – Project Manager) Project management with struggling with project communication	D	4	High	Upskilling	C	2	Mod	Superior management to organise upskilling, training and project mentoring.	Kim Nguyen	Sam Ng
(HR – Project Sponsor) Project sponsor lack of construction experience and knowledge.	C	2	Mod	prompt and informed communication.	C	1	Low	Prompt and ongoing communication to steering committee.	Kim Nguyen	Sam ng

(Communications) Project time frames not being communicated properly	D	4	High	Weekly communication and monitoring is to be completed between site manager and project manager.	D	2	Mod	Monitor and review communication methods and requirements.	Andrew	Sam NG
(Procurement) Project timeline is decreased, and procurement isn't met for project demands	D	3	Mod	Communication with steering committee highlighting procurement issue	D	2	Low	Management to communicate payment plan with steering committee to reflect project demands	Nguyen Kim	Sam NG

5. Develop a Risk Response Plan for the following risk: The landscaping site supervisor resigning from Awesome Landscapes.

Use the Risk Response Plan Template provided below.

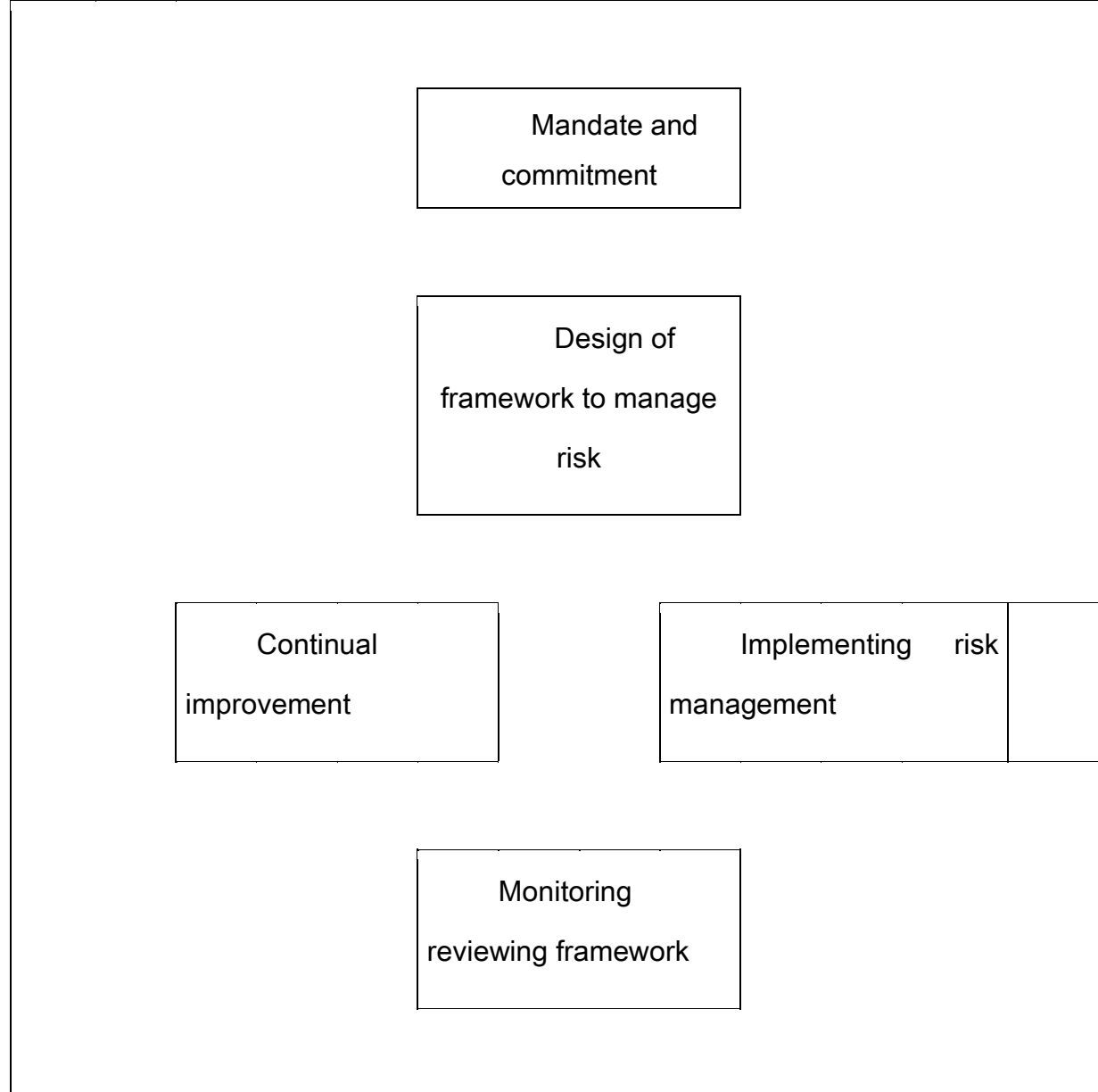
Risk Response Plan	
Project Name	Cascade Peaks Lodge
Prepared by	Zac Markwell
Date	2-18-2017
Description of risk identified	site supervisor resignation
Person responsible	Sam Ng
Results from Risk Analysis:	On site management
Agreed Responses (avoidance, transference, mitigation, acceptance):	
Response #1	Project report

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.

The framework presented in AS/NZS ISO 31000 gives a structure to the process involved in determining and management of risk. The components involved give definition and identification which allow organisation the opportunity to refine management plans and ensure information is collated and forwarded to making further judgment on risks.



AS/NZS ISO 3100 Is a standard model set to help guide and define the risks involved in projects. The principals highlighted in the standards allows organisations to develop their own risk management plan, whilst understanding the effects of uncertainty on objectives and enable them to coordinate control measure to refine their plan of management for further implementation.

WORKBOOK CHECKLIST

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

Written Questions

Case Study

IMPORTANT REMINDER

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

