BSB51415 Diploma of Project Management

Risk Management

Version 1.11 Produced 18 October 2018

Assessment Workbook 4

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
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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 : Nazeem Ajez **Signature:** N.AJEZ **Date:** 26/01/2022

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	j. physical
b. compliance	k. political
c. consultative	l. project assumptions
d. environmental	m. project constraints
e. finance	n. project process risks
f. health and safety	o. quality
g. human resources	p. social
h. legal	q. technology
i. organisational brand	

Project Risks	
h.	Breach of contract
l.	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.
j.	Project team members sustain injuries due to lack or inadequate risk controls.
o.	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.
d.	A number of project activities emit air pollution and put project team members at risk for lung cancer.
i.	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	A project risk relating to human resources is if a valuable team member were to leave the company to work elsewhere. This would result in delays to the project as it would take time to fill the position and have the new employee get up to speed and complete the tasks as per the standard required by the project manager.
Legal	A legal risk may be if a subcontracting company on the project were to go bankrupt and were unable to compelte the works which they had already been reimbursed for. This would require legal implications in order to assess how the works would proceed and at who's cost.

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.

QLT	a. It makes use of tools and techniques such as probability distributions, sensitivity analysis, expected monetary value analysis, and etc.
QNT	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.
QNT	f. It is used to conduct probabilistic analysis of the project, determine probability of achieving cost and time objectives.
QNT	g. It is performed on risks that have already been categorized and prioritised.
QLT	h. It utilises tools and techniques such as risk probability and impact assessment and matrix, risk data quality assessment, risk categorization, and etc.
QLT	i. This approach is usually done first followed by the other.
QNT	j. It is used to assign numerical rating to the risks individually or to evaluate the aggregate effect of all risks affecting the project.

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	Commencement of works was a week early than anticipated, however, this did not affect the project program in the long run.	Closed
2	17/07/20xx	Three additional retaining walls needed for additional chalets.	Sam Ng	Additional scope changes captured in change request number 1 and additional payment covered for the increased wall quanitites.	Closed
3	22/11/20xx	Project sponsor going into liquidation.	Sam Ng	Project sponsor (Massive Eco Development Corporation) went into liquidation and hence a new sponsor has been finalised (Cascade Peak Hotel).	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	Andrew booked in for training to ensure he is up to speed with his IT skills, in order to ensure reporting can be completed adequately.	Open
5	30/11/20xx	Two landscaping team members leaving the organisation.	Sam Ng.	Additional landscapers interviewed and 2 personnel put forward for approval. Once approved, they will commence works.	Open
6	14/12/20xx	Damage to site due to being abandoned for seven weeks.	Andrew Lowe	Damage to the site to be assessed upon return to work and rectified where possible.	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	Sam Ng			
Date	7/01/2017			
Meeting date	7/01/2017			
Purpose of the meeting	Complete a risk review of the current identified risks to assess the risk processes.			
Identified Risk	Changes in Probability Of Occurrence	Changes in Priority	Changes in Ownership/ Responsibility	Changes in Needed Response
Severe weather during the project.	Higher probability as the project is now in the summer season.	Higher priority - Team to ensure weather forecasts are known and plan accordingly.	No change - Project Team	No change - Plan and rectify any damage from severe weather.
Delays in the construction of the chalets.	Higher probability as new sponsor on the project, new landscaping company and new personnel onsite.	No change - The construction of the chalets as per the program is still number 1 priority.	Changes to sponsor, landscaping company & in house landscapers.	No change - Team to do all things necessary to ensure no delays to construction.
Delays in supply of the glasshouse and landscaping supplies.	No chance of occuring - glasshouse already erected.	No change as glasshouse erected.	N/A	N/A
Delays in supply of road base.	No chance of occuring - road base already supplied and installed.	No change as road base installed.	N/A	N/A

Landscapers leaving the company.	Higher probability as landscapers have left already and this may cause others to leave.	Higher priority to ensure personnel do not leave the company.	No change - PM to ensure team does what they can to ensure personnel do not leave.	Improvement plans and regular communication to assess if employees are happy or not.
Digging contractor not performing the work to the required standard.	Higher probability as the new company may not be as useful as the previous.	Higher priority for the team to get the new contractor up to scratch and understand their standard of work.	New digging contractor is responsible.	Ensure a close eye is kept on the contractor and ensure they are aware of the standard required.
Underground utilities not being installed properly.	Higher probability due to new contractor.	Higher priority to ensure contractor is installing services correctly.	New digging contractor is responsible.	Additional inspections and checks to ensure no issues occur.
Lengthy processing of change request by Council.	No change in probability as this has been consistent throughout the project.	No change in priority as this has been consistent throughout the project.	N/A	N/A
Timeframes not being properly communicated to landscapers and contractors.	Higher probability due to new contractors and team members onsite.	Higher priority to ensure the new personnel onsite understand the urgency.	No change - project team to ensure all personnel are awawre.	Futher meetings and discussions to occur in order to get the contractors and employees on the same page.

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 Peak Chalets Landscaping Project
Prepared by	Sam Ng
Date	07/01/2017
Project Manager	Sam Ng
SWOT Analysis Facilitator	Sam Ng
SWOT Analysis Participants	Project Team
SWOT Analysis Recorder	Sam Ng
Date of SWOT Analysis	07/01/2017

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. The project team have extensive experience in this field.

b. The organisational structure is of a high standard with adequate staff.

c. The client is a big client who can provide future projects upon completion of this one.

d. The client is understanding and where required, the budget has been increased accordingly.

e. The product being provided is of good value to the community and environment.

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. Progress of the project is heavily dependent on the progress of the construction project.

b. Dependance on external contractors to complete a lot of the works.

c. Harder to monitor performace when it is various contractors completing works.

d. Changes in contractors means there is more room for weaknesses.

e. Personnel have left the company which means the morale has dropped.

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. Ongoing work in future with Cascade Peak Hotel.

b. Ongoing landscaping maintenance works at the hotel.

c. Additional new contractor relations for future projects if required.

d. New employees may prove to be worth the change to the personnel.

e. Potential budget wins if the rest of the project goes smoothly.

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. Delays in the construction project will impact heavily on this project.

b. Severe weather impacts in the summer months.

c. New contractor performance may not be adequate.

d. New employees performances may not be adequate.

e. All the changes may not look good to the client at the end of the project, hence potential future projects may be missed.

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 Chalets Landscaping Project
Prepared by:	Sam Ng
Date:	07/01/2017
Session Facilitator:	Sam Ng
Title/Position:	Project Manager
Participating Group:	Project Team
Location:	Awesome Landscapes 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			

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) The rest of the project is rushed and not planned properly.	Occasionally	Major	Very High	Administrative Control Ensure personnel are aware of what is required and plan daily & weekly.	Rare	Major	High	Meeting to be held and a plan put together if theis risk were to be come and incident.	Sam Ng	Sam Ng

(Scope) Delivery delays in the additional plants required.	Likely	Moderate	High	Elimination Plants to be organised and delivered to the yard well before they are required onsite.	Rare	Moderate	Moderate	Plants leadtimes to be assessed and if required, substituted plants to be used which are available in the required timeframes.	Sam Ng	Site Supervisor

(Time) Project schedule not being met.	Likely	Major	Very High	Engineering Site to complete weekly program meetings and have a whiteboard to plan on which adheres to the project schedule	Unlikely	Major	High	Whenever the project schedule is being slipped, this is to be raised with the PM and a plan put forward on how the lost time will be revived.	Sam Ng	Site Supervisor

(Cost) Personnel requesting payrises due to increased scopes with short staff project.	Likely	Moderate	High	Administrative Control PM to complete meetings with staff and advise of the pay increases not being possible on this project due to budget.	Unlikely	Moderate	Moderate	If payrises are requested, PM to assess and determine a bonus system which may work better for the budget.	Sam Ng	Sam Ng

(Quality) Works by new contractor not to the required council standards.	Likely	Major	Very High	Administrative Control Pre-commencement meeting and weekly meetings to be held to ensure contractor is aware of requirements, sign off to be obtained by contractor for understanding.	Rare	Major	High	If works are not to the required standards, PM is to make contractor aware and advise of the consequences/ hold payment to ensure compliance is met.	Sam Ng	Sam Ng & Site Supervisor

(HR - landscaping site supervisor leaving project) Landscaping site supervisor leaving project.	Likely	Major	Very High	Administrative Control Ensure landscaping supervisor is pleased with his role and conduct regular catch ups to ensure they are not looking to leave.	Unlikely	Major	High	If this were to occur, the PM is to ensure there is a backup plan, which may be another supervisor from another project who is almost finished.	Sam Ng	Sam Ng
(HR – Project Manager) Team conflicts causes low productivity.	Likely	Moderate	High	Administrative Control Have regular catchups and team building exercises	Rare	Moderate	Moderate	If it were to occur, PM will have a meeting and resolve the issue as soon as possible.	Sam Ng	Sam Ng

(HR – Project Sponsor) New sponsor is unhappy with the project overall.	Likely	Severe	Very High	Administrative Control Ensure good relationships are upheld and that weekly meetings are held to ensure sponsor knows the status of the project.	Rare	Severe	High	If the sponsor has mentioned that they are unhappy, an urgent meeting will be held and any concerns or issues will be resolved by the team.	Sam Ng	Sam Ng.

(Communications) Personnel unaware of new site safety requirements for working around machines.	Likely	Severe	Very High	Administrative Control Toolbox to be held to ensure all personnel are fully aware of the new safety requirements.	Rare	Severe	High	Where personnel are unaware or have been seen doing the wrong thing, consequences will be put in place and additional training organised.	Sam Ng	Site Supervisor

(Procurement) New contractor not performing to an acceptable standard.	Likely	Major	Very High	Administrative Control Contractor performance evaluation meeting to be held weekly to ensure compliance.	Unlikely	Major	High	If contractor is not performing, project team will advise and put together an action plan for the rectification of defined issues.	Sam Ng	Sam Ng & Site Supervisor

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 Peak Chalets Landscaping Project
Prepared by	Sam Ng
Date	7/01/2017
Description of risk identified	The Landscpaing site supervisor resigned from Awesome Landscapes.
Person responsible	Sam Ng
Results from Risk Analysis:	Low risk rating
Agreed Responses (avoidance, transference, mitigation, acceptance):	
Response #1	Avoidance: Ensure personnel are happy with their work.
Response #2	Mitigation: Advertise for the position immediately and start calling around.
Response #3	Acceptance: Accept this can occur, however, the response plan needs to be adhered to urgently.
Residual Risk Level	
Moderate - loss of knowlegde on the project which could result in lower standards of quality.	
Action Steps	
- Hire long term employees in project. - Ensure personnel are happy with their circumstances. - Ensure morale remains high in the team. - Give reward to employees who are performing.	
Budget and Time for Response	
Budget for the new supervisor to match the previous supervisors pay.	
Contingency / Fallback Plans	

- Aim to achieve a significat handover with supervisor before the final day to ensure all knowledge is passed on. - If it occurs again, site supervisor to advise PM immediately. - PM to advertise the position urgently.

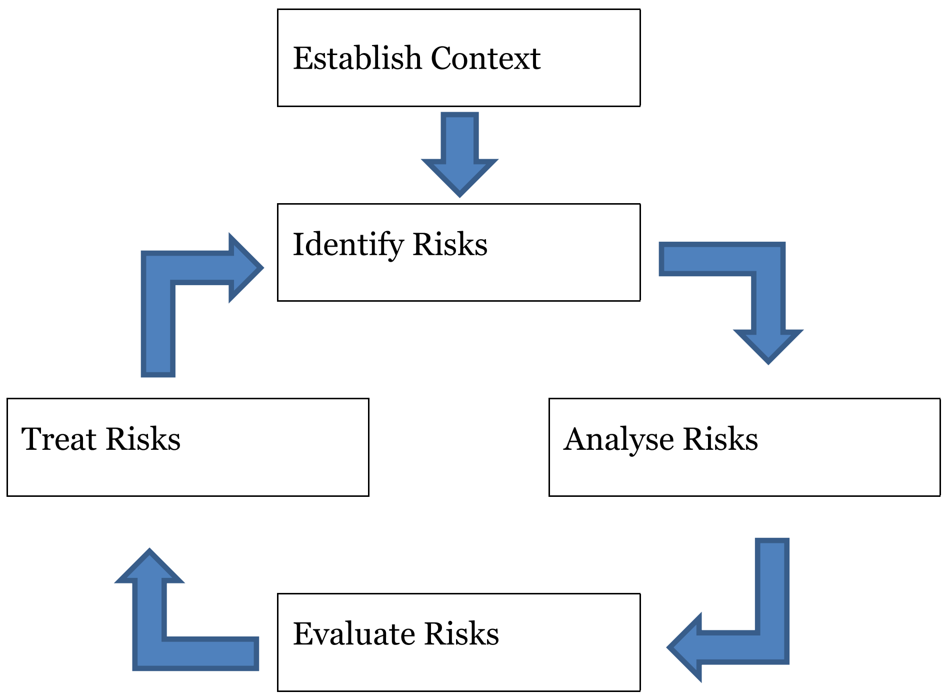
6. As set out in Risk Management Plan (Appendix 22 of the Project Plan), the risk management processes for the project will follow the AS/NZS ISO 31000 2009 Standard under the PMBOK project management methodology.

   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.

a. The framework set by AS/NZS ISO 31000 is to ensure the risk management on projects is standardised throughout Australia and New Zealand. Projects are to adhere to the framework in order to ensure they are managing risk efficiently, effectively and consistently.

b.


Establish Context
Identify Risks
Treat Risks
Analyse Risks
Evaluate Risks

c. The model followed by the framework outlined in AS/NZS ISO 31000 is a clear and consistent way of managing risk. The model may be used throughout different industries in order to manage risks. Additionally, monitoring and reviewing the risks as well as communication and consultation are in the framework and prove to be effective.

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

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