BSBPMG426
APPLY PROJECT RISK MANAGEMENT TECHNIQUES

THEORY EXAM

Participant name	

FOR THE PARTICIPANT
Instructions
• You will complete written questions as outlined on the following pages. You must attempt all questions and provide enough detail in your response to demonstrate your knowledge. • It is anticipated that you should complete this assessment within two (2) hours, but additional time may be allowed upon negotiation with the Assessor. • You must complete all questions unassisted by the Assessor or other personnel but may refer to reference material as needed. All questions must be answered correctly for a 'Satisfactory' assessment outcome to be awarded. ○ An oral examination may be allowed under certain circumstances, whereby your answers will be documented by another party. ○ Any written questions that are incomplete, or not answered satisfactorily will need to be completed again after further training support. ▪ If you answer a question incorrectly but modify your response, put your initials next to the written change (or the Assessor must initial a verbal change).
Resources required
Pen

FOR THE ASSESSOR
Instructions
• Where oral examination has occurred, ensure that this is acknowledged in writing (e.g. FT001 and Assessor Comments) • All questions must be satisfactorily demonstrated by the Participant for a Satisfactory determination (indicated by an Assessor tick to the right of the question). • Assessors are to complete marking in pen of a different colour to the Participant. • If the Participant verbally modifies their response, write in the modified response verbatim and put your initials next to the written change.

ASSESSOR COMMENTS
As necessary, outline: • Details on reattempts, alternative arrangements or reasonable adjustments made. • Where a Participant is deemed 'Not Satisfactory', provide recommendations for future training.

Q1. **A project deliverable is a tangible or intangible item or service that is supposed to be delivered due to a project. Discuss internal and external deliverables in the spaces below:**

Answer

Deliverable	Explanation
Internal deliverables	e.g. internal deliverable is work undertaken within the company — people outside the workplace do not see it. examples include tangible acquisitions such as equipment to achieve the project or may include intangible deliverables such as training program.
External deliverables	e.g. The deliverables delivered to end-users or clients are known as external deliverables. As-built drawings may be required as part of the contract which will include these in the deliverables. Inspection reports are often needed as part of the contract agreement.

Q2. **Clarify each of the SMART objectives listed below when used to lay out project goals.**

Answer

SMART objective	Explanation
Specific	e.g. The objective should be to improve a specific area or to meet a specific demand.
Measurable	e.g. progress markers or key performance indicators (KPIs) to track the project and how you'll measure them
Attainable	e.g. The objective must be achievable within budgets and schedules
Relevant	e.g. The objective must be aligned with other corporate objectives
Time-bound	e.g. A deadline or clear end must be set for the objective

Q3. **Clarify what is meant by resources required for deliverables.**

Answer

Should reflect but is not limited to discussion relating to: Finances including capital available and budgets – these must be accurate, with an awareness of the numerous tasks required to carry out the project deliverables. Human resources to place the correct people in the right places at the right time to ensure that the task is completed as efficiently as possible. Machinery, equipment and tools must be available when needed, either with or without operators. Documentation to support these resources is also required. Materials needed for the task completion must be sourced and organised.

Q4. **Explain what is meant by the following types of risk that must be identified and prioritised.**

Answer

Risks	Explanation
Strategic risk	e.g. Long term risks that affect the organisations future such as unclear goals, industry or market changes, supplier issues or financial challenges competitive disadvantage
Compliance risk	e.g. associated with the requirements to comply with federal and state laws and regulations
Financial risk	e.g. Sufficient cash-flow to carry project despite cost increases or increases in rates.
Operational risk	e.g. risks associated with the safe operation of the business project such as resources, including human resources, machinery and materials

Q5. **Describe how you can go about prioritising potential and actual risks of the project.**

Answer

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Should reflect but is not limited to: Identify the possible threats, the most obvious and the worst things in the project that could go wrong. Consult with the accounts dept regarding financial issues and risk, read internal documents regarding lessons learned to determine likely risks, access past projects for guidelines and determine industry trends from external sources. Source feedback from employees regarding risks faced. Format the information in a risk matrix. If the bulk of the risks are deemed to be high, they should be reconsidered and re-ranked.. Analyse risks - Qualitative risk analysis means determining the probability that risk would arise based on subjective characteristics and its effect on an entity using predefined rating scales. The impact of risks is often categorised into three levels: low, medium or high.

Quantitative risk analysis attempts to assign a specific amount to adverse events, representing the potential cost to an organisation if that event occurs, as well as the likelihood that the event will occur in a given time-frame.

Q6. **Discuss how you would conduct a SWOT analysis to analyse the projects strengths and weaknesses. Include in your response who you would consult with when conducting the SWOT analysis.**

Answer

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Should reflect an understanding of conducting a SWOT analysis e.g. Work with project team and management team to assess organisation's current position- strengths and weaknesses. Determine threats such as competition, technology, the industry changes and challenges. Consider opportunities or trends the organisation can take advantage of. assess your organization's current position. assess your organization's current position

Collaborate with others in the organisation to gather an accurate picture.

Q7. **Describe qualitative methods, quantitative methods and semi-quantitative methods used for risk analysis.**

Answer

Should reflect a description of each of the listed methods: e.g.

Qualitative Methods: This is the kind of risk analysis method most often used for decision making in business projects; entrepreneurs base themselves on their judgment, experience and intuition for decision making. These methods can be used when the level of risk is low and does not warrant the time and resources necessary for making a full analysis. These methods are also used when the numerical data available are not adequate for a more quantitative analysis that would serve as the basis for a subsequent and more detailed analysis of the entrepreneur's global risk.

The qualitative methods include brainstorming, questionnaire and structured interviews. Semi-Quantitative Methods: Word classifications are used, such as high, medium or low, or more detailed descriptions of likelihood and consequences. These classifications are shown in relation to an appropriate scale for calculating the level of risk. We need to give careful attention to the scale used to avoid misunderstandings or misinterpretations of the results of the calculation.

Quantitative Methods: Quantitative methods are those that enable us to assign values of occurrence to the various risks identified, that is, to calculate the level of risk of the project. Quantitative methods include:

analysis of likelihood, analysis of consequences and computer simulations

Q8. **Define the term 'risk management plan' and discuss the purpose it serves, in the context of your workplace.**

Answer

Answers may vary but must demonstrate understanding of risk management plans for minimising the impact of risks that could weaken cash flow, damage reputation r damage business. e.g. A risk management plan is a document which a project manager prepares to foresee risks, estimate impacts, and define responses to issues. It also contains a risk assessment matrix. There are following potential strategies, with numerous variations. Projects may choose to avoid risk – Change plans to circumvent the problem; control/mitigate risk; – Reduces impact or likelihood (or both) through intermediate steps; accept risk – Take the chance of negative impact, eventually budget the cost (e.g. via a contingency budget line); transfer risk – Outsource risk (or a portion of the risk – Share risk) to third party or parties that can manage the outcome; exploit risk – Allow risk to happen and use the benefits it can bring. This strategy works if risk has a positive impact on business development.

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Q9. **How would you go about establishing risk reporting mechanisms at your workplace?**

Answer

Answers may vary but must demonstrate understanding of risk reporting mechanisms and authority to implement/establish. e.g. Adhere to the risk management plan. The results from risk monitoring and review should be recorded and reported internally and externally, where appropriate. Determine target audience as this affects other risk reporting decisions. Whenever a disclosure is demanded by a regulatory requirement, the organisation must comply and provide appropriate disclosure. Reporting should operate on multiple levels to address needs of audiences, each with their own requirements, expectations, agendas and levels of expertise.

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Q10. **Describe risk management monitoring and review processes.**

Answer

Should reflect but is not limited to: Monitoring and review should be a planned part of the risk management process and involve regular checking or surveillance. Results should be recorded and reported. The results should also be an input to the review and continuous improvement of the firm's risk management framework. Responsibilities for monitoring and review should be clearly defined. As part of the monitoring process, the thresholds for the risk criteria should be reviewed at the commencement of each risk assessment cycle to identify the processes that may be subject to increased risks and, as such, would derive the greatest value from the risk assessment. Regularly review risks identified in the risk register. Document any actions or events that change the status of a risk, such as changes to a risk evaluation because of improvements in controls; control breaches and near misses should be logged at the time of the event or when a new risk has been identified.

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Q11. **Why is it important for a manager to contribute to agreed risk management approaches and amend plans according to changing circumstances?**

Answer

Should reflect but is not limited to: Risk management is used to identify and avoid the potential cost, schedule, and performance/technical risks to a system, and identify potential opportunities that may be hidden in the situation. The risk management approach and plan should be tailored to the scope and complexity of the project. Other considerations include the roles, responsibilities, and size of the project team, any changes to the project must be reviewed to ascertain if these instigate amendments to the risk management plan, as the original plan may not be suited to the changed project.

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Q12. **Discuss "corrective actions" as they apply to risk management.**

Answer

Should reflect but is not limited to: Corrective action refers to any activity of action that is instituted, the point of which is to alter the course of a specific task or project that may have lost focus or somehow deviated from the pre-specified direction it was intended to take. Often this change is instigated due to risk management mechanisms in place that alert users to the changes that bring about the need for change. This new direction should be well-documented and should, upon execution, turn the project in a way such that it better aligns with the goals, expectations, and ultimate results laid out in the project management plan. Corrective action can be implemented at any point within the project when the project, or a specific task or tasks, have taken the project in a direction which conflicts with the pre-determined project management.

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Q13. **What opportunities might you advise your project manager of when the projects current supplier is unable to supply the required materials?**

Answer

Should reflect but is not limited to: Ability to source a new supplier who is not limited as the current one is. Ability to source a new supplier who is keen to provide the required products at a better cost, or time-frame. Ability to source a more sustainable supplier who can supply a greater range of products.

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Q14. **Discuss internal and external environments that may impact the project.**

Answer

Environments	Explanation
Internal environments	e.g. internal environment can be impacted by unions, culture, conflict, demographic factors and other factors. Culture can be defined as the members of an organisation sharing some core values or ideas, if these differ to the organisational culture, conflict can arise. Project procedures must be implemented that are most compatible with the company's culture.
External environments	e.g. External forces such as economic, political, technical and demographic impact project activities Rapidly changing environments are a recently recognised and rising problem that can impact the project including resourcing, external relationships and changes in industry legislation or guidelines.

Q15. **Discuss two (2) basic forms of change that occur with project and risk management plans that must be addressed and incorporated into effective project change management practices.**

Answer

1. Should reflect: Reactive change: When modifications are required to respond to project challenges, this is referred to as reactive change (i.e., delays, technical failures, funding shortages or resources issues).

2. Should reflect: Requested change: When end-users or other project participants seek modifications to the project's requirements, scope, deliverables, or management plans. Requested by project customers, result from fresh ideas, new facts, or new views

Q16. **Discuss what is involved when developing a risk treatment plan.**

Answer

Should reflect but is not limited to: When developing risk treatment plans, you first need to determine the level of treatment plans considering each risk level. For instance, for risk-rated as 'high', the risk treatment plan is a must. On the other hand, risks rated as 'low' and 'very low' that have a room for improvement, development of a treatment plan depends on the discretion of the partner or partners.

The factors that effective risk treatment relies on commitment from key stakeholders and realistic objectives and timelines for implementation.

For each risk identified during the risk assessment, you should detail the following in the risk management plan: treatment option agreed; the approach to be used to treat the risk; Assign an appropriate owner; target resolution date. The risk treatment plans should be detailed and provide the necessary information regarding proposed actions, priorities or time plans; resource requirements; roles and responsibilities; performance measures; reporting and monitoring requirements.

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Q17. **Why is it important to review contingency plans on an ongoing basis?**

Answer

Should reflect but is not limited to: to be prepared for the worst-case scenario and be more adaptable to any foreseen issues that may develop. To develop the ability to react promptly to unanticipated circumstances. To limit losses and avoid panic or compulsive reactions.

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Q18. **Describe four (4) tools and techniques used to monitor and control risks.**

Answer

1. Should reflect but is not limited to four (4) of: Risk reassessment: often results in identification of new risks, reassessment of current risks and the closing of risks that are outdated
2. Risk audits: examine and document the effectiveness of risk responses in dealing with identified risks and their root causes, as well as the effectiveness of the risk management plan.
3. Variance and trends analysis to analyse trends and variances. / Technical performance measurement documenting the technical performance of tools/equipment / Status meeting – meeting with others to review the status of the project
4. Reserve analysis: this compares the amount of the contingency reserve remaining to the amount of risk remaining at any time in the project to determine if the remaining reserve is adequate.

Q19. **Why should you confirm that tasks allocated to individuals and teams are agreed with the supervisor before implementation?**

Answer

Should reflect: Defining team roles and responsibilities improves team performance by clarifying who does what and encouraging team members to take ownership of their contributions to the broader team goals. Furthermore, if one member cannot meet deadlines or leaves, it is simple to detect pending work and reassign it. The Supervisor's job is to actively plan, monitor, and alter work allocation and working hours to ensure that the organisation's operational needs are satisfied while keeping employee work allocation and working hours in mind and must agree to allocation of individuals and teams to tasks.

Q20. **Discuss methods you can use to monitor and review the effectiveness of risk contingency methods.**

Answer

Should reflect but is not limited to: consult workers or those involved with the controls; consult management who administer the controls; check lessons learned or incident reports to determine the effectiveness of the controls; physically observe or check the controls for effectiveness.

Q21. **Discuss actions that can be taken when managing the following types of project risk.**

Answer

Risks	Explanation
Strategic risk	e.g. Demonstrate how your project links to existing policies and strategies and make sure you follow any processes that are outlined in your organisation.
Financial risk	e.g. Ensure any quotes come from reputable sources. Review a similar project if available and use any monitoring and verification of their projects to inform your own calculations. Conduct sensitivity analysis to account for variability in the assumptions you make about the costs and benefits of your project.
Operational technical risk	e.g. Consult with the relevant managers and specialist expertise as required. Update or renew procedures as required.
Operational safety risk	e.g. Most organisations will have an established safety risk assessment protocol that will need to be followed.

Q22. **Describe how you determine reporting mechanisms for different stakeholders.**

Answer

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Should reflect but is not limited to: Refer to the stakeholder analysis tool and/ or communication plan which specifies communication priorities for stakeholders including regularity and methods of communication for stakeholders, who should be consulted and who should be informed. The communication plan specifies which stakeholders are communicated face to face, via meetings or by using email or newsletters.

BSBPMG426
APPLY PROJECT RISK MANAGEMENT TECHNIQUES

PRACTICAL ASSESSMENT

Participant name	

FOR THE PARTICIPANT
Instructions
• The tasks outlined on the following pages will require performance of normal workplace activities, as a result of a structured activity set by an Observer in the workplace or a simulated activity set by your Assessor/Observer. • The timeframe for these tasks will be established by your Assessor/Observer in consideration of location conditions and industry requirements. • You must complete all tasks unassisted by the Assessor or other personnel unless the steps note this assistance. • You must attempt all tasks (and itemised steps) for a 'Satisfactory' assessment outcome to be awarded.   ○ For any observation conducted that is incomplete, or without satisfactory performance, the observation will need to be completed again after further training support.

FOR THE ASSESSOR/OBSERVER
Instructions

• The following observation record should be used to judge and record your observations of the Participant as they complete the task(s) set. You must record your observations of the Participant's performance.
   ○ For each occasion, indicate the task performed and whether it was a simulation or workplace-based task.
      ▪ Any simulated assessment must ensure the Participant still performs under workplace conditions which reflect industry standards.
   ○ In the comments, provide clear detail regarding the task that the Participant was required to do (e.g. PPE used, materials handled, attachments connected, plant types).
• All steps must be satisfactorily demonstrated by the Participant for a 'Satisfactory' determination (indicated by an Assessor tick to the right of each itemised step, or an Observer tick to the right of each itemised step, and confirmation by an Assessor in the Assessor Comments).
   ○ Where you have determined that one or more task steps have not been satisfactorily demonstrated, provide the Participant with additional support and outline details of such assistance in the Assessor/Observer Comments. Allow the Participant two (2) further opportunities to demonstrate the task again to allow an opportunity for a 'Satisfactory' assessment outcome to be achieved.
   ○ If after three (3) attempts the Assessor determines that the Participant cannot demonstrate the required steps, a 'Not Satisfactory' outcome is to be determined.

TASK OUTCOME					
Task	**Date**	**Task Type (Tick)**	**Location**	**Task outcome (Tick)**	
				Satisfactory	Not Satisfactory
Task 1 (Occasion 1)		☐ Workplace ☐ Simulation		☐	☐
Task 1 (Occasion 2)		☐ Workplace ☐ Simulation		☐	☐

ASSESSOR COMMENTS: GENERAL
As necessary, outline: • Details on reattempts, alternative arrangements or reasonable adjustments made. • Where a Participant is deemed 'Not Satisfactory', provide recommendations for future training.

ASSESSOR COMMENTS: PRACTICAL TASK 1: OCCASION 1	
☐ Individual student (as named on cover page) ☐ Multiple students [☐ All from Attendance Report, ☐ Specific students involved – identify students]	
Task	**Provide detail**
1.1A.	Specify (✓) project deliverables identified: ☐ Engineering report/s ☐ Product quality enhancement ☐ Proposal document/s ☐ Drawings ☐ Design documents ☐ Plans ☐ Specifications ☐ Site investigation report ☐ Design review/s ☐ Progress reports ☐ Other (please specify):
1.1A.	Specify project objectives identified: e.g. scope, budget, compliance
1.1A.	Specify (✓) project resources identified: ☐ Finances/Capital ☐ Timeframe including deadlines ☐ Expertise ☐ Human Resources ☐ Machinery/Equipment/Tools ☐ Reporting and recording documents ☐ Policies and procedures ☐ Other (please specify):
1.1D. 1.1H. 1.1B.	Specify (✓) relevant personnel worked with when determining, developing and implementing risk-analysis methods, techniques, strategies, reporting and tools to be applied: ☐ Expert ☐ Accountant/Accounts Dept. ☐ CEO/ Project manager ☐ Quality manager ☐ Quality team ☐ Project management team ☐ Employees ☐ Contractors ☐ Client ☐ Other (please specify):
1.2A.	Specify actual and potential risks monitored: e.g. project specific may include technical, budgetary, time and outcome

ASSESSOR COMMENTS: PRACTICAL TASK 1: OCCASION 1	
1.2B.	Specify opportunities and changing environment identified: e.g. opportunity to provide newer technology than competition
1.2C.	Specify how project manager was advised of changing circumstances: ☐ Face to face ☐ Documented report. ☐ Memo ☐ Email ☐ Text message ☐ Telephone ☐ Other (please specify):
1.3A.	Specify (✓) relevant personnel worked with when applying corrective action on risks: ☐ External expert ☐ Accountant/Accounts Dept. ☐ CEO/ Project manager ☐ Quality manager ☐ Quality team ☐ Project management team ☐ Employees ☐ Contractors ☐ Client ☐ Other (please specify):
1.4C.	Specify (✓) who was contacted for feedback: ☐ External expert ☐ Accountant/Accounts Dept. ☐ CEO/ Project manager ☐ Quality manager ☐ Quality team ☐ Project management team ☐ Employees ☐ Contractors ☐ Client ☐ Other (please specify):
1.4F.	Specify changes made to project management techniques based on feedback: e.g. more frequent reviews

ASSESSOR COMMENTS: PRACTICAL TASK 1: OCCASION 2	
☐ Individual student (as named on cover page) ☐ Multiple students [☐ All from Attendance Report, ☐ Specific students involved – identify students]	
Task	**Details**
1.1A.	Specify (✓) project deliverables identified: ☐ Engineering report/s ☐ Product quality enhancement ☐ Proposal document/s ☐ Drawings ☐ Design documents ☐ Plans ☐ Specifications ☐ Site investigation report ☐ Design review/s ☐ Progress reports ☐ Other (please specify):
1.1A.	Specify project objectives identified: e.g. scope, budget, compliance
1.1A.	Specify (✓) project resources identified: ☐ Finances/Capital ☐ Timeframe including deadlines ☐ Expertise ☐ Human Resources ☐ Machinery/Equipment/Tools ☐ Reporting and recording documents ☐ Policies and procedures ☐ Other (please specify):
1.1D. 1.1H. 1.1B.	Specify (✓) relevant personnel worked with when determining, developing and implementing risk-analysis methods, techniques, strategies, reporting and tools to be applied: ☐ Expert ☐ Accountant/Accounts Dept. ☐ CEO/ Project manager ☐ Quality manager ☐ Quality team ☐ Project management team ☐ Employees ☐ Contractors ☐ Client ☐ Other (please specify):
1.2A.	Specify actual and potential risks monitored: e.g. project specific may include technical, budgetary, time and outcome
1.2B.	Specify opportunities and changing environment identified: e.g. opportunity to provide newer technology than competition
1.2C.	Specify how project manager was advised of changing circumstances: ☐ Face to face ☐ Documented report. ☐ Memo ☐ Email ☐ Text message ☐ Telephone ☐ Other (please specify):
1.3A.	Specify (✓) relevant personnel worked with when applying corrective action on risks: ☐ Expert ☐ Accountant/Accounts Dept. ☐ CEO/ Project manager ☐ Quality manager ☐ Quality team ☐ Project management team ☐ Employees ☐ Contractors ☐ Client ☐ Other (please specify):
1.4C.	Specify (✓) who was contacted for feedback: ☐ External expert ☐ Accountant/Accounts Dept. ☐ CEO/ Project manager ☐ Quality manager ☐ Quality team ☐ Project management team ☐ Employees ☐ Contractors ☐ Client ☐ Other (please specify):
1.4F.	Specify changes made to project management techniques based on feedback: e.g. more frequent reviews