SUCCESSION TRAINING

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 : Benjamin Dickson **Signature:** **Date:** 13/03/2021

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
a	Requirements are misinterpreted by the project team and gaps and variances develop between expectations, requirements, and work packages.
i	Stakeholder turnover or stakeholders suddenly leaving the project due to conflicts and disagreements.
b	Required activities are unintentionally missed out or are missing from scope definition.
f	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.

k	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.
h	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	Over staffed and under staffed.
Legal	Commencing without contracts being signed.

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.
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.
QNT	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	There was a delay in getting project plan approved by Council. Start date of the project was brought back one week week. No other project timeframes have been changed.	Choose an item. Closed
2	17/07/20xx	Three additional retaining walls needed for additional chalets.	Sam Ng	JP Digging given more funding to cover extra work. Additional resources required and additional time has been allocated .	Choose an item. Closed
3	22/11/20xx	Project sponsor going into liquidation.	Sam Ng	Massive Eco-development Corp. replaced by Cascade Peak Hotel as project sponsor. Extra $100,00 funding provided to get project back on track.	Choose an item. 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	Sam Ng arranges for Andrew to conduct a course to obtain IT skills.	Choose an item. Open
5	30/11/20xx	Two landscaping team members leaving the organisation.	Sam Ng.	Abandonment of project cost Awesome landscape in terms of retaining staff. Awesome Lanscape recruited 2 replacement landscapers as soon as possible.	Choose an item. Closed
6	14/12/20xx	Damage to site due to being abandoned for seven weeks.	Andrew Lowe	Extra payments are to be incorporated into the final twp payments to cover additiona; project costs.	Choose an item. Closed

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	01/05/2016
Meeting date	08/05/2016
Purpose of the meeting	To reassess current risks.

Identified Risk	Changes in Probability Of Occurrence	Changes in Priority	Changes in Ownership/ Responsibility	Changes in Needed Response
Severe weather during the project.	High	High	Andrew Lowe	Assess damaged areas and focus all landscaping work on repairing damage.
Delays in the construction of the chalets.	Moderate	High	Sam Ng	Ensure commencement of construction starts on schedule.
Delays in supply of the glasshouse and landscaping supplies.	Unlikely	Moderate	Sam Ng	Ensure supplier has two weeks notice in advance to ensure supply.
Delays in supply of road base.	Moderate	Moderate	Sam Ng	Ensure supplier has two weeks notice in advance to ensure supply
Landscapers leaving the company.	High	High	Sam Ng/Andrew Lowe	Ensure positions are advertised immediately.

Digging contractor not performing the work to the required standard.	High	High	Andrew Lowe	Onsite rectification or escalate to Sam to engage a new contractor.
Underground utilities not being installed properly.	Moderate	Major	Andrew Lowe	Onsite rectification and/or find a new contractor.
Lengthy processing of change request by Council.	Moderate	Major	Sam Ng	Ensure drafts are submitted to Council quickly. Ensure a strong relationship has been developed with Council.
Timeframes not being properly communicated to landscapers and contractors.	Moderate	Moderate	Sam Ng/ Andrew Lowe	Ensure clear communication of upcoming works is maintained.

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	Ben Dickson
Date	13/03/2016
Project Manager	Sam Ng
SWOT Analysis Facilitator	Ben Dickson
SWOT Analysis Participants	Sam Ng-Project Manager, Andrew Lowe-Site Manager, Susan King-Landscaper
SWOT Analysis Recorder	Kelly Pollock-Project Administrator
Date of SWOT Analysis	12/03/2016

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. Strong past experience in delivering similar projects to a similar standard.

b. Ability to overcome project schedule constraints and maintain schedule.

c. Past experience in delivering similar lanscaping projects working around building construction work.

d. Communication pathways are maintained and strong.

e. Extensive experience in maintaining native vegetation in the area.

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 will be heavily dependent on the progress of the construction project.

b. Dependence on external contractors for all excavation and delivery work means performance will be harder to monitor.

c. If relationship with Council isnt maintained to a high standard then delays could occur in the approval process.

d. If client relationship is not maintained then potiential future works could be jeopordised.

e. Due to the location of the project weather and conditions can have a great impact on the budget and scheduling of the project.

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 projects with Casdcade Peak Hotels.

b. Ongoing landscaping maintenance work at the resort once completed.

c. Potiential future works with local council.

d. Establish positive relationships with current subcontractors and the ability to utilise their services on future projects.

e. Enhance Awesome Landscapings reputation within the industry.

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 project will impact heavily on the project.

b. Weather is likely to create delays

c. Potential for loss of labour if continuity of work can not be maintained.

d. Weather damage has the potential to increase scope.

e. Weather damage has the potential to increase budget.

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 Chalets Landscaping Projects
Prepared by:	Sam Ng
Date:	13/03/2016
Session Facilitator:	Sam Ng
Title/Position:	Project Manager Awesome Landscaping
Participating Group:	Andrew Lowe, Susan King
Location:	Site Meeting Room

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) Delays in the supply of road base.	c	3	High	Adminis trative- Ensure minimum 2 weeks advance notice is given to the supplier	e	2	low	Source another supplier should communication fail	Andrew Lowe	Sam Ng

(Scope) Requirement for additional 3 retaining walls.	b	3	High	Adminis trative- Ensure and increase in labour to accomm odate the new retainin g walls.	d	2	low	Time lost on program me due to lack of resource s.	Andrew Lowe	Sam Ng

(Time) Severe Weather	a	4	Very high	Adminis trative- Ensure and increase in labour to accomm odate increase in works required due to damage sustaine d..	c	3	High	Ensure addition al labour is readily available should the situation arise.	Andrew Lowe	Sam Ng

(Cost) Underground utilities not installed properly or not identified.	a	5	Very High	Adminis trative- Ensure service location has been complet ed prior to excavati on work.	d	2	low	If services have been hit, impleme nt emergen cy plan	Andrew Lowe	Sam Ng
(Quality) Digging contractor not performing the work to required standard	b	3	High	Adminis tration- Works can become faulty in quality control isnt conducte d. and Substitu tion- replace digging contract or.	d	2	low	Increase in costs to repair faulty or sub standard works.	Andrew Lowe	Sam Ng

(HR - landscaping site supervisor leaving project) Andrew Lowe leaving the project	d	4	High	Adminis trative- Ensure long term employe es are happy. Ensure a 2nd in charge is available to replace for the interim.	e	2	low	Sam Ng would potientia lly have to assume the Site Supervis or role as well as Project Manager hence having an adverse effect due to work load.	Sam NG	Sam Ng

(HR – Project Manager) Sam Ng not requesting regular updates from Site Supervisor	b	4	Very High	Adminis tration- Ensure regular meeting s are conducte d. Good lines of commun ication establish ed.	e	2	low	Breakdo wn in commun ication between site staff and manage ment which affects numero us aspects of the project.	Sam Ng	Project Sponsor

(HR – Project Sponsor) c Project Sponsor continually making last minute changes.	4	Very high	Adminis tration- e Ensure the scope, cost etc has been clearly establish ed prior to the commen cement of the project.	2	low	Project timefra me , costs and budget etc, and project becomes not viable for any parties involved . Project could be abandon ed. New sponsor has to be sought.	Project Sponsor	Sam NG

(Communications) Andrew Lowe not communicating programme with subcontractors	b	4	Very high	Substitution- Replace Andrew Lowe with another more capable supervisor.	d	2	low	Sam Ng asserts more control and conducts meetings etc himself. to ensure clarity within the communication chanels.	Andrew Lowe/subcontractors	Sam Ng

(Procurement) Subcontractors have not been engaged in align with the programme.	a	4	Very High	Adminis trative- Ensure trades have been let with a sufficent timefra me to maintain program me.	e	2	low	Request more time within the program me and get the sponsor to agree.	Andrew Lowe	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 Chalet Landscaping Project
Prepared by	Sam Ng
Date	01/05/2016

Description of risk identified	Landscaping Site Supervisor resigning
Person responsible	Sam Ng
Results from Risk Analysis:	

Agreed Responses (avoidance, transference, mitigation, acceptance):	
Response #1	Avoidance- Ensure happyiness within the workforce. Utilise long term employees.
Response #2	Mitigation-Advertise for the position immediately once notice has been handed in.
Response #3	Avoidance- Ensure other landscapers have been upskilled throughout the project so that if the event arise they can fufill the position until a replacement has been found.

Residual Risk Level

Moderate-Loss of knowledge and expertise, loss of time within the programme, loss of quality of work.

Action Steps

1. Hire long term employees for the project.
2. Ensure fellow employees have been upskilled to acertain level to ensure continuity.
3.Ensure morale remains high throughout the project.
$Give employees added incentives to maintain interest within the project.

Budget and Time for Response

Nil

Contingency / Fallback Plans

Should the supervisor leave the project and company:
1.Site Supervisor to advise Project Manager immediately who will contact the Director.
2.Project Manager to advertise for new Landscape Supervisor or if available promote someone already within the company
3. Induction of new recruit if hired. Or focus on etablishing promotoed employee.

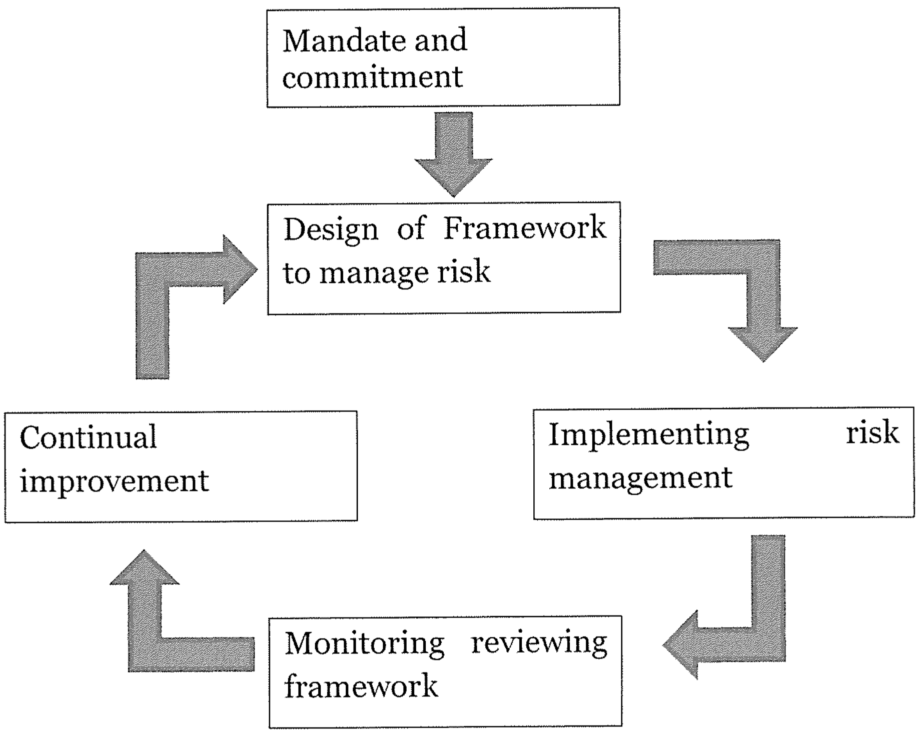
6. As set out in Risk Management Plan (Appendix 22 of the Project Plan), the risk management processes for the project will follow the AS/NZS ISO 31000 2009 Standard under the PMBOK project management methodology.

   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. A a framework which assist and established guidelines in regards to risk management. This is not only project based but is applicable to all facets such as health and safety, finances, operations, reputation and any other issue which can impact business. A model which is followed is Plan, Do, Check, Act.

b.


Mandate and commitment
Design of Framework to manage risk
Implementing risk management
Monitoring reviewing framework
Continual improvement

c. Plan-Recognise an opportunity or risk and plan a change or a solution to minimise the risk.

Do-Test the implemented change, put the change into practice.

Check-Review the test, analyze the results and establish what you have learned from the outcomes.

Act-Take action on what you have learnt, if it didn't work go through it again with a different approach.

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