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 :XI KE **Signature:**  **Date:** 10/04/2021

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
b	Requirements are misinterpreted by the project team and gaps and variances develop between expectations, requirements, and work packages.
a	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.
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.

c	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.
q	Sensitive and confidential project data and information are stolen by hackers.

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

Risk Categories	Project Risks
Human resources	Key project team member resign from Company.
Legal	Contractor/subcontractor failed to declare conflict of interest.

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.
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	No other project timeframes have changed. changed request 1 completed and project plan updated.	Closed
2	17/07/20xx	Three additional retaining walls needed for additional chalets.	Sam Ng	Change in procurement plan with J.P. Digging for more funding to cover extra work. Additional resourcing from J.P. Digging will prevent any changes to the timeframe. The number of hours required to complete the construction of the retaining walls has increased from 120 to 140 hours. The addition of three extra retaining walls has also resulted in additional time being allocated to the excavation of the incoming utilities and septic system.	Closed
3	22/11/20xx	Project sponsor going into liquidation.	Sam Ng	Ownership of project transferred to Cascade Peak Hotel. All references to Massive Eco-development corporation changed in project plan to Cascade Peak Hotel.Project protocols changed accordingly.	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	Short IT skill training course has been organised for Andrew.	Open

Issues Register

Issue #	Date/time raised	Description	Raised by	Action History	Status open/closed
5	30/11/20xx	Two landscaping team members leaving the organisation.	Sam Ng.	Job advertisement posted and applications received. It is now in the employment contract signing process with the 2 selected landscapers.	Open
6	14/12/20xx	Damage to site due to being abandoned for seven weeks.	Andrew Lowe	Negotiated with Casecade Peak Hotel to pay Awesome Landscapes an extra $100,000 to cover costs to get the proejct back on track.	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, Awesome Landscapes			
Date	8/12/2016			
Meeting date	8/12/2016			
Purpose of the meeting	Project restart meeting			
Identified Risk	Changes in Probability Of Occurrence	Changes in Priority	Changes in Ownership/ Responsibility	Changes in Needed Response
Severe weather during the project.	Unchanged Moderate	Unchanged Medium RIsk	Unchanged Andrew Lowe	Unchanged Assess damaged areas, and focus all landscaping work on repairing damage. Report any damage to buildings or utility infrastructure and include in change request
Delays in the construction of the chalets.	Moderate to Likely	Change from Medium Risk to High Risk	Unchanged Sam	Unchanged Put landscapers onto other projects/maintenance work where available and negotiate a change request where needed.

Delays in supply of the glasshouse and landscaping supplies.	Unlikely to Moderate	Unchanged Medium Risk	Unchanged Sam	Sam and Andrew to inform the supplier and logistics company of the change of delivery time due to project stopage.
Delays in supply of road base.	Moderate to likely	Medium Risk to High risk	Unchanged Sam	Unchanged Put landscapers onto other projects/maintenance work where available and negotiate a change request where needed.
Landscapers leaving the company.	Unlikely to Moderate	Low Risk to Medium Risk	Unchanged Sam	Unchanged Advertise for position immediately if a landscaper hands in their notice (4 weeks required)
Digging contractor not performing the work to the required standard.	Unchanged Moderate	Unchanged Medium Risk	Unchanged Andrew Lowe	Unchanged Onsite rectification and/or find a new contractor.
Underground utilities not being installed properly.	Unchanged Moderate	Unchanged Medium Risk	Unchanged Andrew Lowe	Unchanged Onsite rectification and/or find a new contractor. Legal action for compensation if needed

Lengthy processing of change request by Council.	Unchanged Moderate	Unchanged High Risk	Unchanged Sam	Acceptance of risk.
Timeframes not being properly communicated to landscapers and contractors.	Moderate to Likely	Medium risk to high risk	Unchanged Sam and Andrew	Review communications processes. Ensure the new earthwork contractor and new landscapers have been properly inducted to the project and familiar with the communication process.

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	Simon Ke
Date	8/12/2016
Project Manager	Sam Ng
SWOT Analysis Facilitator	Simon Ke
SWOT Analysis Participants	Sam Ng (PM), Andrew Lowe (Supervisor)
SWOT Analysis Recorder	Simon Ke
Date of SWOT Analysis	8/12/2016

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. Past experience in delivering similar landscaping projects working around building construction work.
c. Extensive experience in maintaining the native vegetation in the area.
d. More budget granted by the new project owner.
e. The new client has been operating in Cascade Peak for fity years being now the largest and by far the most successful accommodation provider 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. Project ownership change may create many unknown risk and problem. d. Change of earthwork contractor(J.P.Digging) adds uncertainty to the project. e. New project owner not knowing the history of construction works completed and the detail of this 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 Cascade Peak Hotel. b. Ongoing landscaping maintenance work at the resort once complete. c. Developing local suppliers and subcontractors. d. Exposure to local landscaping and project management industry brings more business. e. Ongoing work and relationship with Timber Home Construction and Earthmoving logistics and the Cascade Peak SHire Council.
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 this project b. Severe weather is likely to create delays in the project and may increase the scope of the project to counter erosion. c. Unsettled payment with J.P. Digging. d. New earthwork contractor not being able to deliver the project to the required standard. e. Not being able to finish the proejct on time due to change of project owner and project stopage.

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, Awesome Landscapes
Date:	8/12/2016
Session Facilitator:	Sam Ng
Title/Position:	Project Manager
Participating Group:	Andrew Lowe - Site Supervisor Susan King - Landscaper Kelly Pollock - Project Administrator
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) New project owner not familiar with project detail causing delay of approval	Likely	4	Very High	Closely liaise with Terrence Mackay	C	4	Very High	prepare plan to mitigate the damage casued by delay and submit to CLient in the format of a change request.	Sam	Sam
(Scope) Scope gap in the new earthwork contractor's contract	B	4	Moderate	Review contract prior to signing. Engage a lawyer where required.	C	3	Moderate	Awesome landscape to wear the cost.	Sam Ng	Sam Ng

(Time) Delay of project completion due to change of proejct owner	A	1	Very High	closely liaise with all stakeholders and try to resume the project as soon as possible.	A	5	Very High	Prepare a program recovery plan and submit to client for approval	Sam	Sam

(Cost) Dispute with J.P Digging on contract closure account.	B	4	High	Administrative control. Engage lawyer where required.	C	3	Moderate	Prepare claim and submit to Cascade Peak Hotel for any additional cost incurred to close out J.P Digging's contract.	Sam Ng	Sam Ng

(Quality) New earthwork contractor not peferming to the standard	B	4	Extreme	Site supervisor to closely monitor all earthworks and report nonconformance as soon as it is identified.	C	3	Moderate	Onsite rectification and/or find a new contractor. Legal action for compensation if needed.	Sam and ANdrew Lowe	Sam and ANdrew Lowe
(HR - landscaping site supervisor leaving project) Landscaping site supervisor leaving the project	Unlikely	4	Extreme	Project manager Sam Ng to closely liaise with company operations manager	C	3	Moderate	recruit new replacement supervisor as soon as it is confirmed necessary for the business.	Sam Ng and Andrew Lowe	Sam Ng and Andrew Lowe

(HR – Project Manager) Project manager leaving the company	Unlikely	4	Extreme	Project Director /Business Manager to closely liaise with the project Manager (Sam).	C	3	Moderate	Advertise for new project manager as soon as the project manager sends in resignation	Kim Nguyen/ Shaar Azad	Kim Nguyen/ Shaar Azad

(HR – Project Sponsor) Change of Project Sponsor	Unlikely	5	Very High	Closely liaise with Project sponsor	E	5	High	Review project cost and reach aggreement with old project sponsor prior to project ownership being transferred. Engage lawyer to close out contract and signing new contract.	Sam Ng Shaar Azad Kim Nguyen	Sam Ng Shaar Azad Kim Nguyen

(Communications) New earthwork contractor failing to follow project communications plan.	Likely	4	Extreme	Induct the new contract or fully prior to work commencing. Closely liaise with earthwork contract or supervisor and Management.	C	3	Moderate	Nonconformance to be issued to the contract or and backcharges issued to the contract if cost damage incurred.	Sam Ng Andrew Lowe	Sam Ng Andrew Lowe

(Procurement) Delay of signing a new earthwork contractor	Likely	5	Very High	Put signing a new earthwork contractor or on first priority of all works. Closely liaise with the new contractor and ensure contract is signed as soon as possible.	C	3	Moderate	Notify Project sponsor of the delay and update the project delivery program and project Plan accordingly.	am Ng Shaar Azad Kim Nguyen	am Ng Shaar Azad Kim Nguyen

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, Awesome Landscapes
Date	9 December 2016
Description of risk identified	Landscaping site supervisor resigning
Person responsible	Sam Ng, Andrew Lowe
Results from Risk Analysis:	High Risk
Agreed Responses (avoidance, transference, mitigation, acceptance):	
Response #1	Use long-term employees in project, Ensure they are happy in their work. Andrew Lowe.
Response #2	Promote internal staff such as on site landscapers and other landscaping supervisors.
Response #3	Advertise for position immediately if the site supervisor hands in their notice.
Residual Risk Level	
Moderate - Loss of knowleage and management resulting in lower quality work requiring rework an/or purchase of additional plants towards the end of the project and more time spent.	
Action Steps	
1. Hire Lond term supervisor into project. 2. Ensure the supervisor is happy to be based up the mountain for long period of time. 3. Ensure morale remains high throughout the project. 4. Give the supervisor a sense of ownership in the work he/she is doing.	
Budget and Time for Response	
Allow time for handing over with new site supervisor.	
Contingency / Fallback Plans	

Should site supervisor leave the company: 1. The project manager is to be imformed immediately by the resigning site supervisor. Then the company operations manager and director will be noticed by the PM. 2.Project Manager/Operations Manager to advertise for a new site supervisor as soon as possible. 3. The project Manager/Operations Manager to give a high priority to the employment process so a replacement can start within a week or two of the old supervisor leaving. 4. Old supervisor, Operations manager and PM to induct newly recruited site supervisor.

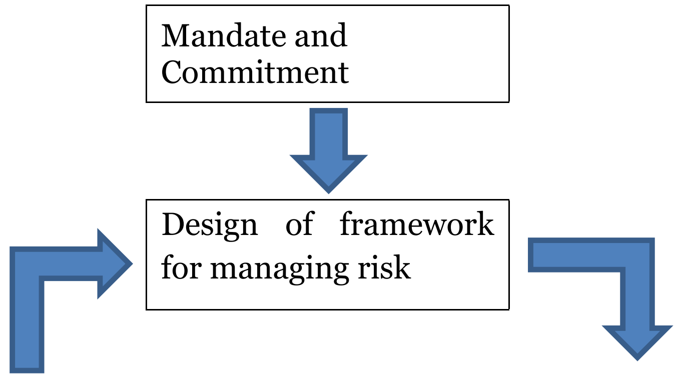
6. As set out in Risk Management Plan (Appendix 22 of the Project Plan), the risk management processes for the project will follow the AS/NZS ISO 31000 2009 Standard under the PMBOK project management methodology.

   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 ensures that information about risk derived from the risk management process is adequately reported and used as a basis for decision-making and accountability at all relevant organisational levels. The framework also ensures that the risk management process is being refined constantly.

b.



Continual improvement of the framework

Implementing risk management

Monitoring and review of the framework

c. The framework of ISO 31000 follows the Plan, Do, Check, Act model, like other global management system standards.

1. Plan - Identify the opportunity for change and create a plan to carry out that change, including determining the desired objectives of the change.

2. Do - Put the plan into action in small-scale tests to determine the results.

3. Check - Collect and then analyze data from the small-scale test to determine if the plan was successful.

4. Act - If the analysis showed that the plan led to beneficial results, roll it out on a larger scale. If the analysis showed that the plan didn't lead to beneficial results, go back and create a new plan and go through the PDCA cycle again.

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