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 : Ivan Sladojevic **Signature:** sladojevic **Date:** 28/08/20

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.
L	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.
K	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.
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	HR risks can envolve training and competency. Training & Competency failures typically result from a poor or missing program that doesn't set your employees up for success. Causes here are usually apathy or unawareness of training deficiencies
Legal	Financial Risk of overruns and overspending. The process of identifying financial risks and allocating responsibility for the control of specific costs can clarify whether a projected budget is realistic at the beginning

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
B	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	adjusting project WBS and dependence plant to match the starting date of the Earthmoving Logistics	Closed
2	17/07/20xx	Three additional retaining walls needed for additional chalets.	Sam Ng	update project plan to refelct. submit variation claim for additonal materials and recourses	Closed
3	22/11/20xx	Project sponsor going into liquidation.	Sam Ng	All references to massive eco development to be changed in the project plan to cascade peaks hotel. changing of project protocals	Open
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	enroll Andrew into begginer / intermediate IT course to develop IT skills	Open
5	30/11/20xx	Two landscaping team members leaving the organisation.	Sam Ng.	Recruit 2 new landscapers with suffiecent skill to replace the members leaving	Open
6	14/12/20xx	Damage to site due to being abandoned for seven weeks.	Andrew Lowe	$100,000 in extra expence to get the works back on track	Open

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

Project Risk Review Matrix	
Project Name	Cascade Peaks Chalets Landscaping Project
Prepared by	Ivan Sladojevic
Date	22.08.2020
Meeting date	22.08.2020
Purpose of the meeting	Risk Management

Identified Risk	Changes in Probability Of Occurrence	Changes in Priority	Changes in Ownership/ Responsibility	Changes in Needed Response
Severe weather during the project.	Unlikley	No Changes. Still Medium Risk	Andrew	Work In smaller areas at any given time to ensure sites are stabliized
Delays in the construction of the chalets.	Likely	Change to low risk	Sam	Closely liaise with Kate to endure start dates of the Landscape construction
Delays in supply of the glasshouse and landscaping supplies.	Unlikely	No Change Still Medium	Andrew	Multiple follow ups with the suplpy via emials and phone calls to ensure delivery
Delays in supply of road base.	Unlikley	No Change Still Medium	Kelly	Multiple follow ups with the suplpy via emials and phone calls to ensure delivery

Landscapers leaving the company.	Occasionally	No Change, Still Low Risk	Andrew	Use longer term emplyees that already work in a team and are happy
Digging contractor not performing the work to the required standard.	Unlikley	Change to Low Risk	Andrew	Ensure contract is clear and includes termination clause if they are not performig
Underground utilities not being installed properly.	Unlikley	Change to Low Risk	Sam	familarisation with the work site and close supervision of the digging. plans to suport works
Lengthy processing of change request by Council.	Likley	change to Medium Risk	Sam	Draft change requests to council as soon as possible. strong communication and relationships to be maintained.
Timeframes not being properly communicated to landscapers and contractors.	Unlikley	change to low risk	Andrew	communicate upcoming requirements to project team on a weekly basis through site meetings and tool boxes.

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	Ivan Sladojevic
Date	10/08/20
Project Manager	Sam Ng
SWOT Analysis Facilitator	Ivan Sladojevic
SWOT Analysis Participants	Sam Ng, Alicia Brewer, Andrew Lowe, Kevin Sholz
SWOT Analysis Recorder	Odette Guernon
Date of SWOT Analysis	08/08/20

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. Good Selection Contractors
b. Contractor and Subcontractors willingness to agree with frequent scope changes
c. Possession of Positive Cash Flow
d. good Experience within supervision level
e. strong project manegement and scheduling

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. smaller team, therefore can fall shorthanded if people leave

b. change of subcontractors during the project

c. Change of sponsor during the project

d. storng dependance of suncontracting to complete works

e. Landscaping heavily dependand on Construction works

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. New sponor is reliable

b. Possibility of futre works with Cascade peaks

c. Possibilty for mantainance contracts for the durations of the chalets operation

d. High growth rate in the cascade peaks are; therefore potential for more works

e. Collaboration with Earmoving contractor to partner with more works

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. Intense competition from other suppliers. causing lower margins

b. Highly demanding clients

c. separation from design and construction. additional scope changes from new sponsor

d. Extending project timeline could impact raw material cost

e. servere weather pushing project timeline out. and incurring down time costs

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:	Ivan Sladojevic
Date:	10/08/20
Session Facilitator:	Sam Ng, Ivan
Title/Position:	Project Manager
Participating Group:	Andrew, Peter, Sam
Location:	Landscape 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) Awsome Landscapes and the new Earthmoving contractor not intergrating	D	4	High	Admin	D	3	Moderate	Weekly Meetings guidlining expectations	Awsome Landscapes	Sam Ng

(Scope) Sponsor Adds Additonal Changes	B	3	High	Admin / Engineering	B	2	High	Each change documented in the change register	Cascade Peaks Hotel	Terrance
(Time) Weather causing time delays	C	4	Very High	Admin	C	2	Moderate	Proper documentation in regards to rain events and how to regain lost time	Awsome Landscapes	Andrew, Sam

(Cost) Project will run over budget	c	4	Very high	Admin	C	2	Moderate	Propor document control over cash flow and expenditure	Awsome landscapes	Sam Ng
(Quality) Lack of quality with new emplyees starting	B	3	High	Admin	B	1	Moderate	Proper training and compitency assessed when hiring new people	Awsome Landscapes	Peter Scholz
(HR - landscaping site supervisor leaving project) Lack of quality with new emplyees starting	B	3	High	Admin	B	2	High	Proper training and compitency assessed when hiring new people	Awsome Landscapes	Peter Scholz

(HR – Project Manager) PM running Multiple sites at once	C	3	High	Admin	C	1	Low	Createig appropriate support around each project allowing less supervisor from PM	Awsome Landscpaes	Peter
(HR – Project Sponsor) New Sponsor changing scope	B	4	Very high	Admin	B	1	Moderate			

(Communications) Lack of Communication around incidents	B	4	Very High	Admin	B	1	Moderate	Incident reports through registers so the entire project team are aware	Awsome Landscpaes	Sam NG, Andrew
(Procurement) Wrong Selection of subcontractos	D	3	Moderate	Admin	D	2	Low	Proper vetting of subcontractor through compliance management systems	Awsome Landscpaes	Sam

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	Ivan Sladojevic
Date	10/08/20
Description of risk identified	Supervisor Leaving the Company
Person responsible	Sam Ng
Results from Risk Analysis:	Low Risk Rating
Agreed Responses (avoidance, transference, mitigation, acceptance):	
Response #1	Ensure employees are happy
Response #2	Provide assurance for emplyeees. make effort to reduce possiblity through personel development
Response #3	Accept the vacated role and search for a adequate replacement
Residual Risk Level	
moderate - Loss of specialised skill set in a landscaping supervisor	
Action Steps	
Hire Long term landscaper with equivilant experience. Ensure current emplyees are happy and are aware of the situation. ensure that the team moral is high despite the departure	
Budget and Time for Response	
4 Week notice period. Ideally would want to hand over period	
Contingency / Fallback Plans	
Supervisor notifies the management team immediately. Position to be advertised as soon as possible.	

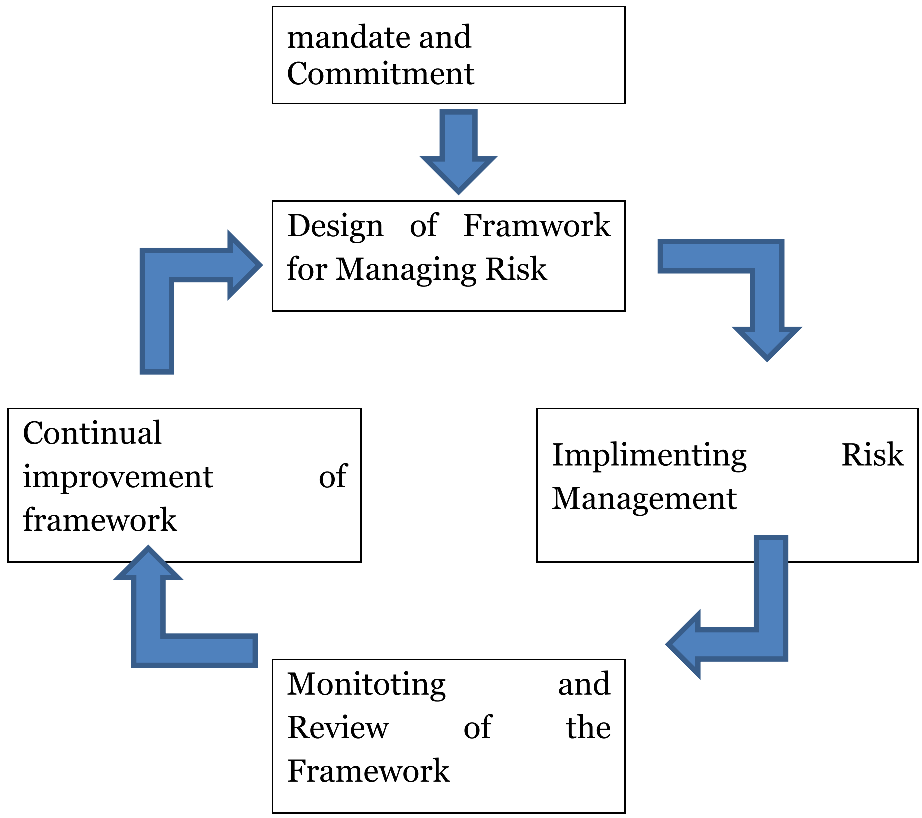
6. As set out in Risk Management Plan (Appendix 22 of the Project Plan), the risk management processes for the project will follow the AS/NZS ISO 31000 2009 Standard under the PMBOK project management methodology.

   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. ISO 31000 delivers principles and guidelines on risk management. It can be used by public, private, groups or individuals that can be applied throughout the life of a project or organization. It can encompass a wide range of activities. ISO 31000 can be applied to any type of risk in and nature, whether it having a positive or negative effect.

b.


mandate and Commitment
Design of Framwork for Managing Risk
Implimenting Risk Management
Monitoting and Review of the Framework
Continual improvement of framework

c. The relationship between the principles for managing risk, the framework in which it occurs and the risk management process described in this International Standard are shown in the figure above. When implemented and maintained in accordance with figure 1, the management of risk enables an organization to, increase the likelihood of achieving objectives; be aware of the need to identify and treat risk throughout the organization

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