BSBSMB401
ESTABLISH LEGAL AND RISK MANAGEMENT REQUIREMENTS OF SMALL BUSINESS

PRACTICAL ASSESSMENT INSTRUCTIONS

- The following practical assessment will require the Participant to complete work related activities.
- The Assessor will conduct observations of the Participant's work to determine whether they display sufficient practical skills and knowledge.
- Please fill in the details below – providing your name, signature and date of assessment.
  - The Participant's signature acknowledges that the Assessor provided clear instructions and the Participant understood what was required to complete this assessment.
- The Assessor may substitute a Practical Task with an alternate task of equal value.
  - Alternate tasks must be fully documented by the assessor in the Assessor Comments area.

Participant name: Ashley Costigan

Participant signature: ~~AK~~

Date: 08/12/2020

Assessor name: ____________________

Assessor signature: ____________________

Date: ____________________

Number of tasks	Number of tasks fully completed	Task outcome (Tick)	
		Satisfactory	Not Yet Satisfactory
1	16	☑	☐

3373 8888

Assessor Comments:

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Practical Task 1

Description of task:
The participant is required to demonstrate their ability to identify and comply with all regulations affecting a small business. The participant is required to negotiate and arrange contracts, as well as identify and treat business risks.

These tasks may be simulated or real. The participant is to gather evidence of how they have completed each component of the Practical Task, which is to be submitted with this Practical Assessment sheet. The observer is to provide detailed comments on the tasks completed by the participant. The assessor is to verify the observer's comments in the Assessor Comments section, and provide the Practical Assessment outcome on the front cover of this document.

Resources required:
Computer and telephone.

Assessment of task

Name of participant:	Ashley Costigan
Name of observer:	Amy Collins
Role of observer (Confirm suitability to sign)	
Email address of observer	amycollins@outlook.com.au
Signature of observer:	
Date:	6-1-2021

When completing the task, did the participant:	**Tick if satisfactorily completed. Provide comments if left unticked.** 1st Occasion	2nd Occasion
1 Identify and implement business legal requirements		
1.1A. Identify and research possible options for the business legal structure using appropriate sources.	✓	
1.1B. Determine legislation and regulatory requirements affecting operations of the business under its chosen structure.	✓	
1.1C. Develop and implement procedures to ensure full compliance with relevant legislation and regulatory requirements.	✓	
2 Comply with legislation, codes and regulatory requirements		
1.2A. Establish systems to ensure legal rights and responsibilities of the business were identified and the business was adequately protected, specifically in relation to the following requirements: • Work health and safety (WHS) • Business registration • Environmental requirements	✓	
1.2B. Identify taxation principles and requirements relevant to the business, and follow procedures to ensure compliance.	✓	
1.2C. Identify and carefully maintain legal documents and maintain and update relevant records to ensure their ongoing security and accessibility	✓	

1.2D. Monitor provision of products and services of the business to protect legal rights and to comply with legal responsibilities.	✓	
1.2E. Conduct investigations to identify areas of non-compliance with legal and regulatory requirements, and take corrective action where necessary.	✓	
3 Negotiate and arrange contracts		
1.3A. Seek legal advice on contractual rights and obligations, if required, to clarify business liabilities.	✓	
1.3B. Investigate and assess potential products and services to determine procurement rights and ensure protection of business interests where applicable.	✓	
1.3C. Negotiate and secure contractual procurement rights for goods and services including contracts with relevant people, as required, in accordance with the business plan.	✓	
1.3D. Identify options for leasing or ownership of business premises and complete contractual arrangements in accordance with the business plan.	✓	
4 Identify and treat business risks		
1.4A. Identify potential internal and external risks to the business.	✓	
1.4B. Assess the probability and impact of identified risks.	✓	
1.4C. Prioritise risks for treatment.	✓	
1.4D. Develop actions to mitigate risks, including identifying insurance requirements and adequate cover.	✓	

The Participant's performance was: ☑ **Satisfactory** ☐ **Not Satisfactory**

Observer comments:

All satisfactory first time.

Competency Record to be completed by Assessor

Learner Name: ______________________________

Date of Assessment: ______________________________

The learner has been assessed as competent in the elements and performance criteria and the evidence has been presented as;

	Assessor Initials
Authentic	
Valid	
Reliable	
Current	
Sufficient	

Learner is deemed: COMPETENT NOT YET COMPETENT (Please circle)

If not yet competent, date for re-assessment: ______________________________

Comments from Trainer / Assessor:

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Assessor Signature: ______________________________

Candidate Details

Assessment – BSBSMB401: Establish legal and risk management requirements of small business

Please complete the following activities and hand in to your trainer for marking. This forms part of your assessment for BSBSMB401: Establish legal and risk management requirements of small business

Name: Ashley Costigan

Address: 10 Kincraig Cct
Spring Mountain Q 4300

Email: ashleyregancostigan@gmail.com

Employer: ______________________

Declaration

I declare that no part of this assessment has been copied from another person's work with the exception of where I have listed or referenced documents or work and that no part of this assessment has been written for me by another person.

Signed: A.R.C

Date: 08/12/2020

If activities have been completed as part of a small group or in pairs, details of the learners involved should be provided below;

This activity workbook has been completed by the following persons and we acknowledge that it was a fair team effort where everyone contributed equally to the work completed. We declare that no part of this assessment has been copied from another person's work with the exception of where we have listed or referenced documents or work and that no part of this assessment has been written for us by another person.

Learner 1: ______________________

Signed: ______________________

Learner 2: ______________________

Signed: ______________________

Learner 3: ______________________

Signed: ______________________

Table of Contents

BSBSMB401

Establish legal and risk management requirements of small business

Learner Workbook

Activities

Activity 1A

Estimated Time	**30 minutes**
Objective	**To provide you with an opportunity to identify and research possible options for the business legal structure using appropriate sources**
Activity	**1. Conduct your own research and document advantages and disadvantages in creating the types of legal structure detailed in this table.**

Type	*Advantages*	*Disadvantages*
Cooperative	equal voting rights for members. * liability is for members only. * no limit on number of members.	Limited resources. * finances are low due to limited supply of capital. * incapable mgt. * high interest rate.
Trust	Provides asset protection & limits liability to the business.	Set up by a solicitor.
Association or not-for-profit legal structure	access to grants.	Limited Funding

tax exempt.

Activity 1B

Estimated Time	**20 minutes**
Objective	**To provide you with an opportunity to determine legislation and regulatory requirements affecting operations of the business under its chosen structure.**
Activity	**1. Report on your organisation or in accordance with directions from the instructor, the legislation and regulatory requirements affecting the operations of your business.** QBCC Work Health & Safety Act 2011 Code of practice 2015 Division 355 of the Income Tax Assessment Act 1997 Fair Work.

Activity 1C

Estimated Time	**20 minutes**
Objective	**To provide you with an opportunity to develop and implement procedures to ensure full compliance with relevant legislation and regulatory requirements.**
Activity	**1. What methods are used to implement procedures to ensure full compliance with the relevant legislation and regulatory requirements governing your specific business operations?** **You may make reference to your answers in Question 1B.** Having a full Policy & Procedure Booklet handed to all Staff on induction - Induction which includes WHS Component. - MYOB Account Keeping -

Activity 2A

Estimated Time	30 minutes
Objective	**To provide you with an opportunity to establish systems to ensure legal rights and responsibilities of the business are identified and the business is adequately protected, specifically in relation to work health and safety (WHS), business registration and environmental requirements**
Activity	**1. Detail/report your company's systems to ensure the legal rights and responsibilities of the business are identified and the business is adequately protected.** - Accounting System - MYOB - Deputy. - Workcover - Public Liability - Business Risk Register - Regular meetings. - Bookeeper & Accountant - Insurances & Cover

Activity 2B

Estimated Time	**25 minutes**
Objective	**To provide you with an opportunity to identify taxation principles and requirements relevant to the business, and follow procedures to ensure compliance, and identify and carefully maintain legal documents and maintain and update relevant records to ensure their ongoing security and accessibility.**
Activity	**1. Define a sole trader, an incorporated company and a trust.** Sole Trader — An individual running a business — Sole owner, legally responsible for everything solely. — Inc Company — is its own legal entity which is wholly controlled by Company shareholders. — Trust — Not a legal seperate entity. Relationship Trustee & the beneficiaries. **2. What legal documents may you have to maintain?** — Tax Records — Incidents & accidents — Asset Registers — Privacy & confidentiality

Activity 2C

Estimated Time	**20 minutes**
Objective	**To provide you with an opportunity to monitor provision of products and services of the business to protect legal rights and to comply with legal responsibilities and conduct investigations to identify areas of non-compliance with legal and regulatory requirements, and take corrective action where necessary**
Activity	**1. Suggest three options that could likely cause an error in compliance. For the areas identified, give your recommendations on ways to eliminate future occurrences.** - Keep Tax Records up to date, Do regular BAS Statements & Tax Returns. - Have workcover insurance for any accidents or injuries that may occur onsite. Always make sure the staff wear the correct PPE & there are no hazards on site - Induction is completed & signed off.

Activity 3A

Estimated Time	**25 minutes**
Objective	**To provide you with an opportunity to seek legal advice on contractual rights and obligations, if required, to clarify business liabilities, investigate and assess potential products or services to determine procurement rights and ensure protection of business interests where applicable**
Activity	**1. In pairs, groups or individually list five contractual rights and obligations that could give cause to potential business liabilities.** - Not having the right insurances if an accident happens. - Not doing Taxes - Not doing the right checks on your staff's qualifications & licences - No Quality Assurance checks. - Not following Specific engineering requirements of the job

Activity 3B

Estimated Time	**30 minutes**
Objective	**To provide you with an opportunity to seek legal advice on contractual rights and obligations, if required, to clarify business liabilities, Investigate and assess potential products or services to determine procurement rights and ensure protection of business interests where applicable.**
Activity	**1. List five products or services to determine procurement rights and ensure protection of the business interests where applicable.** - Having the right mobile plant equipment & checking regularly - Daily Pre Starts Checks - Having the right accountant & Bookkeeper to keep accts up to date - Insurances - Public Liability, Work cover, Income protection - Skilled workers. - WH & S

Disposing of waste properly

Activity 3C

Estimated Time	**30 minutes**
Objective	**To provide you with an opportunity to negotiate and secure contractual procurement rights for goods and services including contracts with relevant people, as required, in accordance with the business plan**
Activity	**1. Create a five point plan on negotiating for securing contractual procurement rights for goods and services contracts.** 1. Advertise your services 2. Tender for contracts 3. Negotiate a quote 4. Communicate with the relevant vendors to complete the contract. 5. Order all equipment & material to complete job. 6. Complete JoB.

7. Invoice accordingly

Activity 3D

Estimated Time	**25 minutes**
Objective	**To provide you with an opportunity to identify options for leasing/ownership of business premises and complete contractual arrangements in accordance with the business plan**
Activity	**1. What would be your choice, to either lease or purchase premises for a small business in your capital city, and why?** I would choose to lease a premises inthe beginning due to the potential of Company growth.

Activity 4A

Estimated Time	**20 minutes**
Objective	**To provide you with an opportunity to identify potential internal and external risks to the business**
Activity	**1. Give examples of internal and external risks that may affect your organisation.** Internal. Accts Staff. Insurances Not complying with WHS External. Equipment. Working with 3rd Parties. Reading Drawings mother nature - natural Disasters

Activity 4B

Estimated Time	**30 minutes**
Objective	**To provide you with an opportunity to assess the probability and impact of identified risks**
Activity	**1. For each risk you identified in Activity 4A, assess its probability and impact.** Accts – liquidation – low probability. Staff - Workcover claim & Injuries. – High Probability. Insurances – High because you could end up liable for a payment from being sued. WHS – investigated. – closure External. Equipment – Moderate – injury is the impact. Working in 3rd Parties – Become reliable for their stuff ups or rectifications. Reading drawings – High – sued for getting it wrong. Mother nature – low – no work or ruined work

Activity 4C

Estimated Time	25 minutes
Objective	To provide you with an opportunity to prioritise risks for treatment
Activity	1. Create probability-impact matrix and determine which risk has the highest priority. Highest to lowest. Accts Insurances WHS. Equipment Working w 3rd Parties Reading Drawings mother Nature.

Activity 4D

Estimated Time	**25 minutes**
Objective	**To provide you with an opportunity to develop actions to mitigate risks including identifying insurance requirements and adequate cover**
Activity	**1. You are about to take out an insurance policy. Thinking about the likely risks to your business, suggest the approach and cover you would likely use to insure against the following risks.** Public Liability WorkCover Equipment Insurance. Income Protection

Skills and Knowledge Activity

Estimated Time	60 Minutes
Objective	**To provide you with an opportunity to demonstrate your knowledge of the foundation skills, knowledge evidence and performance evidence.**
Activity	**Complete the following individually and attach your completed work to your workbook.** The answers to the following questions will enable you to demonstrate your knowledge of: ➢ Reading ➢ Writing ➢ Oral Communication ➢ Numeracy ➢ Navigate the world of work ➢ Interact with others ➢ Get the work done ➢ Outline business registration and licensing requirements ➢ Identify commonwealth, state/territory and local government legislative requirements relating to business operation ➢ Explain creation and termination of relevant legal contracts ➢ Summarise relevant cultural differences and legal implications ➢ Describe legal rights and obligations of alternative ownership structures ➢ Outline necessary record keeping to meet minimum legal and taxation requirements ➢ Summarise relevant consumer legislation and industry codes of practice ➢ Outline the key steps in the risk management process ➢ Explain relevant insurance requirements and products **1. What texts may you have to read to assess the legal and risk management requirements of the business?** **2. What reports and workplace documentation may you have to write?** **3. What skills are needed to communicate effectively during communications?** **4. What information might you need to determine insurance costs?** **5. What are organisational policies which may apply to your ethical behaviour?** **6. Why may you need to seek legal advice?** **7. What sort of information may you need to store securely?** **8. What are the benefits of being on the Australian Business Register (ABR)?** **9. What local, state/territory, commonwealth and international legislation, regulations and codes of practice may affect business operations?** **10. What elements must be present for a legally enforceable contract?** **11. How can you manage diversity and cultural differences within a workplace?** **12. What alternative ownership structures exist?** **13. What records will you need to keep in order to meet taxation regulation?** **14. What is the purpose of the Australian Competition and Consumer Commission?** **15. How would you assess risks within an organisation?** **16. What insurance requirements may your organisation have?**

	What extra or voluntary insurance could you also get, and why?

Major Activity

Estimated Time	**60-120 Minutes**
Objective	**To provide you with an opportunity to demonstrate your knowledge of the entire unit.**
Activity	**This is a major activity – your instructor will let you know whether you will complete it during class or in your own time.** **Attach your completed answers to the workbook.** You must individually, answer the following questions in full to show your competency of each element: 1. Identify and implement business legal requirements 2. Comply with legislation, codes and regulatory requirements 3. Negotiate and arrange contracts 4. Identify and treat business risks **1. Which business legal structure do you believe is the most appropriate? Note the positive and negative aspects of your chosen structure in relation to your business needs.** **2. What kind of permissions do you need to secure and maintain for your business?** **3. Pick three elements of general reporting on Section 1.3 of the Learner Guide and explain them in the context of your company, describing what you need to do in order to satisfy this requirement.** **4. What measures do you have in place regarding WHS policies and procedures? Explain why they are effective. If your company has not yet been opened or established, write about what you may need to implement and why.** **5. Which description in section 2.2 of the Learner Guide applies to your business? Explain how this works in relation to your business.** **6. What kind of records do you keep in relation to finance? Explain why each system you use is appropriate for your needs.** **7. What legislation may affect any contracts associated with the running of your business?** **8. What measures could you put in place to detect incidences of non-compliance?** **9. What can you do to ensure legal co-operation with contractual rights and obligations?** **10. What systems can you implement to ensure you are sourcing the right item, from the right supplier at the right time?** **11. Through the general running of your business, who can you expect to have contracts with? How does each person or company fit into your business plan?** **12. Is renting or buying more ideal for your business needs? Explain why and how you made this decision and detail the options that are available to you in this endeavour.** **13. What is the difference between internal and external threats?** **14. What are likely or certain risks within your business?** **15. How can you prioritise risks?** **16. What compulsory insurance must you obtain in order to run your business?**

Skills & Knowledge Activity

1. Legislative Requirements on Websites.
2. SWMS, WH+S checklists, policies & procedures, incident reports.
3. open listening, being precise and clear language to understand.
4. Different quotes, product disclosures.
5. Anti Discrimination Policy
6. For workplace incidents, debtors advice
7. personal information of clients.
8. Update details, seeing updates for businesses
9. QBCC, WHS, Fair Work
10. Signature & date, clients details
11. Having clear & precise Policies & procedures
12. partnership
13. All Taxation Records, invoices, receipts.
14. To legislate fair trading & regulating infrastructure

15. - Risk Assessments, SWMS
Start up tool box meetings

16. Public Liability, ~~Workers Comp~~ Work Cover
Asset insurance

Major Activity

1. Company Structure
2. Council approvals, drawings
3. - Record Minutes - I will keep a record of regular meetings & its context & file accordingly
   - Financial Records - my accounting System will keep up to date records & the same with my accountant
   - Lodge financial statements Regularly use my acountant for this.
4. WHS Manual when someone starts as an employee or contractor. They sign off & get handed the policy
   - Start up Risk Assessments before any job Starts.
5. Company description as I need an ABN, ACN & TFN, I also have seperate bank accounts.

6. I use MYOB and this keeps all quotes, reciept, accts recievable & payable, super portal, ledgers etc.

7. Code of practice, Tax Assessment, privacy.

8. Risk Assessments regular meetings, onsite pre starts, attending jobs for quality assurance.

9 Make sure you have your contract with your client signed off & dated get the document checked by a lawyer first before using for any client.

10. Have a supplier checklist. Material checklist.

11. Supplier contracts, client contracts accounting contracts, sub contracter contracts

12. Renting as I'm a new business

13. Internal ~~thr~~ threat could be I left someones file on my desk when I got a visitor

external threat could be an error in a job, not enough concrete being ordered.

14. Accounts not up to date, not having the right insurances.

15. Have a Risk Register as a live Spreadsheet.

16. Public Liability, Workcover, personal accident insurance!