



**SUCCESSION
TRAINING**

BSB51415 Diploma of Project Management



Risk Management

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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 : matt taylor

Signature:

Date:

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.
g	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.

p	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	A tradesman roll was advertised for a upcoming fast developing construction company. A vacant position was available, experience was the key factor required for the roll. After many candidates an apprentice was hired to fill the work force void. Due to the lack of experience mistakes where made that led to further costs and delays.

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.

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.

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 Earth moving Logistics Pty Ltd needing additional notice of the movement of supplies and equipment.	Sam Ng	Change request implemented for a start date of 27th of May	closed
2	17/07/20xx	Three additional retaining walls needed for additional chalets.	Sam Ng	change request implemented for start date 27 May	closed
3	22/11/20xx	Project sponsor going into liquidation.	Sam Ng	new project sponsor cascade peak hotel taken over ownership and project to proceed	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	Commence computer communication up skilling and gain training in Horticulture.	closed
5	30/11/20xx	Two landscaping team members leaving the organisation.	Sam Ng.	Interview candidates and hire most suitable candidate to fore fill Open roll.	open
6	14/12/20xx	Damage to site due to being abandoned for seven weeks.	Andrew Lowe	Sam and Andrew to visit site and access/ review then rectify any Open issues.	open

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

Project Risk Review Matrix

Project Name	cascade peaks lodge			
Prepared by	matt taylor			
Date	23/2/17			
Meeting date	25/2/17			
Purpose of the meeting	project risk review			
Identified Risk	Changes in Probability Of Occurrence	Changes in Priority	Changes in Ownership/ Responsibility	Changes in Needed Response
Severe weather during the project.	no change	no change	no change	no change
Delays in the construction of the chalets.	Current occurring with probability increasing	High priority as project aim to get back on track	New project sponsor Cascade peaks hotel is now sponsor party	Delay was due to change in project ownership, a action plan is now require to implement changes
Delays in supply of the glasshouse and landscaping supplies.	na	na	na	na
Delays in supply of road base.	na	na	na	na

Landscapers leaving the company.	<i>Already occurred due to change in ownership</i>	<i>New landscapers to be site inducted and sign off on Awesome Landscapes work method statements</i>	no change	na
Digging contractor not performing the work to the required standard.	<i>This is due to new contractor having no history with hiring company</i>	<i>High priority as project aim to get back on track</i>	<i>Management change in excavation contractor requires works to be reviewed and monitor to ensure a suitable quality is met.</i>	<i>Increase supervision and monitoring of program requirements.</i>
Underground utilities not being installed properly.	<i>Due to the ownership change resulting in unfinished works</i>	<i>High priority due to exposed services over delay.</i>	<i>New contractor to ensure works in completed to suitable expected standard.</i>	<i>Increase supervision and monitoring of program requirements.</i>
Lengthy processing of change request by Council.	<i>Expected slow response and processing time from local authority .</i>	low	no change	na

Timeframes not being properly communicated to landscapers and contractors.	<i>High probability, project recommence will produce on new timeframe and budget expectations.</i>	high	no change	<i>Increase supervision and monitoring of program requirements.</i>
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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	<i>Cascade Peaks Chalet lodges</i>
Prepared by	matt taylor
Date	11/2/17
Project Manager	sam ng
SWOT Analysis Facilitator	matt taylor
SWOT Analysis Participants	Awesome Landscapes Cascade Peaks project team
SWOT Analysis Recorder	matt taylor
Date of SWOT Analysis	8/2/17

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 . Project team is well experience and trained in the Landscape/horticulture that reflect the projects expectations

b . The sponsor is a more invested due to a closer relationship with the project.

c . Due to the change in project steering committee there is less members to communicate issues. Which allows for communication to be more efficient and relative to the project.

d . The project schedule now reflects change request and has been reviewed multiple time to ensure all milestones are met.

e . The influx of extra funds from the sponsor will ease some financial pressure off the contractors and could be invested and result in a higher quality product delivered

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 . The request for some extra training shows some lag in terms of communication skills in the project team

b . Due to many changes and moving components of the project some organisation structure and communication could be affected during the project.

c . Sponsors invested knowledge of the project could be a hindrance due to their lack of experience with construction style projects. Extra communication and meeting may have to be enforced to ensure all project information is communicated effectively.

d . The project schedule may be affective due to its delay in the long term of the project timeframe. The setback pushes the project into different weather patterns and tourism season. Which there for could result in further works, on- going maintenance to ensure a quality delivered project and possible tighter time frame to meet the upcoming tourism influx.

e . The extended project timeline has put extra strain on maintaining the green house and constant environmental concerns with the project site during this delay. Which inevitably could effect the final result of the project finishing on budget and delivered to set standards.

What potential opportunities exist in regard to achieving the project requirements, the product requirements, the project schedule, the project resources, the project quality, etc.?

b . The relationship built with local distributor and suppliers could further relationships between companies for upcoming projects in the area, thus have a decrease in cost on deliverables.

d . Inspection test procedures developed from this project will now be a set standard of deliverable for Awesome Landscapes when quoting further contracts and ensures all team members have an understanding of the quality of deliverables expected.

e . The successful completion of the Cascade Peaks project would show the local Authority that Awesome Landscapes have experience in delivering a project under their expected environmental standards and have a invested knowledge in keeping this standard to obtain further projects with in the area or gain a positive project reference.

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 .** The delay could result in allowing the project to continue through unplanned weather events
- b .** The project schedule could be shortened by the sponsor to maximise income opportunity that could be gained by the upcoming tourism season.
- c .** Due to the long standard delay of the project the greenhouse plants could be affected.
- d .** The increased exposure of plants and project site during the stand down period could result in a weltered project quality
- e.** The ongoing process involved during the stand down of the project could have opened opportunities for competing contractors to establish business relationships and understanding of project specific which could affect further contracts in the area.

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:

- When populating the fields of the Risk Brainstorming Session Worksheet, refer to the Risk Rating Table below.
- 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 lodge
Prepared by:	matt taylor
Date:	2.11.17
Session Facilitator:	sam ng
Title/Position:	project manager
Participating Group:	project team
Location:	cascade peaks

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 S, a, m, N, g, the site supervisor or, otherwise, not her relevant value and project objectives that a key holder who would be responsible for
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(Integrati on)	d	3	mod	admi n contr ol	e 1	low	Commun ication between steering committe e to ensure works is complete d efficiently and at the correct procedur es are followed.	s a m ng	a n d r e w l o w e
Ext r a chal e t s t o b e con stru cted .									

(Scope) Required to deliver complete landscape package to project with possible effect of upcoming tourism season.	b	3	high	Communication and pre-planning	b	2	high	Prompt and clear communication between steering committee to deliver project.	s a m a n d r e w l o w e	
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(Time)	d	3	mod	Admin a n d manag ement	d	2	low	Management measure put in place to adjust to possible inclement weather followed by communication to steering committee.	s a m a ng n d r e w l o w e
Due t o the delay in pro gra m the proj ect tim elin e has bee n pus hed bac k and coul d pos sibl y be affe cted b y wea ther .									

(Quality) Due to possible element weather, plant damage and new contractor relationships, project deliverable quality may not be met.	c	3	low	management overview and guidance.	d	2	very low	Management to organise greenhouse maintainer; monitoring and review of contractors	sampling	and review follow up
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(HR - landscaping site supervisor leaving project)	c	4	high	Admin adjustment and senior management control. Project staff to be long-term employees	c	3	mod	Management to take project guidance, admin to advertise for replacement roll.	susan	samng
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(HR – Project Manager)	d	4	high	upskilling	c	2	mod	Superior management to organise upskilling, training and project mentoring.	susan nguyen	sam ng
Project management with struggling with project communication										

(Procurement)	d	3	mod	Communication with steering committee highlighting procurement issue	d	2	low	Management to communicate payment plan with steering committee to reflect project demands	s	k i m a n g y u m n g
Project timeline is decreased, and procurement isn't met for project demands										

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 lodge
Prepared by	matt taylor
Date	2.8.17
Description of risk identified	site supervisor resignation
Person responsible	sam ng
Results from Risk Analysis:	on site management
Agreed Responses (avoidance, transference, mitigation, acceptance):	
Response #1	project report
Response #2	hr availability
Response #3	Advertise roll or substitute
Residual Risk Level	
moderate	
Action Steps	
Project status report reflecting completed and upcoming works. Overview labor and adjust temporary measures to adhere to project schedule. Advise company director and inform contract steering committee. Contact admin human resources for possible substitute or replacement measure.	
Budget and Time for Response	

The framework presented in AS/NZS ISO 31000 gives a structure to the process involved in determining and management of risk. The components involved give definition and identification which allow organisation the opportunity to refine management plans and ensure information is collated and forwarded to making further judgment on risks.

mandate and
commitment

*Design of
framework to manage*
risk

*Continual
improvement*

*Implementing risk
management*

monitoring reviewing
framework

AS/NZS ISO 3100 Is a standard model set to help guide and define the risks involved in projects. The principals highlighted in the standards allows organisations to develop their own risk management plan, whilst understanding the effects of uncertainty on objectives and enable them to coordinate control measure to refine their plan of management for further implementation.

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