

RIIRIS501D IMPLEMENT AND MAINTAIN MANAGEMENT SYSTEMS TO CONTROL RISK

THEORY EXAM INSTRUCTIONS

- This exam will occur under standard assessment conditions.
 - An oral examination may be allowed under certain circumstances whereby the Participant's answers will be documented by a party other than the Participant. This must be acknowledged in writing (e.g. Feedback and Assessor Comments)
- Participants must provide enough detail in their responses to demonstrate their knowledge and skills.
- Please fill in the details below, providing your name, signature and date of assessment.
 - Your signature acknowledges that this is your own work.
- Assessors are to complete marking in pen of a different colour to the Participant.
- If a Participant initially answers a question incorrectly but modifies their response, they must follow the instructions below:
 - If a Participant changes their response in writing, they must put their initials next to the written change.
 - If a Participant changes their response verbally, this must be noted on the exam paper by the assessor.

Participant name _____

Participant signature _____

Date _____

Assessor name _____

Assessor signature _____

Date _____

Number of questions	Number of questions answered correctly	Task outcome (Tick)	
		Satisfactory	Not Yet Satisfactory
34		☐	☐

Q1. Define the term 'hazard' and explain its relationship with risk.**Answer**

Assessor's discretion. Should resemble: A hazard is anything that can cause harm. A hazard is a risk source - an element which alone or in combination has the potential to give rise to risk. ISO 31000:2018



Assessor's discretion. Should resemble: Risk is a result of the combination of:

How dangerous the harm can be

How likely it is that the harm will occur

The level of risk is high if:

The potential for harm is high

The likelihood of it happening is high

Q2. List three (3) hazards on a construction site. For each hazard, identify one (1) harm that may occur.**Answer**

Hazard	Harm
Assessor's discretion. For example: Working at height	Assessor's discretion. For example: Injury from fall
Assessor's discretion. For example: Slippery ground	Assessor's discretion. For example: Injury from fall
Assessor's discretion. For example: Loud noise	Assessor's discretion. For example: Damage to hearing



Q3. Identify seven (7) different classifications of risk for the construction industry and one (1) example from each category.

Answer

Classification	Example
Assessor's discretion. For example: Technical/design risk	Assessor's discretion.
Assessor's discretion. For example: Technological/equipment risk	Assessor's discretion.
Assessor's discretion. For example: Logistics risk	Assessor's discretion.
Assessor's discretion. For example: Human resource risk	Assessor's discretion.
Assessor's discretion. For example: Environmental risk	Assessor's discretion.
Assessor's discretion. For example: Financial/economic risk	Assessor's discretion.
Assessor's discretion. For example: Political/social risk	Assessor's discretion.



Q4. List four (4) types of records that can be used to identify risks.

Answer

Record	Description
1	Assessor's discretion. For example: Risk registers, and risk reports
2	Assessor's discretion. For example: Issues register or incident log
3	Assessor's discretion. For example: Audit reports
4	Assessor's discretion. For example: Internal and external reviews



Q5. Explain each of the following four (4) risk identification tools.

Answer

Tool	Explanation
Brainstorming	Assessor's discretion. Should resemble: A creative technique to gather risks spontaneously by group members. Group members verbally identify risks in a 'no wrong answer' environment. This technique provides the opportunity for group members to build on each other's ideas.
Scenario analysis	Assessor's discretion. Should resemble: Using possible (often extreme) future events to identify possible alternative outcomes and identify possible risks.
Surveys and questionnaires	Assessor's discretion. Should resemble: Both involve questions. A survey includes analysing the collective responses in order to gain an overall view, whereas a questionnaire only involves questioning.
Working groups	Assessor's discretion. Should resemble: A group that come together to achieve a specific business objective. Members are usually well experienced and /or well-qualified in the business area.



Q6. Explain the purpose of a risk register and list the types of information that should be included in a risk register.

Answer

Assessor's discretion. Should resemble:



Risk registers record details of every risk identified. They record information such as:

A description of each risk

Existing control measures

The likelihood of the risk – from the risk matrix

The consequences of the risk – see the risk matrix

The grading of the risk – see the risk matrix

The risk owner – who is responsible for managing the risk

Proposed risk mitigation actions

Date of next risk review - risk identification is an ongoing process

Q7. Develop a template for a risk register.

Answer



Assessor's discretion. For example:

Organisation name Risk Register										
ID	Description of Risk	Existing controls	Impact of Risk	Likelihood	Consequences	Grade	Risk Owner	Proposed Mitigation Actions	Date of Review	Date of next Review

Q8. Explain how a risk matrix is used in risk analysis.

Answer



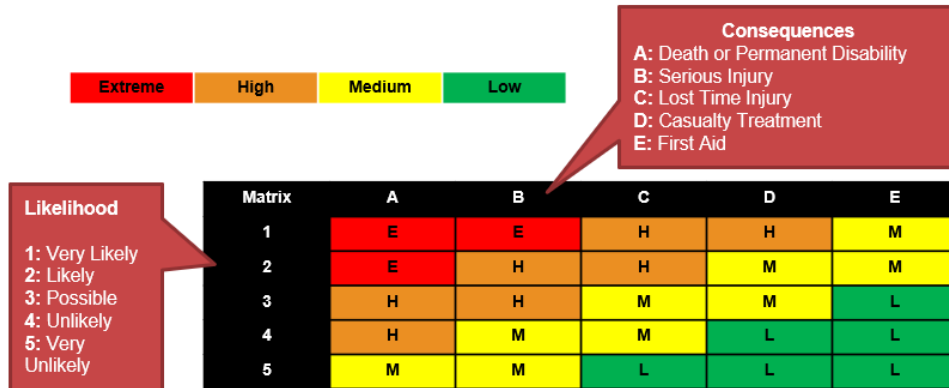
Assessor's discretion. Should resemble: A risk matrix is a matrix that is used to assess risk by comparing the likelihood of the consequences with the severity of the consequences. This comparison gives us the grade of the risk.

Q9. Develop a hypothetical risk matrix.

Answer



Assessor's discretion. For example:



Q10. List seven (7) issues that ISO 31000:2018 specifies should be taken into account when establishing risk criteria.

Answer



Issue	Description
1	Assessor's discretion. For example: Nature and type of risks
2	Assessor's discretion. For example: Definition and measurement of positive and/or negative consequences
3	Assessor's discretion. For example: Time factors
4	Assessor's discretion. For example: Determination of level of risk
5	Assessor's discretion. For example: Combinations and/or sequences of risks
6	Assessor's discretion. For example: Consistent measures
7	Assessor's discretion. For example: Organisational capacity

Q11. Discuss the role of a risk owner.

Answer

Assessor's discretion. Should resemble: All risks should be allocated risk owners – a person, team, or other entity “with the accountability and authority to manage a risk” and who is competent to manage the risk. ISO 31000 Risk owners are delegated these risks, meaning that they are: May also include: Responsible for managing the risk. Responsibility is an obligation to perform certain duties or to make sure that they are completed. Authorised to manage the risk. Authority is the right to make job related decisions, to perform duties, and to direct others to complete tasks. Enough authority should be delegated to meet the responsibilities and complete the assignment. Accountable for the risks. Accountability is also an obligation. It is an obligation owed to higher level management to effectively complete the tasks you are responsible for – including those of your staff.



Q12. Explain the relationship between risk ownership and job descriptions and duty statements.

Answer

Assessor's discretion. Should resemble: Job descriptions and duty statements list every task and responsibility that the job holder has. Risk ownership is a vital responsibility for the relevant job holder and therefore needs to be clearly specified in the risk owner's job description and duty statement.



Q13. Explain the term 'risk attitude' and discuss how it affects an organisation's approach to risk management.

Answer

Assessor's discretion. Should resemble: Risk attitude is an organisation's approach to assess and eventually pursue, retain, take or turn away from risk. Whenever a business decision is made, a risk assessment should form part of it. An organisation's risk attitude will determine how much risk it is prepared to accept and how much profit it will generate – or how large its losses will be.



Q14. Explain the three (3) classifications of risk attitude.

Answer

Classification	Explanation
1	Assessor's discretion. Should resemble: Risk averse, where risk is avoided
2	Assessor's discretion. Should resemble: Risk seeking, where risk is actively sought
3	Assessor's discretion. Should resemble: Risk neutral, where risk is neither actively sought nor avoided



Q15. Explain the importance of risk management policies and procedures being integrated across the organisation.

Answer

Assessor's discretion. Should resemble: A risk management process works throughout an organisation, and everyone in the organisation is responsible for risk management, should understand it and be able to apply its methods. Therefore an organisation's risk management should be integrated across the entire organisational structure - b across all the divisions, departments, operational units and teams, and into all of their policies and processes ISO 31000:2018:



Q16. Identify the steps in the ISO 31000:2018 risk management system.

Answer ☐ Assessor's discretion. Should resemble: ISO Risk management systems involve the following steps:

1. Establishing the scope, context and criteria
2. Assessing risk, which involves:
 - a. Identifying risks
 - b. Analysing risks
 - c. Evaluating risks
3. Treating risks
4. Recording and reporting
5. Monitoring and review

Answers can include: Two-way communication and consultation with relevant stakeholders occurs at all stages of the system but this is not essential.

Q17. Explain the interaction between monitoring and review and the other four (4) steps in the ISO's risk management system.

Answer ☐ Assessor's discretion. Should resemble: Monitoring and review takes place after each of the four (4) previous steps in the ISO's risk management system, and feeds back into each step so that it can be continually improved.

Q18. Discuss which stage(s) of the ISO's risk management system there should be communication and consultation with relevant stakeholders.

Answer ☐ Assessor's discretion. Should resemble: Two-way communication and consultation with relevant stakeholders occurs at all stages of the system

Q19. List seven (7) types of information that ISO 31000:2018 stipulates should be fully explained to relevant stakeholders when a risk management plan is implemented.

Answer ☐

Type	Description
1	Assessor's discretion. Should resemble: Reasons and benefits of the risk treatment approach taken
2	Assessor's discretion. Should resemble: Tasks, responsibilities and accountabilities of all involved
3	Assessor's discretion. Should resemble: Timing of implementation
4	Assessor's discretion. Should resemble: Performance measures
5	Assessor's discretion. Should resemble: Resources required
6	Assessor's discretion. Should resemble: Constraints
7	Assessor's discretion. Should resemble: Reporting and monitoring required

Q20. Explain the link between risk ownership and identifying risk management training needs.

Answer ☐

Assessor's discretion. Should resemble: Risk ownership sets out the authority and accountability of the person who is responsible for the risk. This should be checked against the person's current knowledge, skills and ability to ensure that he or she has the KSAs necessary to effectively take responsibility as risk owner.

Q21. Your organisation is planning to implement a new risk management system. Which of the following would be appropriate training options? Tick all that apply.

Answer	Choice	Possible Answers	☐
	✓	Employ HSE advisors for each team's implementation	
	✓	Internal training	
	✓	Simulate the use	
	✓	Toolbox	

Q22. You have identified an employee to be a future risk owner for asbestos removal. You require the employee to be a qualified Class A asbestos removal work supervisor.

Research the requirements for this qualification and find one (1) suitable provider for the employee. Identify the source of information used for each response (e.g. website address).

Answer		Findings	☐
	Qualification requirements and website source	Assessor's discretion. Should resemble: A Class A asbestos removal work supervisor must: • Be at least 18 years old • Have at least three (3) years of industry experience • Be qualified in CPCCDE3015A Remove friable asbestos and CPCCBC4051A Supervise Asbestos Removal Source: https://www.worksafe.qld.gov.au/injury-prevention-safety/asbestos/asbestos-removal-and-licensing/training-requirements	
	Example provider and website	Assessor's discretion. Any RTO listed on training.gov.au that has these two units on scope is an acceptable answer.	

Q23. List six (6) actions with which to treat negative risks and give an example of each.

Answer

Action	Example
Assessor's discretion. For example: Avoid the risk	Assessor's discretion. For example: Either stop an existing activity that can lead to the risk or don't start a new one.
Assessor's discretion. For example: Remove the risk source	Assessor's discretion. For example: In occupational health and safety we can reroute power cords that people could trip over.
Assessor's discretion. For example: Mitigate or change the likelihood of the risk.	Assessor's discretion. For example: Make the event which gives rise to the risk less likely to happen
Assessor's discretion. For example: Transfer or share the risk with another party or parties	Assessor's discretion. For example: By contracts or insurance
Assessor's discretion. For example: Changing the consequences that flow from the risk	Assessor's discretion. For example: Raising a house in a flood-prone area above flood level.
Assessor's discretion. For example: Retaining the risk by informed decision	Assessor's discretion. For example: Building a resort on a low island considering that you will recoup your investment and make your required profit before climate change might impact the island.



Q24. List four (4) actions with which to treat positive risks and give an example of each.

Answer

Action	Example
Assessor's discretion. For example: Exploit the risk	Assessor's discretion. For example: Allocating the organisation's best resources to the project or using new technology to reduce the time to complete the project.
Assessor's discretion. For example: Enhance the risk	Assessor's discretion. For example: Investing on the stock exchange in stock with different levels of risk.
Assessor's discretion. For example: Share the risk	Assessor's discretion. For example: Increasing your resources and expertise base by engaging in a joint venture
Assessor's discretion. For example: Accept the risk	Assessor's discretion. For example: You don't commit any extra resources to a project that potentially could result in even greater rewards



Q25. Describe qualitative risk analysis and give one (1) example of a qualitative risk analysis method.

Answer

Assessor's discretion: should resemble: Qualitative risk analysis involves analysing risks according to the probability of them happening and their impact if they occur.

Example: Risk matrices



Q26. Explain quantitative risk analysis and give one (1) example of a quantitative risk analysis outcome.

Answer

Assessor's discretion: should resemble: Quantitative risk analysis involves numerically analysing the effect of identified risks on overall project objectives.

Example: Probability analysis can provide information such as probability of different cost outcomes for a project



Q27. Explain when quantitative risk analysis is performed.

Answer

Assessor's discretion. Should resemble: Quantitative risk analysis is performed on risks where qualitative analysis has shown a high potential to substantially impact the project.



Q28. Outline four (4) issues that must be dealt with if a risk management system is to be successfully implemented.

Answer

Issue	Explanation
1	Assessor's discretion. Should resemble: Developing an appropriate plan including time and resources
2	Assessor's discretion. Should resemble: Identifying where, when and how different types of decisions are made across the organisation, and by whom
3	Assessor's discretion. Should resemble: Modifying the applicable decision-making processes where necessary
4	Assessor's discretion. Should resemble: Ensuring that the organisation's arrangements for managing risk are clearly understood and practised.



Q29. Identify five (5) types of resources that should be allocated to the implementation of risk management systems.

Answer

Resource	Description
1	Assessor's discretion. For example: Human resources – number of staff with the necessary skills, experience and competence.
2	Assessor's discretion. For example: The necessary processes - methods and tools – to manage risk
3	Assessor's discretion. For example: Documented processes and procedures necessary to manage risk
4	Assessor's discretion. For example: Information and knowledge management systems to aid in system monitoring and review
5	Assessor's discretion. For example: Professional training and development needs for employees involved in risk management



Q30. Discuss the role of audits in risk management monitoring and review and explain the difference between internal and external audits.

Answer

Assessor's discretion. Should resemble: Audits are an independent check of compliance with risk management procedures. Audits are vital to any ISO management system as an independent check that the organisation's achievements meets its objectives and conforms to organisational standards.

Audits can be internal – performed by an organisation employee independent of the process being audited, or external – performed by an outside organisation.



Q31. Monitoring and review occurs at every stage of the risk management process. Give an example of one (1) risk management review question that could be asked at each of the following stages:

Answer	Stage	Question	☐
	Scope, context and criteria	Assessor's discretion. For example: Has our external environment changed? Has our internal environment changed?	
	Risk identification	Assessor's discretion. For example: Did we identify all significant risks? Have some risks disappeared? What new risks have arisen?	
	Risk analysis	Assessor's discretion. For example: Did we correctly assess the likelihood of the occurrence of the risk? Did we correctly assess the severity of the risk? Has our organisation's context changed the definition of risk severity? Did we correctly assess the grade of the risk?	
	Risk evaluation	Assessor's discretion. For example: Has a change in the organisation's context meant that a previously acceptable risk is now unacceptable, or vice versa?	
	Risk treatment	Assessor's discretion. For example: Did we correctly treat risks? How will we treat new risks?	

Q32. Identify six (6) issues that can be analysed in order to determine the overall effectiveness of risk-management processes and procedures.

Answer

Issue	Description
1	Assessor's discretion. For example: The appropriateness of the risk management framework, policy and plan to the context of the organisation should be periodically reviewed.
2	Assessor's discretion. For example: A report on risk, the progress with the risk plan and how well risk management policy is being followed should be regularly prepared.
3	Assessor's discretion. For example: Is our risk management process working?
4	Assessor's discretion. For example: Were the costs of our risk mitigation within our budget estimates of these costs
5	Assessor's discretion. For example: Analyse lessons from risk occurrences (including near-misses), changes, trends, successes and failures to apply for the future
6	Assessor's discretion. For example: Have the organisation's staff understood and been correctly applying the risk management process?



Q33. List two (2) examples of outcomes from a final project risk review that should be included in organisational project assets.

Answer

Outcome	Example
1	Assessor's discretion. For example: The appropriateness of the risk management framework, policy and plan to the context of the organisation should be periodically reviewed.
2	Assessor's discretion. For example: A report on risk, the progress with the risk plan and how well risk management policy is being followed should be regularly prepared.



Q34. **Explain the extent of managers' responsibilities for risk monitoring and review.**

Answer

Assessor's discretion. Should resemble: Monitoring and reviewing risk is formally the responsibility of the risk owner, but any manager, even if they are not the risk owner, should be involved in the monitoring and review process

