Assessment Workbook 4

BSB51415 Diploma of Project Management

Risk Management

Version 1.11 Produced 18 October 2018

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
FIRST AND SURNAME:	Christine Marcek
PHONE:	0400 066 747
EMAIL:	christine.marcek@seymourwhyte.com.au

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 : Christine Marcek **Signature:** **Date:** 27/02/21

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.
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.
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	The project is starting 3 months after another project much larger in size and duration - competition for personnel will be tight.
Legal	Strong need for work has resulted in the organisation agreeing to sign a contract stiplating that the client has authority over when the project manager leaves the project.

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.
QNT	b. It assesses the priority of identified risk using their relative probability or likelihood of occurrence, the corresponding impact on project objectives if the risks occur.
QLT	c. It is used to determine categorisation of risks, causes of project risks, ranking of risks, and etc.
QNT	d. It involves numerical analysis of the effect of identified risks on overall project objectives.
QLT	e. It involves prioritizing risks for further analysis or action by assessing and combining their probability of occurrence and impact.
QNT	f. It is used to conduct probabilistic analysis of the project, determine probability of achieving cost and time objectives.
QNT	g. It is performed on risks that have already been categorized and prioritised.
QLT	h. It utilises tools and techniques such as risk probability and impact assessment and matrix, risk data quality assessment, risk categorization, and etc.
QLT	i. This approach is usually done first followed by the other.
QNT	j. It is used to assign numerical rating to the risks individually or to evaluate the aggregate effect of all risks affecting the project.

5. The following are different tools and techniques used in Qualitative and Quantitative Risk Management. Match each tool and technique to its correct description.

	Tools and Techniques	Description
c	Expert judgement	a. This draws on experience and historical data to quantify the probability and impact of risks on project objectives.
a	Interviewing	b. This is a statistical concept used to calculate the average outcome when the future includes scenarios that may or may not happen.
d	Sensitivity analysis	c. This can be used in both Qualitative and Quantitative Risk Management. In the qualitative approach, this is used to assess the probability and impact of each risk to determine its location in the matrix. In the quantitative approach, this is used to identify potential cost and schedule impacts, and to evaluate probability.
b	Expected monetary value analysis (EVM)	d. This helps to determine which risks have the most potential impact on the project. It examines the extent to which the uncertainty of each project element affects the objective being examined when all other uncertain elements are held at their baseline values.
f	Risk categorisation	e. This is used to rate risks as low, moderate, or high priority.
e	Probability and impact matrix	f. This is used to classify risk in terms of its sources or area of impact. It involves grouping risks coming from common root causes, leading to developing more effective risk responses.

CASE STUDY

Instructions to Student

These case studies are hypothetical situations which will not require you to have access to a workplace, although your past and present workplace experiences may help with the responses you provide. You will be expected to encounter similar situations to these in future as you work in a project team environment.

In the real world you are likely to encounter the situation where you enter a project, taking over from another project manager. The documentation that is handed over to you is not necessarily up to scratch, and there could be serious issues with the project. This assessment captures that real life scenario.

The case studies are the first part of dealing with "multiple complex projects" required in all the units of this subject. The other assessment covering this requirement is the practical assessment. When you have completed the case studies you will be able to commence the practical assessment which covers the generic skills needed to function as an effective project team member. This assessment on the other hand covers the application of the underpinning knowledge and background theory.

Introduction

You have just finished the consultancy work in the previous workbook. The steering committee are about to sign off on the changes, but have requested you look at the risk aspects of the project as this has not been taken into account properly in the past.

Sam has suggested the risk management plan was fine for the start of the project, but given all the recent upheaval with a new project sponsor and a new contractor, and as a result the time lines blowing out, there seem to be more risks that need to be documented.

The project documentation has not been updated since the previous workbook. If you do not already have version 3 of the project documentation, you may download it from here:

Project Charter version 3 (.pdf)

Project Plan version 3 (.pdf)

Project Gantt Chart version 3 (.mpp)

Project Gantt Chart version 3 (.pdf)

Project Network Diagram version 3 (.pdf)

(username: cstclearner password: CstcPty@123)

Note: These documents were generated in year 2016. For the purpose of this assessment, refer to '2016' as the current year and '2017' as the succeeding year.

1. The issues register has not been populated in the project plan. You have raised this with Sam, and he has provided you with the following information to complete the table for inclusion into the next version of the project plan. Evaluate the following issues that have occurred during the course of the project to date and populate the following issues register.

   Guidance:

   a. You will be able to find out background information about each issue in the current version of the Project Plan (version 3).
   b. '20xx' refers to the current year.
   c. When populating the Issues Register, always refer to the current year.

Issues Register					
Issue #	**Date/time raised**	**Description**	**Raised by**	**Action History**	**Status open/closed**
1	17/07/20xx	Project starting a week early due to requirements for Earthmoving Logistics Pty Ltd needing additional notice of the movement of supplies and equipment.	Sam Ng	Change request submitted, complete.	Closed
2	17/07/20xx	Three additional retaining walls needed for additional chalets.	Sam Ng	Change request submitted, phase one works complete.	Closed
3	22/11/20xx	Project sponsor going into liquidation.	Sam Ng	Sponsor replaced by Cascade Peak Hotel 07/12/2016. Project schedule amended (07/01/2017 - 12/04/2017.	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	Professional development for Andrew expanded in include a two day computer skills course.	Closed
5	30/11/20xx	Two landscaping team members leaving the organisation.	Sam Ng.	Recruitment undertaken and candidates identified (Aaron Barben & Karen Pierce). Both scheduled to commence 07/01/2017.	Closed
6	14/12/20xx	Damage to site due to being abandoned for seven weeks.	Andrew Lowe	Additional funding (100k) provided to cover restart expenses including staff retention/recruitment and damaged works.	Closed

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

Project Risk Review Matrix				
Project Name	Cascade Peak Chalets Landscaping Project			
Prepared by	Christine Marcek			
Date	19/12/2016			
Meeting date	19/12/2016			
Purpose of the meeting	Review and update project risks			
Identified Risk	Changes in Probability Of Occurrence	Changes in Priority	Changes in Ownership/ Responsibility	Changes in Needed Response
Severe weather during the project.	No	No	No	No
Delays in the construction of the chalets.	Yes - increased due to project schdule adjustment	No	No	No
Delays in supply of the glasshouse and landscaping supplies.	No	No	No	No
Delays in supply of road base.	No	No	No	No
Landscapers leaving the company.	Yes - increased due to project sponsor liquidation	Yes	No	Yes - undertake recruitment with priority
Digging contractor not performing the work to the required standard.	No	No	No	No

Underground utilities not being installed properly.	No	No	No	No
Lengthy processing of change request by Council.	No	No	No	No
Timeframes not being properly communicated to landscapers and contractors.	Yes - reduced to to professional development undertaken by Andrew (improved reporting / communicating)	No	No	No

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	Christine Marcek
Date	20/12/2016
Project Manager	Sam Ng, Awesome Landscapes
SWOT Analysis Facilitator	Christine Marcek
SWOT Analysis Participants	Sam Ng-Project Manager, Andrew Lowe-Supervisor
SWOT Analysis Recorder	Christine Marcek
Date of SWOT Analysis	20/12/2016

Project Strengths

What potential strengths exist about the project, the project team, the sponsor, the organisation structure, the client, the project schedule, the project budget, the product of the project, etc.?

a. The project will provide a number of benefits to the local community (increased & ongoing employment, tourism etc).
b. The project team have a vested interest in successful project completion (ongoing local work).
c. The project team have extensive experience in local / native vegetation.
d. The project budget has been increased to allow for additional expensed incurred due to liquidation of original project sponsor.
e. The new sponsor is a local to the area.

Project Weaknesses

What potential weaknesses exist about the project, the project team, the sponsor, the organisation structure, the client, the project schedule, the project budget, the product of the project, etc.?

a. Due to the liquidation of the original project sponsor, the project has been delayed which increases the liklihood of impacing the chalet project.

b. Team / cultural issues as a result of the project delay / restart due to new project sponsor.

c. Recruitment of new landscapers / lack of demonstrated performance for new starters on an Awesome Landscapes project.

d. Potential impacts of Council approval delays, especially in the event that a variation is required to work scope.

e. Significant dependence upon subcontractors to undertake works / provide supplies in line with project schedule which is tight.

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. Successful project completion resulting in ongoing maintenance work at location.

b. Successful project completion resulting in a strong working relationship with Cascade Peak Hotel Pty Ltd resulting in additional ongoing maintenance work and/or further projects.

c. Successful project completion resulting in increased company reputation / evidence for future works tenders, aiming to include community benefit e.g. local area spend.

d. Internal team develoment - utilising experience of new hire (Karen Peirce) who has both extensive experience with local native species as well as a preference for being on site to upskill existing and other new hires with on the job training.

e. Increase profit margin with careful planning and project execution to minimise requried spending of the additional $100k in funds provided. Investigate cost reduction opportunities.

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. Uncertainty of new project sponsor objectives - is the desired outcome still the same as for the original sponsor. b. Project schedule is very tight and any delays will require careful management to ensure they do not adversely impact project completion. c. Assessment of damage sustained during delay / project sponsor replacement, hopefully remediation costs fall within budget. d. Liklihood of adverse weather increasing project scope e.g. additional ERSED controls being required and/or affecting project schedule. e. Lack of demonstrated performance / team integration for new landscapers, potential for further loss of existing employees.	

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:	Christine Marcek
Date:	20/12/2016
Session Facilitator:	Christine Marcek
Title/Position:	Consultant
Participating Group:	Sam Ng-Project Manager, Andrew Lowe-Supervisor
Location:	Cascade Peak Chalets Landscaping Project

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) Planning failure - error in project schedule	Occasionally	Severe	Very High	Admin - review project schedule weekly	Rare	Severe	High	Re-assess remining works schedule and rectify error by adjusting remaining works	Sam Ng	Sam Ng

(Scope) Underestimating extent of site impacts during project delay Dec 7 - Jan 7	Unlikely	Moderate	Moderate	Admin - Ensure detailed assessment of site is undertaken to assess impacts	Rare	Minor	Low	Assess works required so impacts can be included within scope / budget	Andrew Lowe	Andrew Lowe & Sam Ng
(Time) Installation of granite boulders not to plan, delaying excavation of main channel	Occasionally	Major	Very High	Admin - Esure adequate communiateion of installation requirements and supervision	Unlikely	Minor	Low	Review project schedule and amend to incorportate delay	Andrew Lowe	Andrew Lowe & Sam Ng

(Cost) Underestimating cost associated with site remediation following project delay Dec 7 - Jan7	Occasionally	Moderate	High	Admin - Undertake site inspections, review weather forecasts / history	Unlikely	Minor	Low	Review costs and project budget	Sam Ng	Sam Ng
(Quality) Construction of stone paving pathway not to standard	Likely	Major	Very High	Admin - Supervisor to be familiar with construction methodology and provide adequate supervision	Unlikely	Moderate	Moderate	Review project schedule and amend to incorporate re-works	Andrew Lowe	Andrew Lowe

(HR - landscaping site supervisor leaving project)	Occasionally	Major	Very High	Admin - PM to maintain awareness of team dynamics / issues	Occasionally	Minor	Moderate	PM to initiate recruitment processes immediately	Sam Ng	Sam Ng
(HR – Project Manager) Poor team performance due to low morale	Almost Certain	Moderate	Very High	Admin - PM to promote stability and actively work to maintain team focus & motivation	Occasionally	Moderate	High	PM to develop Cultural Development Plan and initiate project re-set / re-start	Sam Ng	Sam Ng

(HR – Project Sponsor) New Project Sponsor objectives unknown/differ to original Sponsor	Occasionally	Moderate	High	Elimination - PM to scehdule meeting immediatley with Project Sponsor to verify	Rare	Minor	Low	PM to schedule meeting to consult with Project Sponsor and set objectives	Sam Ng	Sam Ng

(Communications) Project schedule not clearly communicated to new excavation subcotractor	Occasionally	Moderate	High	Admin - Supervisor to ensure timelines communicated to subcontractor upon engagement and report progress regulary to PM	Unlikely	Moderate	Moderate	PM to schedule meeting with subcontractor to ensure future timelines are clear	Andrew Lowe	Sam Ng
(Procurement) Error in pipes - wrong size delivered undetected	Occasionally	Major	Very High	Admin - Supervisor to ensure all deliveries checked upon arrival	Unlikely	Major	High	Correct pipes to be sourced	Andrew Lowe	Andrew Lowe & Sam Ng

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	Christine Marcek
Date	22/12/2016
Description of risk identified	Landscaping Site Supervisor leaving the company.
Person responsible	Sam Ng
Results from Risk Analysis:	Moderate to High risk rating
Agreed Responses (avoidance, transference, mitigation, acceptance):	
Response #1	Avoidance: Ensure robust employee retention schemes are in place e.g. professional development, project bonus's linked to full project completion etc.
Response #2	Mitigation: Ensure appropriate notice period is stipulated in employee contracts (4 weeks)
Response #3	Mitigation: Ensure recruitment processess are implemented immediately to replace position. Ensure industry network maintained to assist in early identification of suitable replacement.
Residual Risk Level	
Moderate - Resignation of key supervisory role would place additional strain on Sam (onboarding of replacement / pick up of slack etc)	
Action Steps	
Planning - Prior to project commencement review org chart and assess preferences to ensure in alignment with project requirements e.g. travel / annual leave. Personnel Development - Review and identify personal development opportunities and ensure actioned throughout the project. This may also include mentoring others. Project Culture - Ensure steps are taken to provide a positive project culture e.g. regular collabortive team meetings, reward & recognition program and social club.	
Budget and Time for Response	

Recruitment fees covered by company, response immediate.
Contingency / Fallback Plans
Project Manager to instigate recruitment process immediately, with an aim to provide at least 1 week handover between old & new supervisor. Project Manager to provide support network to new supervisor (identify long term landscapers on project / other supervisors in company). Project Manager to ensure probationary period assessments (2, 6, 12 & 24 week checks) are undertaken to ensure appropriate performance of new supervisor.

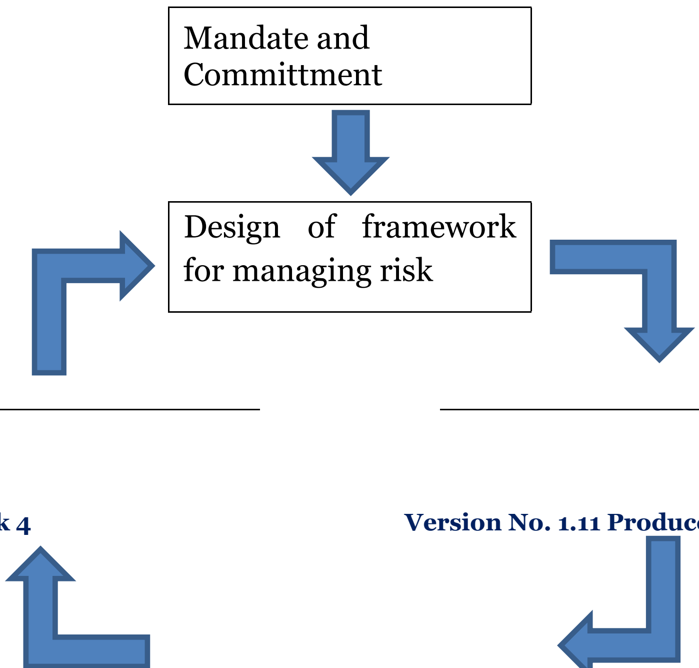
6. As set out in Risk Management Plan (Appendix 22 of the Project Plan), the risk management processes for the project will follow the AS/NZS ISO 31000 2009 Standard under the PMBOK project management methodology.

   a. In your, own words, discuss the framework that is set by AS/NZS ISO 31000.
   b. Complete the illustration of the risk management framework set by AS/NZS 31000 by providing the correct labels.
   c. In your own words, discuss the model that is followed by the framework of AS/NZS ISO 31000.

   Do not exceed fifty (50) words for each discussion.

a. The framework of AS/NZS ISO 31000/2009 has been developed to provide a structured yet flexible way for organisations to identify, analyse and manage risk – it can be applied to any risk, used in any industry / organisation and can be utilised throughout the life of an organisation.

b.



Continual Improvement of the framework

Implementing risk management

Monitoring and review of the framework

c. The model that is followed by the framework of AS/NZS ISO 31000/2009 is geared towards the identification and analysis of risks as related to an organisation. Key elements include communication and consultation with involved parties, process execution as well as monitoring and review

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