SUCCESSION TRAINING

BSB51415 Diploma of Project Management

Risk Management

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Assessment Workbook 4

Version control & document history

Date	Summary of modifications made	Version
5 May 2016	Version 1.0 produced following assessment validation.	1.0
23 November 2017	Updated the following: ▪ Case Study Question 4 'Risk Brainstorming Session Worksheet' – Integration changed to Cost. ▪ Minor update to preliminary pages and Instructions. ▪ Updated 'Written Questions' to 'Knowledge Assessment'	1.1
18 October 2018	Change to Practical Assessment	1.11

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ASSESSMENT WORKBOOK COVERSHEET

WORKBOOK:	Workbook 4
TITLE:	Risk Management
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Please read the Candidate Declaration below and if you agree to the terms of the declaration sign and date in the space provided.

By submitting this work, I declare that:

- **I have been advised of the assessment requirements, have been made aware of my rights and responsibilities as an assessment candidate, and choose to be assessed at this time.**
- **I am aware that there is a limit to the number of submissions that I can make for each assessment and I am submitting all documents required to complete this Assessment Workbook.**
- **I have organised and named the files I am submitting according to the instructions provided and I am aware that my assessor will not assess work that cannot be clearly identified and may request the work be resubmitted according to the correct process.**
- **This work is my own and contains no material written by another person except where due reference is made. I am aware that a false declaration may lead to the withdrawal of a qualification or statement of attainment.**
- **I am aware that there is a policy of checking the validity of qualifications that I submit as evidence as well as the qualifications/ evidence of parties who verify my performance or observable skills. I give my consent to contact these parties for verification purposes.**

Name : Haydon Hall **Signature:** H.Hall **Date:** 02.04.21

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.
m.	Required activities are unintentionally missed out or are missing from scope definition.
j.	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.

k.	Project deliverables and specifications are found to be culturally inappropriate to the target market.
d.	A number of project activities emit air pollution and put project team members at risk for lung cancer.
q.	Sensitive and confidential project data and information are stolen by hackers.

2. Provide one (1) example of project risks for each risk categories listed below. Do not use the project risks provided in Written Question 1.

Risk Categories	Project Risks
Human resources	Bullying in the workplace, causing bad culture
Legal	A dispute in which a legal claim is made, including employee misconduct or an accident.

3. The following are key components of a risk management plan. Match each component to its correct description.

Write the letters that correspond to your answers in the spaces provided.

	Key Components of a Risk Management Plan	Description
d.	Context	a. This involves the assignment of an overall risk rating to each of the risk events identified through analysing inherent risk, identifying and evaluating controls, and analysing residual risk. It helps validate and prioritise key risks to monitor and it highlights any opportunities for improvements to current activities used as controls in the project.
f.	Risk identification	b. This involves developing a range of options for mitigating the risk, assessing those options, and then preparing and implementing action plans. The highest rated risks should be addressed as a matter of urgency.
a.	Risk analysis and evaluation	c. This should be a planned part of the risk management process. It involves regular checking or surveillance, wherein the results are recorded and reported externally and internally, as appropriate.
b.	Risk treatment	d. This involves defining the scope for the risk management process and sets the criteria against which the risks will be assessed.
c.	Monitoring and review	e. These must integrated into the entire risk management plan. These involve seeking and sharing views and information regarding project risks and considering other project stakeholders' view as part of decision making processes.
e.	Communication and consultation	f. This is a critical step in effective risk management and needs to be comprehensive. If a potential risk is not known at this stage it is omitted from further analysis, which means a material risk may be given insufficient attention.

4. The following statements describe Quantitative and Qualitative Risk Management in terms of their characteristics, applications, and techniques they use.

   Write **QNT** if the statement refers to Quantitative Risk Management and **QLT** if it refers to Qualitative Risk Management.

   Write your answers in the spaces provided.

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

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

	Tools and Techniques	Description
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	Earthmoving Logisitcs committed to extra resources to provide the material and equipment on the required dates.	Choose an item. Closed
2	17/07/20xx	Three additional retaining walls needed for additional chalets.	Sam Ng	Additional retaining walls were built by Awesome landscapes Pty Ltd. Awesome landscapes received extra money for the construction of the additional retaining walls due to this being out of their original scope of works.	Choose an item. Closed
3	22/11/20xx	Project sponsor going into liquidation.	Sam Ng	Massive Eco-development Corporation has been replaced by Cascade Peak Hotel as the project sponsor. Project delayed to reccommence on 7 January 2017 with a new completion date of 12 April 2017. Extra $100 000 funding has been provided to Awesome Landscapes Pty Ltd to get the project back on track.	Choose an item. 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	Andrew was lacking IT skills. Andrew has been enrolled into a 2 day IT course to improve his reporting abilities. Date: TBC by Sam Ng once confirmation has been received.	Choose an item. Open

Issues Register

Issue #	Date/ time raised	Description	Raised by	Action History	Status open/ closed
5	30/11/20xx	Two landscaping team members leaving the organisation.	Sam Ng.	With the departure of two landscaping team members, two new employees in Aaron Barben and Karen Pearce have been hired to complete the project. Both employees are due to start on the project on 7 January 2017 when the project reccommences.	Choose an item. Open
6	14/12/20xx	Damage to site due to being abandoned for seven weeks.	Andrew Lowe	As the site has been abandoned for 7 weeks, it was expected to have some damage obtained. Awesome Landscapes have secure an extra $100 000 of funding to assist with getting the project back on track.	Choose an item. Open

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

Project Risk Review Matrix				
Project Name	Cascade Peaks Chalets Landscaping Project			
Prepared by	Sam Ng			
Date	14/12/2016			
Meeting date	13/12/2016			
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.	Currently incurring with increased probabiltiy	High priority	Cascade peak Hotel is now responsible	Delay due to change in ownership. Response plan required.
Delays in supply of the glasshouse and landscaping supplies.	N/A	N/A	N/A	N/A
Delays in supply of road base.	N/A	N/A	N/A	N/A
Landscapers leaving the company.	Has already occurred. Increased probability with change in project ownership.	High priority with new landscapers requiring start up.	No change	Recruitment documents updated for new employee s

Digging contractor not performing the work to the required standard.	Increased probabiity due to contractor being hired without background checks completed on their previous projects	High priority	Site supervisor there is no change. Change in excavation contractor.	extra communication is required to get new contractor up to speed
Underground utilities not being installed properly.	Increased probability with jobsite being abandoned for such a long period of time.	high priority due to damage onsite while the project was dormant.	no change	extra communication is required to get new contractor up to speed.
Lengthy processing of change request by Council.	low proability based on council track record	now moderate to low	no change	no change
Timeframes not being properly communicated to landscapers and contractors.	High probaility when kicks off again. Will reduce once project is back on track.	Has increased from moderate to high priority	no change	extra supervsion requred for new contractors including landscpaers

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 Peaks Landscaping Project
Prepared by	Sam Ng, Awesome Landscapes
Date	14/12/2016
Project Manager	Sam Ng, Awesome Landscapes
SWOT Analysis Facilitator	Sam Ng, Awesome Landscapes
SWOT Analysis Participants	Sam Ng, Project Manager Andrew Lowe, Site Supervisor
SWOT Analysis Recorder	Kelly pollock - Project Administrator
Date of SWOT Analysis	13/12/2016

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 extra $100 000 to get the project back on track is more than enough than what is required

b. The introduction of 2 new landscapers brings in fresh faces and new ideas to the project.

c. With the extension of the project completion date, this is now very achievable

d. With the management team still onboard – the project knowledge is still present

e. The introduction of a new digigng contractor could bring in new ideas and methods to the project

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 new project sponsor is a new client, therefore their expectations and outcomes are still unknown. **b.** Although the introduction of 2 new faces is a strength, the training and introduction to the project will take time and effectively cost money **c.** With the project being on hold for so long, the damage sustained throughout the dormant period of the project is still unknown **d.** With the introduction of a new digging contractor, strengths and weaknesses of the new contractor are still unknown. **e.** With the introduction of new team members, the quality of project could be jeopardised due to their lack of knowledge of the local vegetation
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. With a new project sponsor, the opportunity of future projects has greatly improved **b.** With a new digging contractor, the opportunity for future project could be obtained through a growing relationship **c.** The 2 new landscapers have the potential to be some of the teams best landscapers with the experience and knowledge they bring to the team **d.** The extra $100 000 could have the potential to bring the project a nice profit **e.** With the new contractors and landscapers onboard, the potential for the quality to drop could potentially be evident.
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 new landscapers don't work out – hiring of new landscapers once the project is back on track could heavily impact the project completion

b. The new digging contactor doesn't work out – hiring of a new digging contactor once the project is back on track could heavily impact the project completion

c. The damage sustained throughout the dormant period of the project could be a lot worse than initially expected

d. The $100 000 may not be enough to get the project back on track in the desired timeframe

e. With a tight timeframe remaining, any inclement weather could heavily affect the completion of the project

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 Peaks Chalets Landscaping Project
Prepared by:	Haydon Hall
Date:	14/12/2016
Session Facilitator:	Sam Ng
Title/Position:	Project Manager
Participating Group:	Andrew Lowe - Site Supervisor Kelly Pollock - Project Administrator
Location:	Awesome Landscapes Site Office

Identified Risk	Initial Risks			Controls to be used on risk	Revised Risk			Proposed Actions	Identified by Whom?	Who is responsible?
	Likelihood of Occurrence	Potential Impact	Initial Risk Rating		Likelihood of Occurrence	Potential Impact	Revised Risk Rating			

Guidance: Identify at least one (1) risk for each of the following functions of project management	*A: Almost certain B: Likely C: Occasionally D: Unlikely E: Rare. Your response can either be a letter, a description or both.*	*1 Insignificant 2 Minor 3 Moderate 4 Major 5 Severe Your response can either be a number, a description or both.*	*Very High High Moderate Low*	*Elimination Substitution Isolation Engineering control Administrative control PPE (Personal protective equipment)*	*A: Almost certain B: Likely C: Occasionally D: Unlikely E: Rare. Your response can either be a letter, a description or both.*	*1 Insignificant 2 Minor 3 Moderate 4 Major 5 Severe Your response can either be a number, a description or both.*	*Very High High Moderate Low*	*For each risk, a specific action must be briefly described here should the risk become an incident.*	*For the purpose of this simulation, you may indicate any project stakeholder in the Cascade Peak Chalets Project.*	*This must be either Sam Ng, the site supervisor, or other relevant project stakeholder who would be responsible for ensuring the risk does not occur, or if it does occur, will be the responsible for dealing with its impact.*
(Integration) Project sponsor may not adhere to the formal change management process for the project.	Likely	Major	Very high	Engineering control Administrative control	Unlikely	Moderate	Moderate	Notify senior management immediately	Sam Ng	Sam Ng

(Scope) Additional chalets could need to be constructed.	Occasionally	Major	Very high	Engineering Controls Administrative controls	Occasionally	Minor	Moderate	Ensure all chage requests are documented correctly	Sam Ng	Sam Ng
(Time) Change in schedule could require new landscapers to be employed to speed up work to meet dealdines	Likely	Moderate	High	Administrative Controls	Likely to occur	Insignificant	Moderate	Notify Sam Ng of the new deadlines immediately to start to process.	Sam Ng	Sam Ng

(Cost) Materials going up in price. Damage occurred during aboned period.	Likely	Moderate	High	Administrative controls	Unlikely	Minor	Low	Lock in fixed prices for all materials at the start of the project	Andrew Lowe	Sam Ng
(Quality) Deterioration of previously constructed areas of the project. Unforseen damages during the dormant period of the project.	Likely	major	High	Engineering Controls Administrative controls	Likely	insignificant	minor	Clearly document all damage and report to the project manager and project sponsor	Project Sponsor Sam Ng	Sam Ng

(HR - landscaping site supervisor leaving project) Site supervisor may leave the organisation.	Unlikely	Major	High	Administrative Control	Occasionally	Moderate	Moderate	Advertise Position Immediately if site supervisor resigns (4weeks notice)	Sam Ng	Sam Ng
(HR – Project Manager) Project manager may leave the organisation. Project manager may be required to shift their comittments to other projects.	Unlikely	Major	High	Administrative control	Occasionally	Moderate	Moderate	Advertise for the position immediately. 4 weeks notice required.	Direct - Awesome Landscapes	Sam Ng

(HR – Project Sponsor) project sponsor may discontinue the project	Unlikely	Major	High	Administrative Control	Unlikely	Minor	Low	Seek legal advice as soon as possible. Seek final payments	Sam Ng	Sam Ng
(Communications) Communicating not getting from site supervisor to site staff. poor reporting from site staff of damages occurred when site was aboned	Likely	Major	High	Administrative Control Engineering control	Unlikely	Minor	Low	Daily toolbox talks Weekly reporting as a minimum	Andrew Lowe	Sam Ng

(Procurement) new contractor not meeting contractual obligations	Unlikely	major	High	Administrative controls Engineering control	Unlikely	minor	Low	Andrew Lowe to report daily to Sam Ng of contractors progression.	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 Chalet Landscaping project
Prepared by	Sam Ng
Date	12/03/2017
Description of risk identified	Andrew Lowe leaving Awesome Landscapes
Person responsible	Andrew Lowe
Results from Risk Analysis:	High risk rating
Agreed Responses (avoidance, transference, mitigation, acceptance):	
Response #1	Avoidance: Ensure that Andrew is happy in his job, ensuring he is getting apid above award wage and his working conditions are of a high standard.
Response #2	Mitigation: Offer the position to one of the senior landscapers that may have prior management experience. If no suitable candidates are available, advertise for the position immediately.
Response #3	Acceptance: Use Andrew for his remaining time for his knowledge of the project and hiring of future candidates. Ensure that Andrew has communicated all required information regarding the project onto the project maanager
Residual Risk Level	
High: Andrew carries a lot of knowledge regarding the project, its status and the local environment. This loss of knowledge could have large implications to the project.	
Action Steps	

1. Ensure Andrew is happy in his job and happy to be located at Cascade Peak for the duration of the job 2. Give Andrew the support required to do his job. 3. Check in with Andrew on a regular basis to see if he requires any further assistance
Budget and Time for Response
Nil
Contingency / Fallback Plans
Should Andrew Lowe (Site supervisor) leave the company: 1. Project manager is to confirm if there are any suitable landscapers that could fill the position 2. If so, training of the new Supervisor should begin immediately, with Andrew communicating as much of his knowledge as possible 3. If noo suitable candidtate is avaiable, the project manager is to advertise for a new supervisor immediately and the employment proces must be given a high priority so a replacement supervisor can start as soon as poosible. 4. Old supervisor to give as much knowledge as possible to the new supervisor and project manager.

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.

The framework is the components that provide organisational arrangement for designing, implementing, monitoring, reviewing and continually improving risk management processes. It ensures that information from the risk management process is reported and used as a basis for decision making at all organisational levels.

Mandate and committment

Design of framework to manage risk

Continual Improvement

Implementing risk management

Monitoring reviewing frameowkr

The ISO 31000 models follows the Plan, Do, Check and Act sequences, simial to other global management system standards.

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