Australian Government

MSAPMOHS510A Manage risk

Release 2

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Modification History

Release 2 – updated to be consistent with ISO 31000:2009 Risk Management – Principles and Guidelines. Previous unit referred to Australian Standard (AS/NZS 4360:1999). Reformatted - Equivalent.

Unit Descriptor

This unit covers the development, implementation and evaluation of an organisation-wide risk management plan. It incorporates an assessment of all potential risks facing the organisation and the approach, the management components and resources to be applied to the management of risk.

Application of the Unit

This unit applies to managers or work health and safety (WHS) specialists who are developing or maintaining a risk management plan for their site or organisation. This unit is based on ISO 31000:2009 Risk Management – Principles and Guidelines, and as such may be applied quite broadly. However, it is probably best applied to health, safety and environment risks and the business and other risks consequent on them.

Licensing/Regulatory Information

Not applicable.

Pre-Requisites

MSAPMOHS401A Assess risk

Employability Skills Information

This unit contains employability skills.

Elements and Performance Criteria Pre-Content

ELEMENT	PERFORMANCE CRITERIA
Elements describe the essential outcomes of a unit of competency	Performance Criteria describe the required performance needed to demonstrate achievement of the Element. Assessment of performance is to be consistent with the Evidence Guide.

Elements and Performance Criteria

1	Develop risk management plan	1.1	Analyse and interpret strategic position and policy on risk management
		1.2	Identify risk management context and potential areas of risk
		1.3	Analyse organisational capability to manage risk and achieve objectives
		1.4	Generate a comprehensive list of risks that could affect the achievement of the organisation's objectives
		1.5	Establish or review risk management policies
		1.6	Evaluate the requirement for training/education for all groups and individuals
		1.7	Identify access to external specialist assistance
		1.8	Establish appropriate risk assessment techniques
		1.9	Consult stakeholders in the development of the plan

2	Implement risk management plan	2.1	Define, in consultation with stakeholders, the criteria used to evaluate the significance of risk
		2.2	Evaluate and prioritise risks for treatment
		2.3	Determine and select the most appropriate options for treating risks
		2.4	Implement and monitor risk treatment plan
		2.5	Document strategies for risk treatment options
3	Evaluate risk management plan	3.1	Establish procedures to regularly review risk management activities
		3.2	Ensure stakeholders have input to the review
		3.3	Examine activities that do not achieve their objective/ performance outcomes to determine cause
		3.4	Identify targets for improvement and update plan
		3.5	Establish evaluation of risk management as a key component of all projects/activities

Required Skills and Knowledge

This section describes the skills and knowledge required for this unit.

Required skills

Required skills include:

- the ability to communicate high-level material using all modes of communication to all levels
- writing to the level of writing reports, policies and procedures
- numeracy to interpret and manipulate technical data

Required knowledge

The person must demonstrate understanding of specialised knowledge with depth in some areas. Required knowledge is to be limited to that which is sufficient to perform particular risk management functions. Competence includes the ability to apply and explain:

- AS/NZS ISO 31000:2009 Risk Management - Principles and Guidelines
- relevant legislation from all levels of government that effects business operation, especially in regard to WHS and environmental issues, equal employment opportunity (EEO), industrial relations and anti-discrimination
- the legal implications of deeming identified risks as acceptable
- strategic, tactical and operational plans of the organisation
- legal requirements for operating the business relevant to the area of responsibility
- relevant awards and industrial agreements
- workplace standards for WHS and environmental management
- internal or external audit methods
- focus group processes
- risk analysis processes
- investigation reports
- review of data, such as risk and incident reports, maintenance records and production records

Evidence Guide

The evidence guide provides advice on assessment and must be read in conjunction with the performance criteria required skills and knowledge range statement and the Assessment Guidelines for the Training Package.

Overview of assessment	A holistic approach should be taken to the assessment.
	Assessors must be satisfied that the person can consistently perform the unit as a whole, as defined by the Elements, Performance Criteria and skills and knowledge.
Critical aspects for assessment and evidence required to demonstrate competency in this unit	It is essential that competence is demonstrated in the knowledge and skills defined in this unit. These may include the ability to:
	• develop, implement and evaluate the development of plans to eliminate, isolate or protect people (and/or equipment) in the event of a potential negative event occurring.
	The emphasis should be on the ability to avoid/eliminate critical incidents rather than on recovery from a disaster.
	These aspects may be best assessed using a range of scenarios/case studies/what ifs as the stimulus with a walk through forming part of the response. These assessment activities should include a range of problems, including new, unusual and extreme situations that may have been generated from the past incident history of the workplace, incidents on similar plants around the world, hazard analysis activities (e.g. HAZOP) and similar sources.
Context of and specific resources for assessment	Assessment will occur in an industrial site/plant and will be undertaken in a work-like environment.
	Resources required include suitable access to an operating plant or equipment that allows for appropriate and realistic simulation. A bank of case studies/scenarios and questions will also be required to the extent they form part of the assessment method. Questioning may take place either in the workplace, or in an adjacent, quiet facility, such as an office or lunchroom. No other special resources are required.
	Access must be provided to appropriate learning and/or assessment support when required. Where applicable, physical resources should include

	equipment modified for people with disabilities.
Method of assessment	Competence in this unit may be assessed:

	• on an appropriate, industrial plant/site
	• in a situation allowing the generation of evidence of the ability to respond to problems
	• by using a suitable simulation and/or a range of case studies/scenarios
	• through a combination of these techniques.

In all cases it is expected that practical assessment will be combined with targeted questioning to assess the required knowledge and theoretical assessment will be combined with appropriate practical/simulation or similar assessment. Assessors need to be aware of any cultural issues that may affect responses to questions.

Guidance information for assessment	Assessment processes and techniques must be appropriate to the language, competency and safety requirements of the organisation and consistent with workplace systems or procedures.

Range Statement

The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. Bold italicised wording, if used in the performance criteria, is detailed below. Essential operating conditions that may be present with training and assessment (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) may also be included.

Context	Risk management is defined as coordinated activities to direct and control an organisation with regard to risk. The risk management plan should specify the approach, the management components and resources to be applied to the management of risk.
External specialist assistance	External specialist assistance may include but is not limited to any group or individual in the community who has the expertise to assist the organisation to deal with any event/incident which may occur.
Risk	Risk is the effect of uncertainty on objectives. Risk may include but is not limited to:

- injury or disease
- environmental factors
- product failure
- financial/economic loss/failure
- damage to property/plant/equipment
- industrial disputes
- professional incompetence
- natural disasters
- security failure (including criminal or terrorist activities)
- equipment/system failures
- political events

Appropriate options for treating risks	Appropriate options for treating risks may include but are not limited to:

- compatibility with organisation policy
- feasibility of implementing
- validity of proposed treatment

Legislation	Legislation, codes and national standards relevant to the workplace may include:

- award and organisation agreements and relevant industrial instruments
- relevant legislation from all levels of government

	that affects business operation, especially in regard to WHS, environmental issues, equal employment opportunity (EEO), industrial relations and anti-discrimination • relevant industry codes of practice
Procedures	All operations are performed in accordance with procedures. Procedures include: • all relevant workplace procedures, work instructions, temporary instructions and relevant industry and government codes and standards
Health, safety and environment (HSE)	All operations to which this unit applies are subject to stringent HSE requirements, which may be imposed through state or federal legislation, and these must not be compromised at any time. Where there is an apparent conflict between Performance Criteria and HSE requirements, the HSE requirements take precedence.

Unit Sector(s)

Not applicable.