Australian Government

Department of Education, Employment and Workplace Relations

BSBRSK401A Identify risk and apply risk management processes

Revision Number: 1

INDUSTRY SKILLS COUNCILS
Creating Australia's Future

BSBRSK401A Identify risk and apply risk management processes

Modification History

Not applicable.

Unit Descriptor

Unit descriptor	This unit describes the performance outcomes, skills and knowledge required to identify risks and to apply established risk management processes to a subset of an organisation or project's operations that are within the person's own work responsibilities and area of operation.
	No licensing, legislative, regulatory or certification requirements apply to this unit at the time of endorsement.

Application of the Unit

Application of the unit	This unit applies to individuals with a broad knowledge of risk analysis or project management who contribute well developed skills in creating solutions to unpredictable problems through analysis and evaluation of information from a variety of sources. They may have responsibility to provide guidance or to delegate aspects of these tasks to others.
	In this unit, risks applicable within own work responsibilities and area of operation, may include projects being undertaken individually or by a team, or operations within a section of the organisation.

Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Prerequisite units		

Employability Skills Information

Employability skills	This unit contains employability skills.

Elements and Performance Criteria Pre-Content

Elements describe the essential outcomes of a unit of competency.	Performance criteria describe the performance needed to demonstrate achievement of the element. Where bold italicised text is used, further information is detailed in the required skills and knowledge section and the range statement. Assessment of performance is to be consistent with the evidence guide.

Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1. Identify risks	1.1. Identify the *context* for risk management
	1.2. Identify *risks* using *tools*, ensuring all reasonable steps have been taken to identify all risks
	1.3. Document identified risks in accordance with relevant policies, procedures and legislation
2. Analyse and evaluate risks	2.1. Analyse and document risks in consultation with relevant *stakeholders*
	2.2. Undertake *risk categorisation* and determine *level of risk*
	2.3. Document analysis processes and outcomes
3. Treat risks	3.1. Determine appropriate *control measures* for risks and assess for strengths and weaknesses
	3.2. Identify control measures for all risks
	3.3. Refer risks relevant to whole of organisation or having an impact beyond own work responsibilities and area of operation to others as per established policies and procedures
	3.4. Choose and implement control measures for own area of operation and/or responsibilities
	3.5. Prepare and implement treatment plans
4. Monitor and review effectiveness of risk treatment/s	4.1. Regularly review implemented treatment/s against *measures of success*
	4.2. Use review results to improve the treatment of risks
	4.3. Provide assistance to auditing risk in own area of operation
	4.4. Monitor and review management of risk in own area of operation

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

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

Required skills

- literacy skills sufficient to read and understand a variety of texts; and to write, edit and proofread documents to ensure clarity of meaning, accuracy and consistency of information
- research and data collection skills to monitor and evaluate risks
- problem-solving skills to appropriately address identified risks.

Required knowledge

- Australian and international standards for risk management
- key provisions of relevant legislation from all levels of government that may affect aspects of business operations, such as:
  - anti-discrimination legislation
  - ethical principles
  - codes of practice
  - privacy laws
  - environmental issues
  - occupational health and safety
- organisational policies and procedures relating to risk management processes and strategies
- auditing requirements relating to risk management.

Evidence Guide

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	
Critical aspects for assessment and evidence required to demonstrate competency in this unit	Evidence of the following is essential: • identification, analysis and evaluation of risks • demonstrated understanding of personal role in relation to wider organisational or project context • demonstrated understanding of risk management processes and procedures.
Context of and specific resources for assessment	Assessment must ensure: • access to workplace documentation relating to risk management • access to risk management tools and frameworks.
Method of assessment	A range of assessment methods should be used to assess practical skills and knowledge. The following examples are appropriate for this unit: • direct questioning combined with review of portfolios of evidence and third party workplace reports of on-the-job performance by the candidate • review of documentation outlining risk analysis processes and outcomes • analysis of responses to case studies and scenarios • oral or written questioning to assess knowledge of Australian and international standards for risk management • review of implementation of treatment plans.
Guidance information for assessment	Holistic assessment with other units relevant to the industry sector, workplace and job role is recommended, for example: • general administration units • other risk management units.

Range Statement

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 may include:	• any related projects or organisations • any resources, including physical assets, which are vital to operations • key operational elements and service of the organisation • organisation or project, how it is organised and its capabilities • own role and responsibilities in relation to overall project or organisation design
Risks may include:	• commercial and legal relationships • economic circumstances and scenarios • human behaviour • individual activities • management activities and controls • natural events • political circumstances • positive risk • technology - technological issues
Tools may include:	• documentation to assist in process of identifying risk, and assessing impact and likelihood of occurrence • standard instruments developed for the organisation and contextualised for sections of the workplace's operations, such as checklists and testing procedures • tools to prioritise risks, including where relevant, numerical scoring systems for risks
Stakeholders may include:	• contractors • employees • financial managers • insurance agents • managers • public

RANGE STATEMENT

	• service providers • suppliers • unions • volunteers

Risk categorisation may include:	• likelihood of risks:
	   • almost certain
	   • likely
	   • possible
	   • unlikely
	   • rare
	• consequences of risks:
	   • insignificant
	   • minor
	   • moderate
	   • major
	   • catastrophic
	   • current control measures

Level of risk may include:	• low, treated with routine procedures • moderate, with specific responsibility allocated for the risk, and monitoring and response procedures implemented • high, requiring action, as it has potential to be damaging to the organisation or project • extreme, requiring immediate action, as it has potential to be devastating to the organisation or project

Control measures may include:	• hierarchy of controls:
	   • reduction in likelihood of risks
	   • reduction of consequences of risks
	   • retention of risks
	   • risk aversion
	   • transfer of responsibility of risks

Measures of success may include:	• costs • reductions in impact • reductions in likelihood • reductions in occurrence

Unit Sector(s)

Unit sector	

Competency field

Competency field	Regulation, Licensing and Risk - Risk Management

Co-requisite units

Co-requisite units		