



**Australian Government**

**Department of Education, Employment and Workplace Relations**

# **BSBRSK501A Manage risk**

**Revision Number: 1**

## BSBRSK501A Manage risk

### Modification History

Not applicable.

### Unit Descriptor

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| <b>Unit descriptor</b> | <p>This unit describes the performance outcomes, skills and knowledge required to manage risks in a range of contexts across the organisation or for a specific business unit or area.</p> <p>The unit has been designed to be consistent with AS/NZS 4360:2004 Risk management.</p> <p>No licensing, legislative, regulatory or certification requirements apply to this unit at the time of endorsement.</p> |
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### Application of the Unit

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| <b>Application of the unit</b> | <p>This unit addresses the management of the risk across the organisation or within a business unit or area. It does not assume any given industry setting.</p> <p>This unit applies to individuals who are working in positions of authority and are approved to implement change across the organisation, business unit, program or project area. They may or may not have responsibility for directly supervising others.</p> |
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### Licensing/Regulatory Information

Not applicable.

## Pre-Requisites

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| <b>Prerequisite units</b> |  |  |
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## Employability Skills Information

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| <b>Employability skills</b> | This unit contains employability skills. |
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## Elements and Performance Criteria Pre-Content

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| 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. |
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## Elements and Performance Criteria

| ELEMENT                            | PERFORMANCE CRITERIA  |
|------------------------------------|---|
| 1. Establish risk context          | 1.1. Review organisational processes, procedures and requirements for undertaking <b>risk</b> management<br>1.2. Determine <b>scope</b> for risk management process<br>1.3. Identify internal and external stakeholders and their issues<br>1.4. Review political, economic, social, legal, technological and policy context<br>1.5. Review strengths and weaknesses of existing arrangements<br>1.6. Document critical success factors, goals or objectives for area included in scope<br>1.7. Obtain support for risk management activities<br>1.8. Communicate with <b>relevant parties</b> about the risk management process and invite participation |
| 2. Identify risks                  | 2.1. Invite relevant parties to assist in the identification of risks<br>2.2. <b>Research</b> risks that may apply to scope<br>2.3. Use <b>tools and techniques</b> to generate a list of risks that apply to the scope, in consultation with relevant parties  |
| 3. Analyse risks                   | 3.1. Assess <b>likelihood</b> of risks occurring<br>3.2. Assess <b>impact or consequence</b> if risks occur<br>3.3. <b>Evaluate</b> and prioritise risks for treatment  |
| 4. Select and implement treatments | 4.1. Determine and select most appropriate <b>options</b> for treating risks<br>4.2. Develop an <b>action plan</b> for implementing risk treatment<br>4.3. Communicate risk management processes to relevant parties<br>4.4. Ensure all documentation is in order and appropriately stored<br>4.5. Implement and monitor action plan<br>4.6. Evaluate risk management process   |

## Required Skills and Knowledge

### REQUIRED SKILLS AND KNOWLEDGE

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

#### Required skills

- communication and literacy skills to consult and negotiate, to prepare communications about risk management, and to encourage stakeholder involvement
- organisational and management skills to plan and implement risk management processes
- problem-solving and innovation skills to find practical ways to manage identified risks.

#### Required knowledge

- AS/NZS 4360:2004 Risk management.
- legislation, codes of practice and national standards, for example:
  - duty of care
  - company law
  - contract law
  - environmental law
  - freedom of information
  - industrial relations law
  - privacy and confidentiality
  - legislation relevant to organisation's operations
  - legislation relevant to operation as a business entity
- organisational policies and procedures, including:
  - risk management strategy
  - policies and procedures for risk management
- overall operations of organisation
- reasonable adjustment in the workplace for people with a disability
- types of available insurance and insurance providers.

## 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:

- risk management plan which includes a detailed stakeholder analysis, explanation of the risk context, critical success factors, identified and analysed risks, and treatments for prioritised risks
- details of monitoring arrangements for risk management plan and an evaluation of the risk management plan's efficacy in treating risks
- knowledge of relevant legislation, codes of practice and national standards.

#### Context of and specific resources for assessment

Assessment must ensure:

- access to workplace documentation.

#### 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
- observation of presentations
- oral or written questioning to assess knowledge of risk management policies and procedures
- review of documented critical success factors, and goals or objectives for area
- review of risks prioritised for treatment
- evaluation of action plan for implementing risk treatment
- evaluation of documentation communicating risk management processes to relevant parties.

#### Guidance information for assessment

Holistic assessment with other units relevant to the industry sector, workplace and job role is recommended, for example:

- financial management units, governance units, human resource management units, or technology

**EVIDENCE GUIDE**

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.

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| <b><i>Risks</i></b> may include those relating to: | <ul style="list-style-type: none"> <li>• commercial relationships</li> <li>• economic circumstances and scenarios</li> <li>• human behaviour</li> <li>• individual activities</li> <li>• legislation</li> <li>• management activities and controls</li> <li>• natural events</li> <li>• political circumstances</li> <li>• technology</li> </ul>                 |
| <b><i>Scope</i></b> may apply to:                  | <ul style="list-style-type: none"> <li>• given project</li> <li>• specific business unit or area</li> <li>• specific functional such as: <ul style="list-style-type: none"> <li>• financial management</li> <li>• OHS</li> <li>• governance</li> </ul> </li> <li>• external environment</li> <li>• internal environment</li> <li>• whole organisation</li> </ul> |
| <b><i>Relevant parties</i></b> may include:        | <ul style="list-style-type: none"> <li>• all staff</li> <li>• internal and external stakeholders</li> <li>• senior management</li> <li>• specific teams or business units</li> <li>• technical experts</li> </ul>  |
| <b><i>Research</i></b> may include:                | <ul style="list-style-type: none"> <li>• data or statistical information</li> <li>• information from other business areas</li> <li>• lessons learned from other projects or activities</li> <li>• market research</li> <li>• previous experience</li> <li>• public consultation</li> <li>• review of literature and other information sources</li> </ul>         |
| <b><i>Tools and techniques</i></b> may             | <ul style="list-style-type: none"> <li>• brainstorming</li> </ul>  |

| <b>RANGE STATEMENT</b>                            |  |
|---|--|
| include:  | <ul style="list-style-type: none"> <li>• checklists</li> <li>• fishbone diagrams</li> <li>• flowcharts</li> <li>• scenario analysis</li> </ul>   |
| <b><i>Likelihood</i></b> may refer to:            | <ul style="list-style-type: none"> <li>• probability of a given risk occurring, such as:             <ul style="list-style-type: none"> <li>• very likely</li> <li>• likely</li> <li>• possible</li> <li>• unlikely</li> <li>• rare</li> </ul> </li> </ul>   |
| <b><i>Impact or consequence</i></b> may refer to: | <ul style="list-style-type: none"> <li>• significance of outcomes if the risk occurs, such as:             <ul style="list-style-type: none"> <li>• disastrous</li> <li>• severe</li> <li>• moderate impact</li> <li>• minimal impact</li> </ul> </li> </ul> |
| <b><i>Evaluation</i></b> of risks includes:       | <ul style="list-style-type: none"> <li>• considering the likelihood of the risk occurring</li> <li>• considering the impact of the risk</li> <li>• determining which risks are most significant and are therefore priorities for treatment</li> </ul>        |
| <b><i>Options</i></b> may include:                | <ul style="list-style-type: none"> <li>• avoiding the risk</li> <li>• changing the consequences</li> <li>• changing the likelihood</li> <li>• retaining the risk</li> <li>• sharing the risk with a third party</li> </ul>                                   |
| <b><i>Action plans</i></b> should include:        | <ul style="list-style-type: none"> <li>• what actions are required</li> <li>• who is taking responsibility</li> <li>• time lines</li> <li>• monitoring processes</li> </ul>  |

## Unit Sector(s)

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| Unit sector |  |
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## Competency field

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| Competency field | Management and Leadership - Management |
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## Co-requisite units

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| Co-requisite units |  |  |
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