Australian Government

FNSRSK612 Determine and manage risk exposure strategies

Release: 1

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Modification History

Release	Comments
Release 1	This version first released with FNS Financial Services Training Package Version 4.0.

Application

This unit describes the skills and knowledge required to analyse risk factors for financial products, determine appropriate risk exposure management strategies, communicate these strategies to relevant staff and intermediaries, and manage the risk assessment strategies. It is aimed at setting the strategy for portfolio managers, including the types of business to target.

It applies to individuals who use specialised knowledge, systematic approaches and analytical skills to provide leadership in managing strategic organisational activity in financial services organisations.

Work functions in the occupational areas where this unit may be used are subject to regulatory requirements. Refer to the relevant regulator for specific guidance on requirements.

Unit Sector

Risk management

Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
Elements describe the essential outcomes.	*Performance criteria describe the performance needed to demonstrate achievement of the element.*
1. Determine risk assessment strategies	1.1 Identify and evaluate criteria for acceptance or rejection of risks using standards for risk management as indicated by regulators 1.2 Determine organisational performance targets and capacity to assess and accept risk 1.3 Identify business risk and control risk elements of an organisation
2. Review risk and compliance factors	2.1 Identify and collate information on business and control risk elements 2.2 Investigate and review the data and information 2.3 Evaluate risk elements against known exposure factors and

ELEMENT	PERFORMANCE CRITERIA
	compliance where relevant with legislation, regulatory guidelines, industry sector compliance requirements and organisational policy 2.4 Evaluate risk acceptability factors within context of organisation's mitigating capabilities and organisational requirements 2.5 Critically analyse risk considerations in the business strategic planning process in line with appetite
3. Develop risk acceptance criteria	3.1 Establish terms and conditions of risk acceptance criteria to satisfactorily cover organisational needs and risks 3.2 Document risk acceptance strategies, criteria and guidelines that meet requirements within delegated authorities 3.3 Obtain and review feedback on risk acceptance strategies, criteria and guidelines 3.4 Finalise risk acceptance criteria, and associated authority limitations, conditions and guidelines
4. Assess operational capital management risk	4.1 Develop fit for purpose capital models that meet regulatory requirements and organisational policies and procedures 4.2 Review risk profile and calculate potential operational risk exposure 4.3 Monitor internal and external losses and re-assess inherent risk and capital requirements 4.4 Undertake internal and external reporting to market and regulatory bodies
5. Assess impact and implement risk acceptance strategies	5.1 Identify and develop procedures and guidelines that staff should follow to adhere to risk acceptance strategy 5.2 Communicate risk assessment strategies, criteria, procedures and guidelines to relevant staff and intermediaries 5.3 Monitor risk acceptance strategy implementation
6. Review risk assessment strategies	6.1 Determine effectiveness of risk acceptance strategies in meeting risk management objectives 6.2 Document and communicate results to relevant staff

Foundation Skills

This section describes those language, literacy, numeracy and employment skills that are essential to performance but not explicit in the performance criteria.

Skill	Description
Numeracy	• Collates, interprets and analyses financial and statistical information to determine requirements
Oral communication	• Participates in verbal exchanges using active listening and questioning techniques to convey information, obtain feedback and elicit the views and opinions of others • Articulates clearly, using concepts and language specific to the audience, and adapts tone and pace to engage and present information to others
Reading	• Critically analyses complex documentation from a variety of sources and consolidates information relating to specific criteria to determine requirements
Writing	• Uses clear and concise language, spelling and grammar, and terminology to convey information and provide detailed instructions • Prepares logically organised documents using specific formats for the audience and purpose
Teamwork	• Uses a variety of communication tools and strategies in building and maintaining working relationships
Initiative and enterprise	• Uses formal analytical thinking techniques to identify or predict issues and generate possible solutions • Explores and incubates new and innovative ideas through unconstrained analysis and critical thinking
Planning and organising	• Plans strategic priorities and outcomes within a diverse environment exposed to competing demands • Gathers and analyses data and seeks feedback to improve plans and processes • Makes high impact decisions in a complex and diverse environment, using input from a range of sources
Self-management	• Works autonomously, making high level decisions to achieve and improve organisational goals • Takes a lead role in the development of organisational goals, roles and responsibilities • Monitors and reviews organisational policy, procedures and adherence to legislative requirements
Technology	• Uses digital systems and technologies to enter, store or access information • Adopts new and emerging technologies to complete work tasks

Unit Mapping Information

No equivalent unit. Supersedes and is not equivalent to FNSRSK602 Determine and manage risk exposure strategies.

Links

Companion Volume Implementation Guide is found on VETNet - https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=c7200cc8-0566-4f04-b76f-e89fd6f102fe