



Australian Government

Department of Education, Employment and Workplace Relations

BSBPMG508A Manage project risk

Release: 1

BSBPMG508A Manage project risk

Modification History

Not applicable.

Unit Descriptor

Unit descriptor	This unit describes the performance outcomes, skills and knowledge required to manage risk within a project to avoid adverse effects on project outcomes. It covers determining, monitoring and controlling project risks, and assessing risk management outcomes. No licensing, legislative, regulatory or certification requirements apply to this unit at the time of endorsement.
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Application of the Unit

Application of the unit	This unit applies to an individual who is clearly and solely responsible for the management and leadership of a complex project, either as an employee of an organisation or an external consultant. In the context of this unit a complex project is defined as a project which involves: • the need for a comprehensive and multi faceted project plan • the need for a formal internal or external communications strategy • a dedicated and diverse project budget • multiple administrative components • multiple operational components • a wide range of stakeholders • a project operations team. The functions performed by a program manager to manage risk within multiple projects are addressed in BSBPMG608A Direct risk management of a project program.
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Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Prerequisite units		

Employability Skills Information

Employability skills	This unit contains employability skills.
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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.
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Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1. Determine project risks	1.1. Identify, document and analyse risks, in consultation with stakeholders and higher project authority, as the basis for risk planning 1.2. Use established risk management techniques and tools, within delegated authority, to analyse risks, assess options and recommend preferred risk approaches 1.3. Develop risk management plans, secure agreement of stakeholders and communicate plans to ensure clarity of understanding and ongoing management of risk factors 1.4. Establish designated risk management processes and procedures to enable effective management and communication of risk events, responses and results
2. Monitor and control project risks	2.1. Manage project in accordance with established project and risk management plans to ensure a common approach to the achievement of objectives 2.2. Monitor progress against project plans to identify variances and recommend responses to a higher project authority for remedial action 2.3. Implement agreed risk responses and modify plans to reflect changing project objectives in an environment of uncertainty
3. Assess risk management outcomes	3.1. Review project outcomes to determine effectiveness of risk management processes and procedures 3.2. Identify and document risk issues and recommended improvements, and pass on to higher project authority for application in future projects

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

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

Required skills

- literacy skills to write risk management plans
- problem-solving skills to control risks
- lateral thinking skills to identify risks
- planning and organisational skills to monitor project progress
- analytical skills to review project outcomes in terms of risk management.

Required knowledge

- risk management framework
- risk management techniques, tools and approaches.

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:

- demonstrated evidence of effective risk management for multiple complex projects
- knowledge of risk management techniques, strategies and tools.

Context of and specific resources for assessment

Assessment must ensure:

- access to workplace risk management documentation
- consideration of feedback from project stakeholders as to how risks were managed.

Method of assessment

A range of assessment methods should be used to assess practical skill 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
- oral or written questioning to assess knowledge of the risk management framework
- analysis of responses in addressing case studies and scenarios which present project scope management issues and problems
- review of risk management plans
- evaluation of monitoring of progress against project plans
- assessment of identified and documented risk issues and recommended improvements.

Guidance information for assessment

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

- other units in the Diploma of Project Management.

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.	
<i>Risks</i> may be:	• actual • likely/probable • perceived • potential
<i>Risk management techniques and tools</i> may include:	• calling upon personal experience and/or subject matter experts • conducting or supervising qualitative and/or quantitative risk analysis, such as schedule simulation, decision analysis, contingency planning and alternative strategy development • using specialist risk analysis tools to assist in the decision making process
<i>Delegated authority</i> refers to planning and activities that may:	• be conducted routinely or as changing circumstances dictate • be done independently within broad guidance or by taking the lead of a team • involve consultation with other project members, teams and internal stakeholders • involve the selection, use and supervision of appropriate risk management methods, tools and techniques
<i>Risk management processes and procedures</i> may include:	• communication with stakeholders, dispute resolution and modification procedures • implementation of risk control trigger mechanisms • measurement of actual progress against planned milestones • recording and reporting of major variance • setting key milestones at significant points during the project and at completion
<i>Recommended responses</i> to variations may be made:	• in consultation with project team members, section heads, project manager and stakeholders • independently or with higher project authority

RANGE STATEMENT

	endorsement if necessary • regularly throughout the project life cycle • taking into account internal organisational change and external environmental change
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Unit Sector(s)

Unit sector	
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Competency field

Competency field	Management and Leadership - Project Management
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Co-requisite units

Co-requisite units		