



Australian Government

FNSRSK602 Determine and manage risk exposure strategies

Release: 1

FNSRSK602 Determine and manage risk exposure strategies

Modification History

Release	Comments
Release 1	This version first released with FNS Financial Services Training Package Version 1.0.

Application

This unit describes the skills and knowledge required to analyse risk factors for financial investment and insurance products, determine appropriate risk exposure management strategies, communicate these strategies to relevant staff and intermediaries, and personally manage the risk assessment strategies. It is aimed at setting the strategy for portfolio managers, including what types of business will be targeted and not targeted.

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

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

Unit Sector

Risk management

Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
<i>Elements describe the essential outcomes.</i>	<i>Performance criteria describe the performance needed to demonstrate achievement of the element.</i>
1. Determine appropriate risk assessment strategies	1.1 Identify and evaluate appropriate criteria for acceptance or rejection of risks using Australian risk management standards 1.2 Determine performance targets for organisation's capacity to assess and accept risk 1.3 Identify organisation's business risk elements and control risk elements
2. Evaluate risk and compliance factors	2.1 Identify and collate accurate, reliable and up-to-date information on these elements in form suitable for analysis, and

ELEMENT	PERFORMANCE CRITERIA
	comprehensively investigate and review data accessed 2.2 Evaluate risk elements against known exposure factors and consider compliance with relevant legislation, regulatory guidelines, industry sector compliance requirements and organisational policy 2.3 Evaluate risk acceptability factors within context of organisation's mitigating capabilities 2.4 Evaluate risk acceptability factors within context of organisational requirements
3. Establish risk acceptance criteria	3.1 Establish terms and conditions of risk acceptance criteria for low hazard risk areas that meet market conditions and are within organisation's accepted levels of exposure 3.2 Establish terms and conditions of risk acceptance for high hazard risk areas that meet market conditions and are within organisation's accepted levels of exposure 3.3 Clearly document risk acceptance strategies, criteria and guidelines to meet requirements of relevant guidelines determined within delegated authorities 3.4 Obtain and review relevant feedback and finalise risk acceptance criteria, and associated authority limitations, conditions and guidelines
4. Develop risk management strategies	4.1 Select risk management for each risk and develop implementation plan 4.2 Identify and develop procedures that staff should follow in operationalising strategy
5. Implement risk assessment strategies	5.1 Communicate risk assessment strategies, criteria and guidelines to relevant staff and intermediaries 5.2 Monitor risk acceptance strategy implementation
6. Evaluate and review risk assessment strategies	6.1 Evaluate risk assessment strategies to determine effectiveness in achieving risk management objectives, and review as required 6.2 Document and communicate results to relevant staff

Foundation Skills

This section describes language, literacy, numeracy and employment skills incorporated in the performance criteria that are required for competent performance.

Skill	Performance Criteria	Description
Reading	1.1, 1.3, 2.1, 3.1, 3.2, 3.4, 6.1	Critically analyses complex documentation from a variety of sources and consolidates information relating to specific criteria to determine requirements
Writing	2.1, 3.3, 3.4, 4.1, 4.2, 5.1, 6.2	- Uses clear and concise language, correct spelling and grammar, and appropriate terminology to convey information and provide detailed instructions - Prepares logically organised documents using appropriate formats for the audience and purpose
Oral Communication	3.4, 5.1, 6.2	- 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 appropriate to the audience, and adapts tone and pace to engage and present information to others
Numeracy	1.2, 2.1, 4.1	Collates, interprets and analyses financial and statistical information to determine requirements
Navigate the world of work	1.3, 2.2-2.4, 3.1-3.3, 4.2	- 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 the organisation's policy, procedures and adherence to legislative requirements
Interact with others	3.4, 5.1, 6.2	Uses a variety of relevant communication tools and strategies in building and maintaining effective working relationships
Get the work done	1.1, 1.2, 2.1-2.4, 3.1, 3.2, 4.1, 4.2, 5.2, 6.1, 6.2	- Plans strategic priorities and outcomes within a flexible, efficient and effective context in a diverse environment exposed to competing demands - Gathers and analyses data and seeks feedback to improve plans and processes - Uses formal analytical thinking techniques to identify or predict issues and generate possible solutions - Makes high impact decisions in a complex and diverse environment, using input from a range of sources - Explores and incubates new and innovative ideas through unconstrained analysis and critical thinking - Uses digital systems and technologies to enter, store or access information

Unit Mapping Information

Code and title current version	Code and title previous version	Comments	Equivalence status
FNSRSK602 Determine and manage risk exposure strategies	FNSRSK602A Determine and manage risk exposure strategies	Updated to meet Standards for Training Packages	Equivalent unit

Links

Companion Volume implementation guides are found in VETNet -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=c7200cc8-0566-4f04-b76f-e89fd6f102fe>

Assessment Requirements for FNSRSK602 Determine and manage risk exposure strategies

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Performance Evidence

Evidence of the ability to:

- effectively communicate and document information, and liaise with relevant staff and stakeholders
- develop risk acceptance criteria, identify high and low hazard financial and legislative risk areas, and develop appropriate risk mitigation strategies
- manage the implementation strategy
- monitor, evaluate and check the effectiveness of the risk management strategy.

Note: If a specific volume or frequency is not stated, then evidence must be provided at least once.

Knowledge Evidence

To complete the unit requirements safely and effectively, the individual must:

- identify and explain the key features and purpose of Australian standards as they relate to risk management
- outline the key features of actuarial and financial principles and processes related to risk exposure strategies
- analyse and discuss relevant industry hazards and risk exposures
- compare and contrast risk assessment and prevention methods, and application
- outline the key organisational products and services, and associated risks and liability loss exposures
- describe the key features of industry sector compliance requirements
- describe the key features of relevant legislation, regulatory guidelines and industry sector compliance requirements as they relate to:
 - insurance contracts
 - privacy
 - consumer protection

- corporations
- describe key features of organisational policy, procedures, guidelines and authorities related to risk management.

Assessment Conditions

Assessment must be conducted in a safe environment where evidence gathered demonstrates consistent performance of typical activities experienced in the risk management field of work and include access to:

- office equipment, technology, software and consumables
- relevant legislation, regulations and codes of practice
- relevant Australian standards relating to risk management
- organisational and industry risk management documentation.

Assessors must satisfy NVR/AQTF assessor requirements.

Links

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