



Australian Government

Department of Education, Employment and Workplace Relations

FNSRSK401A Implement risk management strategies

Revision Number: 1

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Modification History

Not applicable.

Unit Descriptor

Unit descriptor	This unit describes the performance outcomes, skills and knowledge required to interpret an organisation's financial risk management strategies in terms of own work and effectively use risk mitigation and elimination techniques and tools. 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 in a range of organisations for job roles involving following policies and strategies to manage risk.
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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. Identify application of risk management strategies to job role	1.1. Legislative and regulatory requirements relating to risk management are researched and related to own job role 1.2. Organisational policies and procedures for risk management are accessed and accurately interpreted 1.3. Risk management role is clarified and confirmed with relevant stakeholders as required
2. Apply risk management strategies	2.1. Appropriate organisational strategies and tools for controlling risks in own job role are determined 2.2. Control measures for cross-organisation risks are identified and applied 2.3. Control measures for own area of operation and responsibilities are chosen and implemented
3. Identify and propose changes to improve risk management strategies	3.1. Currency of understanding and application of risk management strategies is maintained 3.2. Audit and review of risk strategy implementation to improve the treatment of risks is undertaken 3.3. Improvements in risk management relevant to own job role are recommended to management 3.4. Best practice risk management is modelled in own performance

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

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

Required skills

- communication skills to:
 - determine and confirm organisation risk situation with internal and external stakeholders, using questioning and active listening as required
 - liaise with others, share information, listen and understand
 - use language and concepts appropriate to cultural differences
- risk assessment skills
- literacy skills for analysing risk information to ensure appropriateness to the organisation
- problem solving skills to identify any issues that have the potential to impact on organisation risk controls and to develop recommendations for improvement
- organisational skills, including the ability to plan and sequence work

Required knowledge

- Australian Standard 4360 Risk Management
- methods of identifying financial risks
- organisational policies and procedures relating to risk management processes and strategies
- principles of 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 ability to:

- effectively interpret and comply with organisation financial risk management strategies
- identify risk factors in own job role
- recommend risk mitigation improvements.

Context of and specific resources for assessment

Assessment must ensure:

- competency is demonstrated in the context of the financial services work environment and conditions specified in the range statement either in a relevant workplace or a closely simulated work environment
- access to and the use of a range of common office equipment, technology, software and consumables
- access to Australian Standard 4360 Risk Management.

Method of assessment

A range of assessment methods should be used to assess practical skills and knowledge. The following examples, in combination, are appropriate for this unit:

- evaluating an integrated activity which combines the elements of competency for the unit or a cluster of related units of competency
- verbal or written questioning on underpinning knowledge and skills
- setting and reviewing business simulations or scenarios
- evaluating samples of work
- accessing and validating third party reports.

Guidance information for assessment

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>Risk</i> can involve:	• commercial and legal relationships • economic circumstances • human behaviour • individual activities • management activities and controls • natural events • political circumstances • positive risk • technological issues.
<i>Organisational policies and procedures</i> may include:	• compliance risk in breaches of legislation such as Privacy Act • occupational health and safety (OHS) risk • policies on outsourcing and contractual obligations • reporting risk such as: • failure to lodge required documentation on time or at all • financial reporting • tax matters • reputation risk.
<i>Stakeholders</i> may be:	• internal to the organisation including: • those providing services • policy makers • those receiving services • external to the organisation including: • suppliers • customers • regulators.
<i>Organisational strategies and tools</i> 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

RANGE STATEMENT	
	• tools to prioritise risks.
<i>Control measures</i> 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 • specific organisational control measures.
<i>Improvements in risk management</i> may include:	• reduction of costs • reductions in impact • reductions in likelihood • reductions in occurrence.

Unit Sector(s)

Unit sector	Risk management
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Competency field

Competency field	
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Co-requisite units

Co-requisite units		