



Australian Government

Department of Education, Employment and Workplace Relations

FNSRSK501A Undertake risk identification

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 identify the financial risks faced by an organisation, evaluate existing risk controls and recommend improvements appropriate to mitigate the impact of those risks. 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 any sector of the financial services industry to job roles involving managing organisation 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. Communicate with relevant internal and external stakeholders at each stage	1.1. Stakeholders are identified and provided information pertinent to financial risk identification 1.2. Views of stakeholders are sought and recorded
2. Identify and describe risk	Organisation environment is defined and the <i>boundaries</i> of review defined in consultation with stakeholders 2.1. <i>Risk cluster</i> elements are identified and the risks <i>described</i> clearly to <i>stakeholders</i>
3. Identify and assess controls	3.1. Existing <i>controls</i> are identified and their effectiveness evaluated 3.2. The need for additional/improved controls is established 3.3. Amendments to existing <i>controls</i> are recommended and the need for new controls reported if required

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

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

Required skills

- well-developed 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 and management skills
- numeracy and IT skills to make financial calculations and use word processors, spreadsheets, databases and internet information
- 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 options to resolve these issues when they arise
- organisational skills, including the ability to plan and sequence work

Required knowledge

- Australian Standard 4360 Risk Management
- methods of identifying financial risks
- 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 apply risk management principles and practices
- identify financial risk clusters
- recommend risk control 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.

Boundaries may include:	• business unit • organisation • team project.
Risk cluster may include:	• business risks • financial risks • legal risks • compliance risks • physical risks.
Description of risk includes:	• how they can occur and impact on the achievement of business objectives • their area of impact • their nature.
Stakeholders may be:	• those internal to the organisation who have an interest in the function under consideration, including: • those providing services • policy makers • those receiving services from this organisational unit • those external to the organisation who have an interest the organisation being assessed, including: • suppliers • customers • regulators • shareholders.
Controls are:	• measures which limit the impact of risks.

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		