



Australian Government

Department of Education, Employment and Workplace Relations

FNSRSK601A Develop and implement risk mitigation plan

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 apply knowledge of different financial risk treatment methods to develop and then implement a plan or strategy for the treatment of an organisation's risks. This unit may apply to job roles subject to licensing, legislative, regulatory or certification requirements so Commonwealth, State or Territory requirements should be confirmed with the relevant body.
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Application of the Unit

Application of the unit	This unit apply to financial services job roles including managers, specialists, identified risk owners and personnel with risk management responsibilities.
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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. Select risk mitigation for each risk	1.1. Risk mitigation options for each risk and treatments for risk mitigation are identified 1.2. Implementation time for each treatment and the costs and benefits arising from the treatment options are quantified before appropriate treatments are selected
2. Develop risk mitigation plan	2.1. Treatment priorities and the adequacy of existing controls are reviewed and the need for additional or alternative controls established 2.2. Required actions are identified, documented and allocated 2.3. Budget, timeframes and reporting schedules are established
3. Develop implementation plan	3.1. Tasks to be undertaken are identified and personnel and resources to carry out actions organised 3.2. Indicators of progress and success are determined 3.3. Monitoring system for the effectiveness of treatments is established
4. Communicate with relevant internal and external stakeholders	4.1. Stakeholders are identified and their views sought 4.2. Information is provided to stakeholders at each stage of treating the organisation's risks

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

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

Required skills

- highly developed communication skills to:
 - determine and confirm organisation risk management requirements, using questioning and active listening as required
 - liaise with others, share information, listen and understand
 - use language and concepts appropriate to cultural differences
- highly developed research and analysis for accessing, interpreting and managing complex information
- highly developed risk assessment and management skills
- numeracy and IT skills to make financial calculations and use word processors, spreadsheets, databases and internet information
- well-developed literacy skills for analysing risk mitigation information to ensure appropriateness to the organisation
- well-developed problem solving skills to identify any issues that have the potential to impact on risk mitigation strategies and to develop options to resolve these issues when they arise
- planning and organisational skills

Required knowledge

- Australian Standard 4360 Risk Management
- range of possible treatment options for financial risk
- areas of applicability of treatment options in an organisation
- methods of comparing suitability of financial risk treatment options for particular applications

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 choose and apply risk management principles and practices
- analyse financial risks and undertake cost analysis
- develop and monitor budgets and implementation schedules.

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 mitigation options</i> are specific tools including:	• diagnostic tools used to identify and measure risks • monitoring tools used to monitor risks • preventative tools used to mitigate risks • remedial tools used to address crystallised risks.
<i>Treatments</i> are specific solutions within risk mitigation options and may include:	• currency hedging • insurance of risk • reduction of risk by greater control • removal of risk by use of different methods.
<i>Costs and benefits</i> may include:	• financial benefits and costs • non-financial benefits and costs.
<i>Stakeholders</i> may be:	• those internal to the organisation who have an interest in the function under consideration, including: • those providing services • policy makers • external stakeholders outside the organisation who have an interest the organisation under being assessed, including: • suppliers • customers • regulators • shareholders.

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		