



Australian Government

Department of Education, Employment and Workplace Relations

LGAGCM706A Develop risk management systems

Release 2

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Modification History

LGAGCM706A Release 2: Layout adjusted.

LGAGCM706A Release 1: Primary release.

Unit Descriptor

This unit covers planning and managing the risk management system, including developing, monitoring, reviewing and continuously improving the system and reporting the benefits of the risk management system to stakeholders.

No licensing, legislative, regulatory or certification requirements apply to this unit at the time of publication.

Application of the Unit

This unit supports the attainment of skills and knowledge required for competent workplace performance in councils of all sizes. Knowledge of the legislation and regulations that provide the boundaries for the operation of councils is essential. The unique nature of councils, as a tier of government, directed by elected members and reflecting the needs of local communities must be appropriately reflected.

Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Employability Skills Information

This unit contains employability skills.

Elements and Performance Criteria Pre-Content

Elements describe the essential outcomes of a Unit of Competency

Performance criteria describe the required performance needed to demonstrate achievement of the element. Where ***bold italicised*** text is used, further information is detailed in the Range Statement. Assessment of performance is to be consistent with the Evidence Guide.

Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1. Establish the nature of risk management	1.1 Nature of <i>risk management within local government</i> context is identified and documented, considering council's unique characteristics. 1.2 Structure within which the risk management process will take place is outlined and communicated to stakeholders. 1.3 Criteria against which risks will be evaluated are determined are documented. 1.4 Risk management policy is designed for council operations and communicated to all staff.
2. Identify existing and potential risks	2.1 Potential risk events are identified through extensive consultation with <i>relevant stakeholders and personnel</i>. 2.2 Reports from workplace inspections are used to identify existing and potential risks. 2.3 Relevant <i>statutory and regulatory requirements</i> pertaining to all council functions are identified to determine potential areas of risk for non-compliance. 2.4 All staff members are encouraged to identify and report existing and potential risk events to appropriate stakeholders.
3. Analyse existing and potential risks	3.1 Identified risks are analysed for the <i>likelihood of potential risks occurring</i> and their consequences. 3.2 First aid reports and reports of the incidence of risk are analysed to assist in determining consequences of risk. 3.3 Existing controls or safety mechanisms put in place to reduce likelihood of a risk occurring are identified and likelihood of occurrence is re-assessed. 3.4 Total estimated level of risk is determined considering likelihood and <i>consequence of potential risks occurring</i>.
4. Evaluate and prioritise risks	4.1 Estimated levels of risk are compared and evaluated against predetermined criteria. 4.2 Risks are prioritised to highlight those requiring urgent attention. 4.3 Risks that are evaluated as unlikely to occur and which hold minimal consequences are given lowest priority.
5. Develop and implement risk management or control plans	5.1 Risk management or control plans are developed to eliminate or reduce the potential for risk events and consequences. 5.2 Accountabilities and responsibilities for the identification, management and reporting of risks are allocated and documented in job descriptions. 5.3 Appropriate reporting mechanisms for logging identified risks and the steps taken to address risks are established, updated regularly and used for formal reporting purposes.

ELEMENT**PERFORMANCE CRITERIA****6. Monitor and review the risk management system**

- 5.4 Resources required to address identified risks are determined, documented and allocated.
- 5.5 Risk control strategies and required resources are included in budgets and other relevant financial planning processes and decisions.
- 5.6 Risk management plans are designed and documented for priority risks in consultation with stakeholders and industry specialists where necessary.
- 5.7 Reporting requirements and time frames for achieving risk mitigation are established, documented and communicated to appropriate stakeholders.
- 5.8 Budgets and other financial plans are regularly updated to account for necessary risk management funds.
- 5.9 Formal and informal staff training in risk management principles and practices is developed and implemented.
- 6.1 Inspection programs are designed and implemented to enable ongoing monitoring of risk control plans.
- 6.2 Risk management strategies and plans are periodically reviewed and assessed for their adequacy, timeliness and effectiveness in risk mitigation.
- 6.3 Reports of the incidence of risk occurring are monitored and used to inform risk management processes.
- 6.4 Risk management process and system are regularly monitored for their effectiveness and changes which may affect their operation.
- 6.5 Continuous improvement of risk management process is demonstrated and implemented.

Required Skills and Knowledge

This describes the essential skills and knowledge and their level, required for this unit

Required Skills

- proactive thinking
- decision making
- high-level problem solving
- research
- critical and analytical thinking
- project planning and execution
- time management
- comparative analysis

Required Knowledge

- local government framework (policies and practices) for the management of risk
- budgets and financial plans
- concepts and application of risk management planning, processes and reporting
- understanding and application of reporting mechanisms

Evidence Guide

Overview of assessment requirements

A person who demonstrates competency in this unit will be able to perform the outcomes described in the elements to the required performance level detailed in the performance criteria. The unit's skill and knowledge requirements must also be demonstrated. The candidate will demonstrate the capacity to manage the development of a risk management strategy.

Critical aspects of evidence to be considered

The demonstrated ability to:

- develop, manage, monitor and review risk management processes and practices within an area of local government

Context of assessment

Assessment of performance requirements in this unit should be undertaken with the context of the local government framework. Competency is demonstrated by performance of all stated criteria, including the range of variables applicable to the workplace environment.

Method of assessment

The following assessment methods are suggested:

- preparation of a major workplace project report/portfolio (that may incorporate assessment of related units) as a key form of assessment that enables candidates to integrate the learning and assessment project into their regular work responsibilities, which enables integrated and holistic assessment of the complex skills and knowledge addressed in this unit
- observation of the learner performing a range of workplace tasks over sufficient time to demonstrate his/her handling of a range of contingencies
- written and oral questioning to assess knowledge and understanding
- completion of workplace documentation
- third-party reports from experienced practitioner
- completion of self-paced learning materials, including personal reflection and feedback from trainer, coach or supervisor

Evidence required for demonstration of consistent performance

Evidence should be gathered over a period of time in a range of actual or simulated management environments.

Resource implications

Access to a workplace or simulated case study that provides the following resources:

- relevant council documents, such as strategic and operational plans
- relevant local government legislation and regulations

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 in the Performance Criteria is detailed below.

<i>Risk management within local government may include:</i>	• public liability • safety of staff • workers compensation claims • business continuity, e.g. emergency plans for council activities to continue in the event of loss of building, equipment or systems • property development and maintenance • motor vehicles parked or in motion • environmental concerns, such as pollution, hazardous waste and tree policies
<i>Relevant stakeholders and personnel may include:</i>	• departmental managers • staff • senior management • industry representatives • contractors • risk management consultants • community groups
<i>Statutory and regulatory requirements may include:</i>	• occupational health and safety regulations and codes of practice • Workers Compensation Act • codes of practice • relevant Australian standards
<i>Steps to ensure risks are analysed may include:</i>	• qualitative analysis • quantitative analysis • semi-quantitative analysis • sensitivity analysis • ranking and rating against set criteria
<i>Likelihood of potential risks occurring may be assessed through:</i>	• liaison with industry representatives and subject matter experts • reference to relevant statistical information • consultation with other councils • application of the 'reasonable man' test
<i>Consequences of potential risks occurring may include:</i>	• death or disability • loss of reputation • increased hazards • compensation payments • business interruption

- threats to physical safety
- security breaches
- fraud

Unit Sector(s)

Common