



Australian Government

PSPPCM010 Manage procurement risk

Release: 1

PSPPCM010 Manage procurement risk

Modification History

Release	Comments
1	This unit was released in PSP Public Sector Training Package release 1.0 and meets the Standards for Training Packages. This unit supersedes and is equivalent to PSPPROC505A Manage procurement risk. • Unit code updated • Content and formatting updated to comply with new standards • All PC transitioned from passive to active voice

Application

This unit describes the skills required to manage risks associated with all stages of procurement. It includes assessing risk, and preparing, implementing and reviewing a risk management plan.

This unit applies to those working as public sector staff in roles that involve managing procurement risks.

The skills and knowledge described in this unit must be applied within the legislative, regulatory and policy environment in which they are carried out. Organisational policies and procedures must be consulted and adhered to.

Those undertaking this unit would work autonomously while performing complex tasks, in familiar contexts.

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

Competency Field

Procurement

Elements and Performance Criteria

ELEMENTS	PERFORMANCE CRITERIA
Elements describe	Performance criteria describe the performance needed to demonstrate

the essential outcomes	achievement of the element. Where bold italicised text is used, further information is detailed in the range of conditions section.
1. Assess risk	1.1 Identify legislation, policies, business processes and resources impacting the contract. 1.2 Identify procurement outcomes and internal inputs required. 1.3 Identify and confirm critical success factors required. 1.4 Identify non trivial procurement risks. 1.5 Identify potential probity risks. 1.6 Analyse causes of risk and their potential impact. 1.7 Determine likelihood and consequences of risks and develop risk assessments.
2. Prepare risk management plan	2.1 Develop preliminary risk management plan to address risks identified in planning phase. 2.2 Identify acceptable risks and those requiring treatment. 2.3 Design treatments to reduce risks to an acceptable level. 2.4 Develop plans for implementing new treatments, additional risk controls or modifications to existing controls. 2.5 Monitor risk level at key points during procurement process and, review and adjust risk management plan to cover procurement activity risks not already identified.
3. Implement and review risk management plan	3.1 Implement risk controls and treatments according to the treatment plan. 3.2 Implement risk management plan, monitor and revise to include potential or emerging risks during the life of the procurement activity. 3.3 Improve risk treatments and controls using review results.

Foundation Skills

Foundation skills are embedded within the elements and performance criteria of this unit.

Unit Mapping Information

Links

Companion Volume implementation guides are found in VETNet -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=bebbece7-ff48-4d2c-8876-405679019623>

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Assessment Requirements for PSPPCM010 Manage procurement risk

Modification History

Release	Comments
1	These Assessment Requirements were released in PSP Public Sector Training Package release 1.0 and meet the Standards for Training Packages. • Assessment Requirements created drawing upon specified assessment information from superseded unit

Performance Evidence

Evidence required to demonstrate competence must satisfy all of the requirements of the elements and performance criteria. If not otherwise specified the candidate must demonstrate evidence of performance of the following on at least one occasion.

- writing risk management plans using templates or a recognised risk management methodology
- interpreting complex, formal documents
- making verbal and written recommendations about the management of procurement and contracting risks
- analysing risks associated with procurement and contract
- managing and updating the risk management plan
- learning skills to keep up-to-date with relevant procurement legislation, policies and procedures

Knowledge Evidence

Evidence required to demonstrate competence must satisfy all of the requirements of the elements and performance criteria. If not otherwise specified the depth of knowledge demonstrated must be appropriate to the job context of the candidate.

- Commonwealth, state or territory, and local government legislation, policies, practices and guidelines relating to contract risk management
- organisational procurement policies, practices and approval processes
- risk management procedures
- probity principles and issues, particularly as they relate to probity risks
- codes of conduct, codes of practice and standards of individual behaviour relating to the procurement process

- risks associated with financial and accounting issues relevant to procurement and contract management
- supplier issues and supply chain management in the context of procurement risk management
- aspects of law of contracts, trade practices law and commercial law relevant to risk management relating to complex procurement
- equal employment opportunity relevant to procurement and contract management
- environmental, sustainability and corporate social responsibility principles relevant to procurement and contract management

Assessment Conditions

This unit contains no specific industry-mandated assessment conditions. Guidance on suggested and recommended conditions and methods can be found in the Implementation Guide.

Assessors must satisfy the NVR/AQTF mandatory competency requirements for assessors

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