

UNIT CODE	PSPMGT007
UNIT TITLE	Manage risk
APPLICATION	<p>This unit describes the performance evidence, skills and knowledge required to maximise results and minimise consequences for a business unit activity by managing risk.</p> <p>This unit applies to those managing risks. Those undertaking this unit would work autonomously, performing complex tasks in a range of familiar contexts.</p> <p>The skills in this unit must be applied in accordance with Commonwealth and State/Territory legislation, Australian standards and industry codes of practice.</p> <p>No occupational licensing, certification or specific legislative or certificate requirements apply to this unit at the time of publication.</p>
PREREQUISITE UNIT	Nil
COMPETENCY FIELD	Management
UNIT SECTOR	

ELEMENTS	PERFORMANCE CRITERIA
<i>Elements describe the essential outcomes</i>	<i>Performance criteria describe the performance needed to demonstrate achievement of the element.</i>
1. Establish the risk management context	<p>1.1 Establish the nature and extent of business unit activity, its objectives and outcomes within the organisational context.</p> <p>1.2 Identify the strategic and risk management context.</p> <p>1.3 Identify and consult stakeholders to ensure their views, concerns and needs are taken into account in the risk management process.</p> <p>1.4 Determine criteria for risk assessment.</p> <p>1.5 Determine risk management criteria to provide guidance on balancing risk, costs, benefits and opportunities.</p> <p>1.6 Monitor, review and adjust risk management criteria to ensure opportunities and current and emerging trends are reflected.</p>

2. Plan for risk management	<p>2.1 Investigate sources of risk and identify and consult upon potential, perceived and actual risks to ensure full coverage.</p> <p>2.2 Analyse risks and document in consultation with stakeholders and determine levels of risk as the basis for risk management planning.</p> <p>2.3 Select risk management methods and modify as necessary to determine risks that are acceptable or unacceptable.</p> <p>2.4 Identify risk treatment options for unacceptable risks and determine preferred risk treatment approaches.</p> <p>2.5 Develop and communicate risk management plan to key stakeholders to ensure clarity and achievement of objectives.</p>
3. Manage risk	<p>3.1 Manage activity in accordance with agreed risk management plan.</p> <p>3.2 Review performance, analyse variance and initiate risk responses to achieve objectives with minimal disruption and conflict.</p> <p>3.3 Monitor internal and external risks to outcomes and initiate remedial actions to achieve objectives.</p>
4. Evaluate the risk management plan	<p>4.1 Develop and implement an evaluation methodology.</p> <p>4.2 Review and analyse outcomes to assess the effectiveness of current risk management strategies.</p> <p>4.3 Monitor existing risks, identify new risks and identify any trouble spots.</p> <p>4.4 Seek and use a variety of information, including the perspectives of key stakeholders.</p> <p>4.5 Formulate and act upon recommendations on enhancements to the plan.</p> <p>4.6 Communicate the outcomes of evaluation to relevant personnel.</p>

FOUNDATION SKILLS	
<p><i>Foundation skills essential to performance in this unit, but not explicit in the performance criteria are listed here, along with a brief context statement.</i></p>	
SKILLS	DESCRIPTION
READING SKILLS TO:	<ul style="list-style-type: none"> Interpret and apply information from range of sources to identify ,monitor and review manage risk functions and processes
NUMERACY SKILLS TO:	<ul style="list-style-type: none"> Manage plans and schedules interpret and apply mathematical data to budgetary and evaluation processes supporting risk management in the organisation.
ENTERPRISE AND INITIATIVE SKILLS TO :	<ul style="list-style-type: none"> Identify trends and predict the need for changes in strategies
UNIT MAPPING INFORMATION	Release1: Supersedes and is equivalent to PSPMGT007 Manage risk
LINKS	Companion Volume Implementation Guide

TITLE	Assessment Requirements for PSPMGT007 Manage risk
PERFORMANCE EVIDENCE	<p>Evidence of the ability to complete tasks outlined in elements and performance criteria of this unit in the context of the job role, and on at least one occasion:</p> <ul style="list-style-type: none"> ■ apply legislation, regulations and policies relating to risk management ■ research and analyse the wider context affecting the organisation ■ communicate and consult with a diverse range of stakeholders ■ problem solve using conceptual and reasoning skills ■ engage in discussion using exchange of complex oral information ■ use a variety of words and language structures to explain complex, formal documents and assist others to apply them in the workplace

KNOWLEDGE EVIDENCE	<p>Demonstrated knowledge required to complete the tasks outlined in elements and performance criteria of this unit:</p> <ul style="list-style-type: none"> ■ legislation, regulations, policies, procedures and guidelines relating to risk management ■ Australian and New Zealand standards ■ Guidelines for managing risk in the Australian and New Zealand public sector ■ risk management cycle ■ the relationship of risk to context – how the context may define the risks ■ the importance of consultation and communication at every stage of the risk management cycle ■ legal requirements related to the activity ■ whole of life considerations ■ approval processes ■ range of evaluation methodologies ■ the diversity of risks in the public sector ■ legislation, including work health and safety and environment in the context of risk management
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ASSESSMENT CONDITIONS	<p>Skills must be demonstrated in either:</p> <ul style="list-style-type: none">■ a workplace environment or■ a simulated environment that: <p>Simulated assessment environments must simulate the real-life working environment where the skills and knowledge within this unit would be utilised, with all the relevant equipment and resources of that working environment.</p> <p>Assessment must ensure access to:</p> <ul style="list-style-type: none">■ legislation, policy, procedures and protocols relating to risk management■ Australian and New Zealand standards - Risk management■ Guidelines for managing risk in the Australian and New Zealand public sector■ other national and international standards relating to risk management relevant to the organisation. <p>Assessors must satisfy the Standards for Registered Training Organisations' requirements for assessors.</p>
LINKS	Companion Volume Implementation Guide