

CONTROL BUSINESS RISKS

UNIT CODE: BUS/BM/CR/5/5

Unit Description

This unit specifies the competencies required to control business risks. It involves assessing business risks, establishing risk management team, developing risk mitigation plan, monitoring risk management process and preparing business risk management report.

ELEMENTS AND PERFORMANCE CRITERIA

| Element <i>These describe the key outcomes which make up workplace function.</i> | Performance Criteria <i>These are assessable statements which specify the required level of performance for each of the elements.</i> <i>Bold and italicized terms are elaborated in the Range</i> |
|--|---|
| 1. Assess business risks | 1.1 <i>Business risks</i> are identified according to the strategic plan, <i>SWOT and PESTEL</i> analysis 1.2 Risk scenarios are analyzed from crisis reports and publications 1.3 <i>Risk assessment matrix</i> is prepared according to risk scenarios and organizational procedures |

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|--|---|
| | 1.4 Risk perspectives are classified according to type of organization and nature of business |
| 2. Establish risk management team | 2.1 Risk management team job analysis is carried out based on identified risks, HR policy 2.2 Existing Human Resource is assessed against the job analysis report 2.3 Existing Human Resources are deployed as per job requirement 2.4 Recruitment process for risk management team in conducted in accordance with HR policy and requirements 2.5 Job specification is developed as per job requirements and HR policy 2.6 Risk management organization structure is established as per HR regulations and specialization |

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|---|--|
| | <p>2.7 Review meetings to report risk control and analyze risk data are conducted according to procedures for identifying and mitigating risks</p> |
| <p>3. Implement risks mitigation plan</p> | <p>3.1 Risk impact is evaluated according to the Risk assessment matrix</p> <p>3.2 <i>Risk mitigation</i> measures are developed according to the evaluation of the risk assessment matrix and budget.</p> <p>3.3 <i>Risk mitigation plans</i> are carried out according documented risk and budgets</p> <p>3.4 Internal control is carried out in accordance to organization’s internal control procedures</p> <p>3.5 Compliance with legal and regulatory requirements is monitored in accordance with Enterprise Risk Management (ERM) Policy</p> |

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| | <p>3.6 Risks mitigation responses are determined and carried out according to the ERM policy</p> <p>3.7 Risk mitigation report is prepared and shared in accordance with SOPs</p> |
| <p>4. Monitor and evaluate risk management process</p> | <p>4.1 New risk areas are identified according to risk management process</p> <p>4.2 Risk monitoring and evaluation plans are prepared according to risk management procedures</p> <p>4.3 Risk impact and likelihood is modified in accordance to Risk mitigation procedures</p> <p>4.4 Risk management training for all staff is carried out according to HR procedures</p> <p>4.5 Risk management is integrated to organization change process as per ERM policy</p> |

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|--|--|
| 5. Prepare risk management report | 5.1 Major changes in risks are identified according to organization’s procedures. 5.2 <i>Risk Data</i> is obtained according to SOPs 5.3 Changes in risk impact and likelihood are reported in accordance to ERM policy. 5.4 Risk management recommendations are implemented as per ERM policy 5.5 Business risk management report is prepared and shared in accordance with SOPs |

RANGE

This section provides work environments and conditions to which the performance criteria apply. It allows for different work environment and situations that will affect performance.

| Variable | Range <i>May include but not limited to:</i> |
|---------------------------|---|
| 1. Business Risks | 1.1 Business Interruption 1.2 Property loss 1.3 Employee injury 1.4 Business liability 1.5 Data Security breach 1.6 Financial 1.7 Operating |
| 2. PESTEL | 2.1 Political 2.2 Economical 2.3 Social 2.4 Technological 2.5 Environmental 2.6 Legal |
| 3. SWOT | 3.1 Strengths 3.2 Weakness 3.3 Opportunities 3.4 Threats |
| 4. Risk Assessment Matrix | 4.1 Likelihood 4.2 Impact |
| 5. Risk Perspectives | 5.1 Pure or speculation 5.2 Objective or subjective 5.3 Diversifiable or non-diversifiable |

| Variable | Range <i>May include but not limited to:</i> |
|-------------------------|---|
| 6. Recruitment | 6.1 Selection 6.2 Referrals 6.3 Outsourcing 6.4 Head hunting |
| 7. Job Specification | 7.1 Specific qualifications 7.2 Level of experience 7.3 Emotional intelligence 7.4 Technical skills |
| 8. Risk Mitigation | 8.1 Risk Acceptance/retention 8.2 Risk Avoidance 8.3 Risk Transfer 8.4 Risk limitation/ modify impact and likelihood 8.5 Exploitation |
| 9. Risk Mitigation Plan | 9.1 Insurance 9.2 Training 9.3 Integration |
| 10. Risk Areas | 10.1 Finance 10.2 Labor turnover 10.3 Assets 10.4 Liabilities |
| 11. Risk Data | 11.1 Identification of assets 11.2 Valuing the assets 11.3 Identifying threats |

| Variable | Range <i>May include but not limited to:</i> |
|----------|---|
| | 11.4 Calculating the risk 11.5 Perform Cost Benefit Analysis |

REQUIRED SKILLS AND KNOWLEDGE

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

Required Skills

The individual needs to demonstrate the following skills:

- Multi-tasking skills
- Analytical skills
- Stress Management
- Organizing
- Coordination
- Communication and negotiation
- Problem solving
- Networking
- Decision making
- Public Relations

Required Knowledge

The individual needs to demonstrate knowledge of:

- Business planning
- Enterprise Risk management (ERM)

- Resource mobilization
- Team work and conflict management
- Financial and asset management
- Cost Benefit Analysis
- Crisis Management
- Business environment
- Partnership building
- Coordination
- Insurable risks
- Risk assessment matrix
- SWOT Analysis and PESTEL
- Risk management team/structure

EVIDENCE GUIDE

This provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge and range.

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| <p>1. Critical Aspects of Competency</p> | <p>Assessment requires evidence that the candidate:</p> <ul style="list-style-type: none"> 1.1 Identified risks in business operations 1.2 Developed risk management organization structure 1.3 Selected appropriate risk mitigation plan |
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| | <p>1.4 Monitored and evaluated risk management process</p> <p>1.5 Prepared risk management report</p> |
| 2. Resource Implications | <p>The following resources must be provided:</p> <p>2.1 Assessment location</p> <p>2.2 Work station</p> <p>2.3 Third party reports</p> <p>2.4 Computer/printer</p> <p>2.5 Format templates</p> |
| 3. Methods of Assessment | <p>Competency may be assessed through:</p> <p>3.1 Observation</p> <p>3.2 Written</p> <p>3.3 Oral</p> <p>3.4 Third party report</p> <p>3.5 Case study</p> |
| 4. Context of Assessment | <p>Competency may be assessed:</p> <p>4.1 On the job</p> <p>4.2 Off the job</p> <p>4.3 In work placement (attachment,)</p> <p>4.4 Off the job assessment must be undertaken in a closely simulated workplace environment</p> |
| 5. Guidance Information for Assessment | <p>Holistic assessment with other units relevant to the industry sector, workplace and job roles is recommended.</p> |