

Unit of Competency

Functional Area: Operations Management

Title	Develop and review risk management plans
Code	105329L5
Range	This unit of competency is applicable to practitioners in the import and export industry to develop and review risk management plans in accordance with risk management objectives of the company to treat loss exposures.
Level	5
Credit	7 (for reference only)
Competency	<p>Performance Requirement</p> <ol style="list-style-type: none"> 1. Possess knowledge of risk management <ul style="list-style-type: none"> • Employ a range of skills to identify risk • Employ a range of techniques to analyse probability and consequences of risk factors • Employ a range of skills to develop and review risk management plans 2.1. Conduct risk analysis <ul style="list-style-type: none"> • Create a broad categories of risk including financial risk, technical risk, commercial risk, execution risk, and contractual risk • Use qualitative and quantitative methods to conduct risk factor identification in import and export activities • Estimate the likelihood of the occurrence of the identified risk factors and classify the likelihood (i.e., high, medium, and low) • Estimate the potential consequences of the risk factors and classify the consequences (i.e., high, medium, and low) • Develop risk impact matrix to further classify risks as either serious, moderate, or slight • Present results to facilitate the determination of risk management objectives of the company and develop company policy to manage risk 2.2. Develop risk management plans <ul style="list-style-type: none"> • Develop a risk management statement to outline the risk management objectives of the company and company policy to treat loss exposures • Select risk strategies (e.g., accept risk, minimise risk, share risk, or transfer risk) to manage risk • Develop a risk management manual to state the responsibilities of parties involved in risk management, and available techniques to manage risks • Co-operate with other functional department to identify loss exposures • Identify and select appropriate techniques for treating loss exposures 3. Review and modify risk management plans <ul style="list-style-type: none"> • Conduct periodical review to detect any changes in frequency and severity • Provide recommendations to revise risk management plans
Assessment Criteria	<p>The integrated outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none"> • Capable of identifying risk and conducting risk analysis • Capable of developing and reviewing risk management plans
Remark	