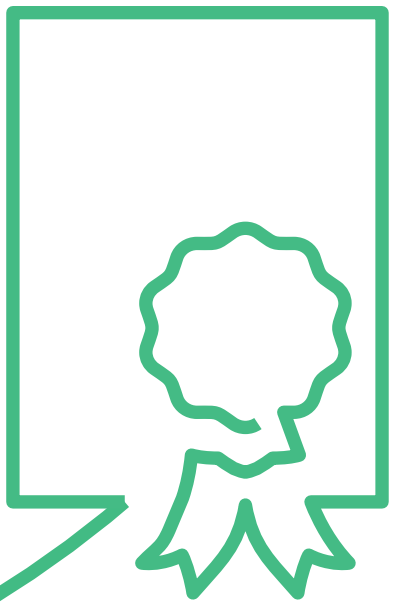
Risk Management Level 1

Association for Project Management

APM Project Risk Management Single Subject Certificate



Because when projects succeed, society benefits

The Single Subject Certificate in Project Risk Management (Risk SSC) is designed to build on the knowledge gained in the APM Project Management Qualification or equivalent knowledge based foundation examinations in project management.

The Level 1 Certificate is designed to determine an individual's knowledge of project risk management, sufficient to allow an individual to contribute to the formal process of project risk management.

The syllabus defines the topics that a candidate taking the Project Risk Management Single Subject Certificate examinations is expected to be knowledgeable of.

The syllabus is largely derived from APM's *Project Risk Analysis and Management (PRAM) Guide 2nd edition*. It assumes that candidates taking the examination already has the level of project risk management knowledge specified in the APM Project Management Qualification syllabus.

Candidates for the examination are expected to have read or be familiar with the following:

- *APM's PRAM Guide 2nd Edition*

Suggested reading list:

- OGC - Office of Government commerce (2007) ***For successful risk management: think M_o_R*** The Stationery Office ISBN: 978-0-113-31064-7
- Chapman, C., and Ward, S. (2003) ***Project Risk Management: Processes, Techniques and Insights, 2nd Edition***: John Wiley and Sons Ltd, UK ISBN: 978-0-470-85355-9
- Hillson, D.A., and Murray-Webster, R. (2007) ***Understanding and Managing Risk Attitude 2nd Edition*** Gower Publications Ltd, UK ISBN: 978-0-566-08798-1
- Hillson, D.A., and Simon, P. (2007) ***Practical Project Risk Management - The ATOM methodology*** Management Concepts inc., USA ISBN: 978-1-56726-202-5

Risk SSC Level 1 Syllabus

Chapter ref.	Title	Topic coverage	Learning Outcomes
1	General	• Definitions • Background to project risk management	(a) Define project risk management (b) Define project risk (c) Define risk event
2	Benefits	• Hard benefits of project risk management • Soft benefits of project risk management • Threats to effective risk management	(a) List benefits of risk management (b) List possible threats to effective risk management
3	Principles	• Risk as threat and opportunity	(a) Define threat and opportunity
4	Process	• Different phases of the PRAM process	(a) Define the PRAM process
4.1	Initiate	• Identification of project objectives, scope, stakeholders and success criteria	(a) Define project objectives (b) Define scope (c) Define success criteria (d) Define stakeholder and stakeholder analysis
4.2	Identify	• Identification of risks – see 8.1	
4.3	Assess	• Assess risks qualitatively and quantitatively • See 8.2 and 8.3	
4.4	Plan responses	• Selection of appropriate risk response strategies dependent on importance of the risk event and cost benefit of the response • See 8.4	
5	Organisation and control	• The risk management plan • Responsibilities of different roles in the risk management process: (a) Sponsor (b) Project manager (c) Risk process manager (d) Risk manager (e) Risk owner (f) Action owner • Control of the process - risk management plan, risk register, risk analysis, risk status reports, risk reviews, lessons learnt • Project contingency or management reserve	(a) Define the risk management plan (b) Define roles and responsibilities of those involved in the risk management process (c) Define the contents of a risk register (d) Define the contents of a risk report (e) Define risk reviews (f) Define project contingency / management reserve

Chapter ref.	Title	Topic coverage	Learning Outcomes
6	Behaviour	• Risk attitude of individuals • The risk attitude spectrum (a) Risk-averse (b) Risk-tolerant (c) Risk-neutral (d) Risk-seeking • Biasing influences on individual risk attitude – the triple strand: (a) Situational factors including: i. Levels of relevant skills ii. Perception of probability or frequency iii. Perception of impact magnitude iv. Degree of perceived control (manageability) v. Closeness of the risk (proximity) vi. Potential for direct consequences (propinquity) (b) Subconscious factors via heuristics including: i. The availability heuristic ii. The representative heuristic iii. The anchoring and adjustment heuristic iv. The confirmation trap v. The affect heuristic (c) Affective factors – feelings and emotions • Biasing influences on group risk attitude including: (a) Groupthink (b) The "Moses factor" (or "follow the leader") (c) Risky and cautious shift (d) Cultural conformity including the influence of national cultural differences	(a) Define risk attitude (b) Define risk-averse (c) Define risk-tolerant (d) Define risk-neutral (e) Define risk-seeking (f) Define the triple strand (g) Define situational factors (h) Define the availability heuristic (i) Define the representativeness heuristic (j) Define the anchoring and adjustment heuristic (k) Define the confirmation trap (l) Define the affect heuristic (m) Define emotion (n) Define groupthink (o) Define the "Moses factor" (p) Define risky and cautious shift (q) Define cultural conformity (r) Define power distance (s) Define uncertainty avoidance
7	Application	• Introducing risk management into an organisation • Getting buy-in to risk management	(a) List the main steps of introduction of risk management to an organisation

Chapter ref.	Title	Topic coverage	Learning Outcomes
8.1	Risk identification techniques	• Uses of different risk identification techniques such as: (a) Assumptions analysis (b) Constraints analysis (c) Checklists (d) Prompt lists (e) Brainstorming (f) Interviews (g) SWOT analysis (h) Delphi technique	(a) Define risk identification techniques
8.2	Qualitative risk assessment	• Uses of different qualitative risk assessment techniques • Prioritisation of risks based on probability, impact and proximity	(a) Define: i. Probability / impact assessment ii. Structured risk descriptions, i.e. cause – risk - effect iii. Risk breakdown structu
8.3	Quantitative risk assessment	• Uses of different quantitative risk assessment techniques: (a) Probability distribution functions (b) Monte Carlo analysis (c) Correlation (d) Pre- and post-mitigation assessment (e) Decision trees (f) Sensitivity analysis (g) Expected value	(a) Define quantitative risk assessment techniques
8.4	Risk response	• Uses of different techniques for responding to risks, such as: (a) For threats: i. Avoid ii. Fallback iii. Reduce iv. Share v. Accept (b) For opportunities: i. Exploit ii. Enhance iii. Share iv. Accept	(a) Define risk response techniques

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APM-QS-RISK-1-V3