



Application Module 4.0 - Professional risk management strategies

A. TO BEGIN THE MODULE

This module sets out the professional risk management information under the Professional Standards Legislation that is compulsory for an applicant association to complete and submit when seeking approval for a Professional Standards Scheme. The relevant sections of the legislation (using the *Professional Standards Act 1994* (NSW) as an example) are:

- a) sections 10 and 36, in respect of associations providing their detailed list of professional risk management strategies intended to be implemented in respect of members, and the means by which they intend to implement those strategies. The means of implementation may be imposed as a condition of membership or otherwise
- b) section 37, in respect of associations providing information on their risk management strategies to the Councils, if requested to do so.

The module is designed for initial applications for a Professional Standards Scheme to the Professional Standards Councils and should be read in conjunction with Guidance 4.0.2 *Professional risk management strategies guidance*.

B. WHAT IS PROFESSIONAL RISK MANAGEMENT IN THE CONTEXT OF A PROFESSIONAL STANDARDS SCHEME?

Professional risk management in the context of the Professional Standards Legislation means the operation of a system of risk management strategies based on processes designed to protect consumers and continuously improve.

For the purposes of a Scheme application, professional risk management is separated from enterprise risk management relating to the strategic risks of an association. For enterprise risk management, complete Submodule 1.3 *Enterprise risk management*.

In this application framework, your association's professional risk management strategies are further orientated into two categories for consideration by the Councils: member-facing and consumer-facing. This module considers the following member-facing professional risk management strategies:

- Association membership requirements (entry, annual, ongoing, fit, and proper)
- Continuing occupational education requirements (continuing professional development)
- Quality management undertaken by the association (including member audits, quality reviews)
- Risk management required of members by the association and/or their firms.

C. COMPLETING THE REQUIRED INFORMATION

The information required from your association is to be entered in Template 4.0.1 *Professional risk management strategies* (the template includes a best practice example of how professional risks and related treatment plans could be presented to the Councils).