

# IFC

## CERTIFICATE IN ENTERPRISE RISK MANAGEMENT LEARNING SOLUTIONS FOR THE BUSINESS PROFESSIONAL



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# Certificate in Enterprise Risk Management. Embed ERM in your corporate culture...

## Introduction

Many businesses in the region have realised that misunderstanding risk can lead to disaster. The organisations that have dealt with the recession most effectively have realised that this requires extensive knowledge of risk management tools and techniques. *This is exactly what you will find in this course.*

As the current worldwide situation demonstrates, poorly informed or improperly executed risk management can lead to an economic catastrophe. Conversely, a well organised and focused risk process and strong risk management team will enable your company to maintain and strengthen your edge over your competitors.

Moreover, studies have shown that financial risk is only the 'Up of the iceberg', as nearly 80% of key risks are not insurable. This critical 80% of risks must be 'insured' internally with a capable and effective risk management team. Risk management has been catapulted from being a useful tool to becoming the very pulse of the organisation and the yardstick by which its management is judged. The key is to recognise that risk is not something that should be avoided - a risk is often an opportunity in disguise.

The course has been specially designed to provide you with all the skills and tools you need to manage risk successfully. It will demonstrate how to identify and evaluate risks, as well as how to deliver an effective process throughout your organization.

## Top 3 learning objectives

**Learn** the concepts and practical application of risk management with different techniques for identifying risks and implementing effective risk mitigation strategies

**Understand** how you can embed an ERM approach, the benefits of an enterprise-wide approach to risk and how to link risk management with your business planning process

**Evaluate** techniques for the assessment of people, process and reputation risks as well as how to record the risk process effectively

## Who should attend

- Risk Managers and Directors
- Senior Internal Auditors and Audit Managers
- Other assurance professionals such as those in compliance and quality assurance functions who are being asked to review the risk process
- Finance managers and insurance professionals who need knowledge of a wider approach to risk management

## Are you ready for the ERM challenge?

## Course Aims

The intention of the certificate is to raise the profile of the international standard for (Enterprise) Risk Management in the future, as well as reflecting current risk management thinking.

### **The aim of the International Certificate is to:**

- Introduce the theory and practice of risk management
- Introduce the concept of 'enterprise risk management'
- Introduce the nature of risk and the aims of risk
- Introduce typical approaches to risk management policy and responsibilities, including the importance of culture and communication
- Introduce techniques for identification, evaluation and analysis of risks
- Introduce good governance and the link with business objectives
- Introduce methods for risk treatment, transfer, tolerance and termination
- Introduce audit, risk assurance and social responsibility
- Provide an overview of current risk management thinking, regulations and practices and how they impact modern organisations across the world
- Offer a comprehensive and balanced approach to risk management

### **By the end of the course students should be able to:**

- Explain the concept of risk and the principles and aims of risk management  
Outline the key features of the main risk management standards
- Understand the importance of risk architecture, strategy and protocols
- Explain the components of risk maturity and how to embed a risk aware culture
- Describe the main risk assessment techniques and how to display the results
- Explain, with examples, the components of loss control
- Outline the key features of a risk governance system
- Outline the approach to selected specialist risk management areas
- Describe the key features of an Enterprise Risk Management (ERM) approach
- Explain the main risk response options (4T's) and different control types
- Describe the role of internal control, internal audit and the audit committee
- Explain the importance of the risk performance and risk reporting

## Course Syllabus

### Introduction to Risk Management

**Definitions of risk:** provides several definitions of risk from recognised sources and explores the merits and relevance of each definition

**Impact of risk on organisations:** explores the nature, cause and potential effect of risk, including consideration of options for attaching risks to mission, objectives and key dependencies

**Types of risks:** reviews the types of risks that can impact an organisation according to whether the risk is a hazard, control or opportunity

**Development of risk management:** outlines the development of risk management from insurance in the mid 1950's in the USA to the present time with focus on enterprise risk management (ERM)

**Principles and aims of risk management:** distinguishes between the implicit management of risks that all organisations undertake and the formalised and explicit approach to ERM

**Risk management frameworks:** explores the main features of ISO 31000, BS 31100, IRM Standard, as well as considering the importance of COSO, Turnbull, CoCo, and others

### Risk Strategy

**Risk management policy:** describes the essential features of a risk management policy and the options for the development and implementation of a risk management policy

**Risk assurance documentation:** describes the key types of risk assurance documentation that may be required, including records of risk assessments, incident investigations, audit reports and risk registers

**Risk management responsibilities:** discusses the range of risk management responsibilities that need to be allocated and how these will be delegated and fulfilled in practice

**Risk architecture and structure:** describes typical organisational frameworks that can best support risk management integration in a firm, including the terms of reference and duties of the various committees that need to be established

**Risk aware culture:** considers the hallmarks of a risk aware culture and discusses how such a culture can be measured and what could undermine a risk aware culture

**Risk training and communications:** outlines the importance of good communication in a risk aware organisation and a discusses the risk training that is needed to support the culture

### Risk Assessment

**Risk assessment techniques:** considers the techniques for undertaking risk assessments, including risk recognition and rating, as well as means of determining when a risk is acceptable

**Risk classifications systems:** reviews several risk classification systems, including the FIRM Risk ScoreGard, COSO categories and other recognised sources

**Risk likelihood and severity:** describes different types of risks according to the possible likelihood and severity of the risk materialising, leading to discussion of catastrophe risks

**Reducing the likelihood of risk materialising:** Explains the need to identify appropriate and proportionate control measures to reduce likelihood of risk materialising, leading to concept of loss prevention

**Reducing the severity of risk materialising:** describes when a risk could be material and the need for benchmark tests of risk significance, including the importance of disaster recovery plans

**Business continuity planning:** considers the broader concept of Business Continuity Planning that has disaster recovery planning as a vital component

## **Risk and Organisations**

**Corporate governance model:** introduces the London Stock Exchange framework for Corporate Governance and evaluation of the components, including director responsibilities

**Stakeholder expectations:** describes the importance of risk management, by defining the link between stakeholder expectations, business process redesign and core processes

**Model of the business process:** outlines a basic model for business processes comprising strategy, processes, events, results and reports, so that the risk at each stage can be identified

**Risk management and the business process:** links risk management to business processes and activities, leading to a consideration of styles of risk management and levels of risk management sophistication

**Supply chain management:** describes the increased importance of supply chains and consequent risk management implications

**Risk management operations, projects and strategy:** describes how risk management can assist with the achievement of efficient operations, effective projects and efficacious strategies

## **Risk Response**

**Risk control techniques:** describes the principles of risk control and provide examples of risk control techniques for the main types of risk

**Importance of risk appetite:** explores the various definitions of risk appetite and discusses the relevance of risk appetite when responding to potentially significant risks

**Inherent and current level of risk:** explains the importance of the inherent risk and the critical importance of control measures that reduce the inherent level to a much lesser current level

**Risk tolerance, treatment, transfer and termination:** describes the 4Ts of risk response as tolerance, treatment, transfer and termination, with particular emphasis on the importance of insurance and risk financing

**Loss prevention, damage limitation and cost containment:** provides descriptions of loss control with explanation of the stages of loss prevention, damage limitation and cost containment

**Insurance and risk transfer:** considers aspects of insurance, risk financing and other mechanisms of risk transfer covering the main classes of insurance

## **Risk Assurance and Reporting**

**Evaluation of the control environment:** focuses on the importance of control activities and description of the broader context of the control environment and how to evaluate it

**Activities of the internal auditor function:** Describes the purpose, principles and activities of internal audit in an organisation, including the typical reporting structure and added value of internal audit

**Risk assurance techniques:** Describes the sources of risk assurance available to an organisation, including the use of control risk self certification and the activities of internal audit

**Reporting on risk management:** describes the types of risk related investigations that can be undertaken and the need for risk records and reports, including outline of Sarbanes-Oxley requirements

**Corporate social responsibility:** describes the scope of corporate social responsibility and its relationship to risk management activities, with an emphasis on broader reputational risk exposures

**Benefits of risk management:** considers the overall benefits of an enterprise risk management initiative in an organisation and review of the barriers and enablers to success

## Course Format

- Four hour examination available worldwide.
- Examination is available on demand.
- Passmark: 50%

### Study Book

Enterprise Risk Management by Bevan Lloyd  
Publisher: Institute of Chartered Accountants  
Ireland  
ISBN: 978-1-907214-33-2

Supplementary reading and research required.

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**Certificate in Enterprise Risk Management  
Student Enrolment Form**



**For office use only**

Date received:      Ackn date:      Membership Number:

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Surname:	Home address:
First name:	
Date of birth:	Town/City:
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Email:	County/State:
Mobile:	Postcode:
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**2 Section 2 - Business Details**

Job title:	
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Address:	
Town:	County/State:
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**Industry sector - Please tick one box only**

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