International Diploma in Risk Management

Building excellence in risk management

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Leading the risk profession

International Diploma in Risk Management Syllabus

Module 1: Principles of Risk and Risk Management

Module aims

The aim of this module is to provide an introduction to the principles and concepts of risk and risk management. The history of risk management is explored as a means of understanding the current drivers of enterprise risk management, and the development and impact of international standards. This leads to an examination of the ways in which risks are classified and the models or frameworks that are utilised to identify, assess and treat them.

Module learning outcomes

By the end of the module you should be able to:

- Explain the origins and key concepts relating to risk management
- Compare and contrast the main risk management standards
- Outline the concepts of enterprise risk management
- Explain the main approaches to risk identification
- Describe the main approaches to the analysis and evaluation of risk
- Distinguish the main features of risk control techniques

Main learning units and topics

Concepts and definitions of risk and risk management
Definitions of risk, impact of risk on organisations, introduction to types of risk, definitions and development of risk management, principles and aims of risk management.

Risk management standards
General risk management standards, alternative risk management approaches.

Enterprise risk management
COSO 2004, enterprise risk management, implementing ERM, establishing the context for risk management.

Risk assessment 1: introduction and identification
Risk assessment considerations, risk classification systems (risk identification), risk causes (sources) and consequences.

Risk assessment 2: risk analysis and evaluation
Introduction to risk analysis, risk likelihood and impact, loss control, defining the upside of risk, the importance of risk appetite (risk evaluation).

Risk responses and risk treatment
Introduction to risk treatment and risk response, the 4Ts, risk control techniques (PCDD), control of selected hazard risks, introduction to monitoring and review, insurance and risk transfer, business continuity planning (BCP).

Module 2: Practice of Risk Management

Module Aims
The aim of this module is to explore the impact of the business environment on risk and examine issues relevant to specific sectors and geographical areas, as well as the needs and demands of various stakeholder groups, including regulatory authorities. This leads to the study of corporate governance and risk assurance; how this might influence the architecture of a risk management programme and the significance of risk culture, appetite and tolerance of risk in relation to current practices in risk management.

Module learning outcomes
By the end of this module you should be able to:

- Discuss the impact of the wider business environment on organisations and the issues this raises for risk management in specific sectors and geographical areas
- Illustrate the key features of a risk management framework
- Explain the significance of issues of culture, appetite and tolerance in relation to the management of risk
- Explain the key features of corporate governance models, project risk management systems and operational risk management
- Discuss the nature and purpose of internal control, audit and risk assurance techniques
- Analyse real life case studies and identify key risk management lessons

Main learning units and topics

The global business environment
The business environment and risk environment, organisational vision and values, risk management's contribution to business success and value added, sector specific and geographical issues.

Risk strategy and framework
Risk architecture, strategy and protocols, risk management documentation and responsibilities

Risk culture, appetite and tolerance
Organisational behaviour and culture, risk appetite and tolerance, risk training and communication, and risk practitioner competencies.

Risk and organisations
Introduction to corporate governance, identifying stakeholders, including regulatory bodies, introduction to project risk management, operational risk management and supply chain management.

Risk assurance and reporting
The control environment, internal audit function, risk assurance techniques, risk reporting and corporate reputation.

Case studies in organisational risk management
Case studies in organisational risk management, emerging risks and future developments.

Module 3: Risk Assessment

Module aims

The aim of this module is to advance the student's understanding of risk information, identification, analysis and evaluation gained from Modules 1 and 2. In particular, it will explore the various sources and types of risk information that will aid in identification of risks. It will examine in more detail the different techniques for identifying risks, both opportunities and threats, and will explore common methods for analysing risks and uncertainties qualitatively and the basic quantitative techniques.

The collation, recording and communication of information will be considered through the deliverables from risk management, such as risk registers, risk matrices and risk reports. In addition, the use of information from risk assessment to support risk based decision making will be considered.

Module learning outcomes

By the end of this module you should be able to:

- Develop appropriate sources of information and data for use in risk assessments from the different sources available
- Apply appropriately selected risk identification techniques
- Apply a suitable risk assessment technique for qualitative risk analysis in a variety of given situations
- Apply basic quantitative techniques using suitable inputs
- Evaluate appropriate systems for risk information and reporting
- Explain how risk assessment supports risk evaluation and decision making

Main learning units and topics

Types and sources of risk information

Sources of risk information, sources of risk, understand your organisation (external and internal context, the context of the risk management process), internal and external sources of information and risk classification.

Risk identification techniques

Risk identification, considering opportunities and threats, identification techniques, effective facilitation of risk identification, appropriate risk descriptions, distinguishing between issues and real risks and when to implement risk identification.

Qualitative risk analysis

Risk prioritisation, objectivity in risk rating, likelihood, impact, risk appetite and tolerance, qualitative assessment tools and techniques, and using likelihood and impact, additional prioritisation.

Quantitative risk analysis and risk modelling

From qualitative to quantitative assessment, basic accounting, quantitative assessment, preparation for modelling, probability, impact, basic modelling, pitfalls in quantitative assessment.

Presenting risk assessment information

Information from risk assessment, storing risk information, the need for risk assessment information, sharing risk assessment information, who we share with, how we share, what we share, when we share.

Using risk assessment information

Risk evaluation, problem solving and decision making, the risk-based decision maker, and making decisions in relation to risk.

Module 4: Risk Treatment

Module aims
The aim of this module is to explore the role of risk treatment within the wider enterprise risk management framework. It investigates the variety of approaches that can be employed by the organisation to effectively respond to opportunities and treat threats, including physical controls, management systems, training and supervision of staff, and risk financing by means of insurance and alternative financing mechanisms. The module also examines the key elements of business continuity management.

Module learning outcomes
By the end of this module you should be able to:

- Explain how risk treatment fits into the 'risk management cycle'
- Evaluate the strategies that can be employed to manage threats and opportunities, and the means by which risk control mechanisms may be prioritised
- Evaluate the range of internal and external resources required to effectively manage risk, including people, physical resources and management systems
- Assess the mechanisms that can be employed to review, monitor and report on the suitability of risk controls, including costs, benefits and relative effectiveness
- Compare and contrast available forms of risk financing, including insurance and alternative risk financing solutions
- Explain the key features of successful business continuity planning in the context of the wider enterprise risk management framework

Main learning units and topics

Introduction to risk treatment
Introduction to risk treatment and the risk management cycle.

Evaluating and selecting risk control mechanisms
How risks evolve (upside risk, catastrophe level risks, untreatable risks), the options for risk treatment - the four 'T's, matching risk exposures to risk treatment.

Identifying, allocating and resourcing risk controls
Types of controls, where the resources i.e. internal or external, decision making on appropriate controls, planning and justifying risk controls, planning and controlling multiple exposures.

Monitoring, reviewing and reporting on risk controls
Roles and responsibilities, collating risk data, monitoring risk treatment controls, reporting on risk treatment and controls, re-evaluation after an event, changes in circumstances.

Risk financing mechanisms
Risk financing techniques, including insurance and self-insurance, types of insurance, the characteristics of the insurance market, quasi-insurance products, government-backed insurances, and other risk financing vehicles and products.

Business continuity management
Introduction to business continuity management (BCM), the place of business continuity management in risk treatment, leadership, governance and management responsibilities in relation to BCM, key elements of business continuity planning, 'black swan' events and the difficulty of predicting future risks.

Module 5: Risk, Governance and Culture

Module aims

The aim of this module is to explore issues of corporate governance, risk oversight, internal control and assurance in a global marketplace. It will examine the role of the board and key stakeholders to ensure that risk is integrated with strategy and in creating and maintaining an appropriate enterprise risk management structure, process and system. The critical elements of organisational behaviour will be studied, including the culture of the organisation, its approach to corporate social responsibility and business ethics, the psychology of risk and risk perception, and factors that influence individual and corporate risk decision-making. This leads to an exploration of the risk organisation, how to operationalise risk management starting from a strategic perspective, the type of skills required to effectively manage risk, determine training needs and manage performance. Finally, the issue of reputation, and how potential threats to this key asset may arise and be treated, will be investigated.

Module learning outcomes

By the end of this module you should be able to:

* Distinguish the key features of, and relationships between, corporate governance, risk oversight and management, internal control and assurance.
* Evaluate the roles of the board, management, key employees and other stakeholders in the integration of risk management within the strategic planning process.
* Discuss the cultural aspects of implementing and maintaining a risk management programme and the significance of organisational culture in risk exposure and management.
* Evaluate the range of factors that may influence risk perception and human behaviour within an organisation.
* Analyse the ways in which risk management performance may be evaluated, areas for improvement identified and methods for improvement implemented.
* Discuss the threats to corporate reputations and the ways in which these may be effectively managed.

Main learning units and topics

Corporate governance, risk oversight, internal control and assurance
Global corporate governance models, risk oversight frameworks, risk management and internal control models, internal audit and assurance, and compliance.

Strategic planning and risk management
Strategic planning and risk management, defining objectives for risk management and aligning with the business strategy, role of the board, role of the audit and risk committees, role of the chief risk officer (CRO) / risk manager, managing stakeholder expectations.

Risk perception and human behaviour
Human behaviour factors and risk perception.

Risk culture, business ethics and organisational change
Diagnosing a corporate culture and/or risk culture, how to approach culture change, corporate social responsibility, business ethics, organisational change, "tone from the top" and leadership, including international dimensions.

Risk management performance
People and resources, risk management competencies, training of staff, defining and measuring risk management performance, improving performance and delivering results, leadership skills, and conflict management.

Reputation risk management
Reputation risk, reputation risk measurement and reputation risk management.

Module 6: Crises, Resilience and Future Risks

Module aims
The aim of this module is to equip students with a framework for supporting the organisation to strengthen its resilience at strategic, tactical and operational levels to face current and future risks. A detailed review of a number of crises - utilising case studies from different sectors and geographical areas - forms a core element of the module. Analysing the way in which crises are managed are key to learning lessons for building resilience and handling such events in the future. The main approaches to understanding emerging and future risks are evaluated in support of making decisions to build resilience.

Module learning outcomes
By the end of this module you should be able to:

- Explain the key types and elements of crises, their potential consequences and the main aspects of crisis management and communications in the context of a risk-based framework.
- Analyse the way in which crises and early warnings of crises have been handled in the past with the aim of learning the key lessons for handling such events in the future.
- Discuss the factors that contribute to, as well as those that may detract from, an organisation building resilience in the context of exploring what makes an organisation 'crisis prone' or prepared.
- Evaluate the main tools, techniques and models for understanding emerging and future risks.
- Evaluate the context and basis upon which decisions are made to invest in building resilience to handle current and future risks in the context of an organisation's responsibilities to its stakeholders.

Main learning units and topics

Crises, crisis management & communications
Nature and consequences of crises, the drivers for crisis management, risk - business continuity - crisis and disaster management, contingency planning and crisis preparedness, managing the acute phase of a crisis, after the crisis.

Learning lessons from the past
Case studies, root cause analysis, early warnings, and lessons to be learned.

Building resilience
Resilience, building the resilience of organisations, and building the resilience of society.

Understanding emerging and future risks
Definition and core attributes of emerging and future risks, nature of global risks, tools, techniques and models for predicting future risks, the value and limitations of tools, techniques and models.

Decision-making for the future
Decision making under uncertainty, views on global risks & strategies, responsibility and accountability.

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