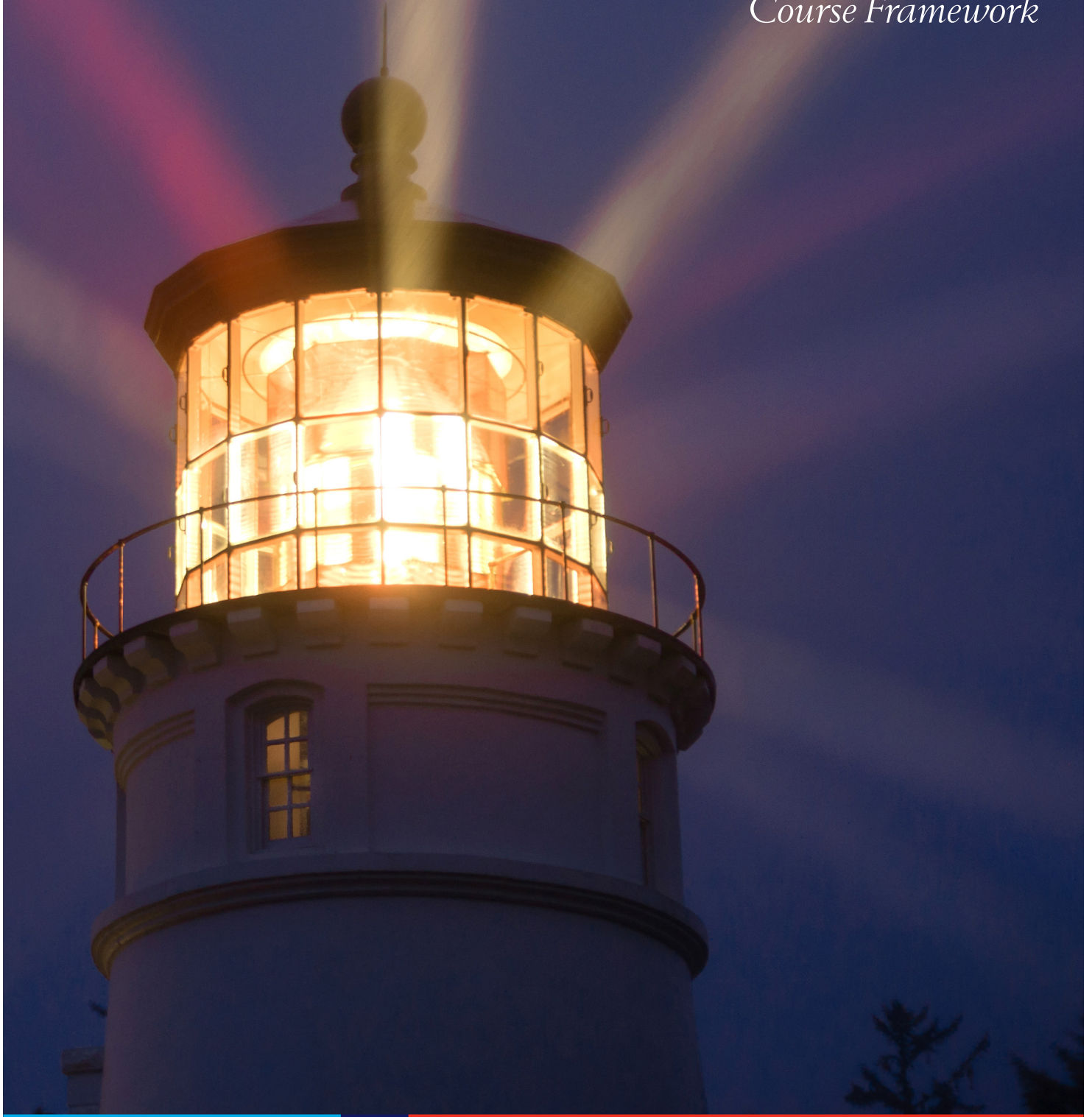


Risk Specialisation

Course Framework



Course overview

Course description

The Risk Specialisation Course, which is facilitated by AGSM at University of NSW (UNSW), aims to cover an organisation's approach to risk management from board to operational staff and across all risk types. Governance is the initial focus, considering the board directors' and officers' responsibilities in setting strategy, objectives and risk appetite, and how those are cascaded through senior management to the staff who manage the risks on a daily basis. It explores how activities, incidents and outcomes are escalated back through governance forums to the board. Throughout this the focus remains on managing the risk to business objectives, ensuring relevance and engagement and the importance of the maintenance of business resilience, particularly in light of significant adverse events or extreme shocks.

The course considers the roles of the three lines in managing risk and enabling the business. It outlines the approach required to understand risk including data risk across the enterprise and make prudent business decisions, before drilling down to the specific risk categories of strategic risks, financial risks and non-financial risk. In examining these areas, it also focusses on their dependencies and interdependencies, how the risks will be analysed, transparently reported and managed. Throughout the course, a key element is the impact that the approach has on behaviour and decisions, and hence the risk culture.

Course Modules

This course comprises 5 modules including:

- 1 Effective Governance
- 2 Enterprise Risk Management
- 3 Strategic Risk
- 4 Financial Risk
- 5 Non-financial Risk

Prerequisites

CA ANZ CR6E regulation requirements associated with Risk Specialisation.

Duration

7-week study period including assessment

Mode of delivery

Access to the online modules is via the AGSM UNSW portal. Key information which supports the central concepts of each module will be provided through links.

Assumed knowledge

In line with CR6E, it is assumed that candidates have considerable experience in the risk space and therefore a reasonable level of understanding of the principles underpinning the 5 modules in this course. Candidates should ensure that additional revision is undertaken in any areas in which they have a knowledge gap.

Course material

- Course material will include a range of presentation methods including text, video and interactive exercises.
- Case studies will be used to support the application of knowledge and skills to contextualise problems and issues.

Course workload

Directed CPD hours (includes all formal learning activities which are facilitated)	1 hour orientation session in first week plus 2.5 hours per week for 6 weeks – 16 hours
Non directed CPD hours (includes all informal learning activities which are self-directed)	10 hours
Assessment Project CPD hours (includes team meetings and presentation preparation)	14 hours
Total CPD hours	40 hours

Course assessment

There are a number of assessment tasks which will be required to be completed as part of this course. These include:

- an assessment task presented at the end of each module which aims to check ongoing understanding but does not count towards the final assessment; and
- a final assessment task in the form of a team project must be completed and presented to the other participants and AGSM facilitators. The project will be assessed by the AGSM facilitators and if successful then CA ANZ members are able to apply for CA Risk Specialisation.

Course facilitator

UNSW will appoint suitably experienced facilitators to lead the course.

Specialisation Program contact details

Phone: 1300 137 322 (within Australia),
+61 2 9290 5660 (outside of Australia)
Email: specialisation@charteredaccountantsanz.com

Module Framework

Module Overview

Module 1 – Effective Governance

Successful business operations require sound governance arrangements. These exist to clarify purpose and drive performance outcomes through careful attention to performance and conformance goals. In order to guide, direct and control an organisation, the Executive must understand the impact that leadership, culture and conduct has on the implementation and operation of the organisation's approach to risk management.

Areas of focus	Learning Outcomes (LO)	Indicators to demonstrate LO achievement
Governance framework	a. Explain the purpose and requirement of the governance framework (and processes) required under current regulation and legislation	i. Establish governance structures including for risk management ii. Contribute to the ongoing development of effective governance structures and policies iii. Apply the risk management framework for governance outcomes iv. Evaluate and review governance policy and structures affecting the organisation
Governance and board/directors and officers' responsibilities	b. Explain the difference between directors' and officers' responsibilities under the Corporations Act and Federal and State Legislation	v. Align the directors' and officers' responsibilities to the governance framework
Creating a positive risk culture – beyond conformance • 3 lines (accountable, responsive, active)	c. Outline the components related to developing a robust risk culture within an organisation	vi. Implement a culture of proactive and effective risk management throughout the organisation to support governance aims
Relationships between governance, business strategy and enterprise risk management • Goal and parameter setting • Risk appetite as set by the Board • Clarification of expectations/culture • Monitoring what's important	d. Explain how risk management assists in the articulation of goals, priorities, and expectations (risk tolerance and appetite)	vii. Align the risk tolerance and appetite to business strategy
	e. Explain the relationship between effective risk management and business strategy	viii. Align the risk management with the business objectives and appetite
	f. Outline the strategies adopted in achieving risk-based outcomes as part of the stewardship/governance role	ix. Embed risk appetite into the business
	g. Outline the role of assurance and compliance, both internal and external, to contribute to governance through reporting on conformance and performance outcomes	x. Align assurance and compliance strategies to the organisational governance framework
	h. Outline the compliance practices as they relate to risk measurement and culture	xi. Determine compliance obligations and monitor minimum standards xii. Develop mechanisms to enable Executives and the Board to monitor actual levels of risk against risk levels articulated in risk appetite
Conduct and ethics	i. Explain strategies to ensure that conduct and ethical principles are adhered to under the Corporations Act, and Federal and State Legislation	xiii. Champion effort to ensure the organisational values and behaviours promote what is right and meet moral, ethical and legal obligations
		xiv. Determine compliance obligations and monitor minimum standards
		xv. Advise on risk management strategy to mitigate financial risk, including developing code of professional conduct

Module Overview

Module 2 – Enterprise Risk Management

Good risk management practices identify, assess and inform business decisions, whether that be at the strategic, tactical or operational level. Risk management encompasses the identification, evaluation, mitigation, and monitoring of threats and opportunities. Whilst these activities are best informed by the risk owner, independent review and monitoring of risk performance serves to enhance the usability and completeness of this information for decision making by the Executive thus assuring good governance.

Areas of focus	Learning Outcomes (LO)	Indicators to demonstrate LO achievement	
Enterprise Risk Management Process <ul style="list-style-type: none"> Board approved risk management framework/Risk tolerance and appetite 	a. Outline the Enterprise Risk Management (ERM) process including typical framework policies, procedures and tools	i. Develop enterprise risk management frameworks	
	b. Identify methods by which organisations implement ERM	ii. Develop and implement risk policies, procedures and tools iii. Assess the cost benefit analysis of alternative risk management strategies	
<ul style="list-style-type: none"> Risk Register – significant risks of interest to the Board 	c. Identify the significant risks which should be included in the risk register	iv. Set enterprise risk parameters, and demonstrate how they are used in practice v. Create a risk register through risk identification and risk assessment using appropriate tools and techniques	
	d. Explain how risks are measured, controlled and managed, including how ratings are used to escalate risks for management’s attention and treatment	vi. Gather, organise and evaluate qualitative and quantitative data from multiple sources to inform decision making	
<ul style="list-style-type: none"> Risk identification, root cause analysis, measurement, control and management (including risk tools) such as stress testing and scenario analysis 	e. Differentiate between qualitative and quantitative measures	vii. Apply the concepts of risk tolerance, appetite and mitigation to the risks facing the organisation	
<ul style="list-style-type: none"> Risk analytics and a range of reporting techniques 	f. Explain the role of scanning and data analytics in the ERM process namely around risk identification and definition, including emerging risks	viii. Establish mechanisms that enhance data quality and communication flow for decision making	
		ix. Analyse risks facing the organisation to assess the likelihood of occurrence and potential impact	
		x. Evaluate risk treatments and controls to validate risk statements xi. Utilise available data and open source information to build a more holistic risk profile	
<ul style="list-style-type: none"> Dependencies and interdependencies – subsidiary risk registers which support enterprise risk management and reporting 	g. Identify different forms of risk reporting and how to ensure fit for purpose for audience	xii. Analyse reporting deficiencies and recommend improvements that can be made to a reporting process and set risk reporting	
<ul style="list-style-type: none"> Dependencies and interdependencies – subsidiary risk registers which support enterprise risk management and reporting 	h. Explain the dependences and interdependences between risk categories and subsidiary risk registers which result in an enterprise wide view including methods to assist in aggregation of risk	xiii. Develop decision criteria that take into account most relevant factors and put forward recommendations	
		<ul style="list-style-type: none"> Risk culture maturity (completeness of and quantitative risk assessment tools and explain the disclosure) 	iv. Attributes of effective risk culture
		xi. Utilise available data and open source information to build a more holistic risk profile	
		xv. Use risk to create a culture that enhances change readiness and resilience xvi. Use risk to create a culture that encourages open sharing and debate to achieve commonality in team commitment to an agreed direction or position	
		xvii. Optimise performance through trust and confidence, by having the right risk culture xviii. Influence others through personal credibility, confidence and mutual respect	

Module Overview

Module 2 – Enterprise Risk Management (continued)

Areas of focus	Learning Outcomes (LO)	Indicators to demonstrate LO achievement
Risk Management Data <ul style="list-style-type: none"> • governance (ownership and stewardship) • key risk indicators (KRIs) • risk taxonomy • sources of data to inform risk assessment 	j. Differentiate between qualitative and quantitative measures	xix. Apply the concepts of risk tolerance, appetite and mitigation to the risks facing the organisation
	k. Outline the key components related to effective data risk management	xx. Manage data risk to ensure that the overall business and risk management objectives continue to be met
	l. Explain the role of key risk indicators and the risk dashboards	xxi. Develop mechanisms to enable Executives and the Board to monitor actual levels of risk against risk levels articulated in risk appetite
3 lines	m. Outline the 3 lines as they relate to risk measurement	xxii. Use the 3 lines structure to contribute to the enterprise risk management with the organisation
		xxiii. Roles and responsibilities for risk across the 3 lines

Module Overview

Module 3 – Strategic Risk

Managing strategic risk is essential to business success. Risks at this level typically encapsulate an organisation's view of its business purpose or strategy. As such, strategic risks will differ between organisations. Strategic risk can also be defined as the risk of loss that results from inadequate or failed decision-making or corporate governance and missed opportunity by an organisation's Executive.

Areas of focus	Learning Outcomes (LO)	Indicators to demonstrate LO achievement
Relationship between strategic risks and ERM	a. Explain why strategic risk management is important, and how ERM assists	i. Apply the established enterprise risk parameters to strategic risks
Identifying strategic risks (such as pandemic, economic, technological, workforce, sovereign, political, environmental, sustainability, social, emerging)	b. Explain the concept of strategic risks and its relationship with business objectives	ii. Map the strategic risks to the business objectives
		iii. Identify key assumptions and interdependencies in strategic plans
	c. Explain how to identify strategic risks and capture them for meaningful consideration	iv. Research and anticipate problems and uncertainties in the environment that will impact an organisation
		v. Create a risk register through risk identification and risk assessment using appropriate tools and techniques
		vi. Gather, organise and evaluate qualitative and quantitative data from multiple sources to inform decision making
		vii. Apply the concepts of risk tolerance, appetite and mitigation to the risks facing the organisation
		viii. Evaluate the quality of data and how well it supports analysis and decision making
		ix. Promote the use of data to analysis and inform evidence-based decisions
		x. Organise the collection and analysis of relevant information and data identification of (key risk indicators)
Key drivers and impacts <ul style="list-style-type: none"> • velocity • connectivity 	d. Identify the key drivers and impacts of strategic risks	
Special types of strategic risks <ul style="list-style-type: none"> • Business resilience • Significant adverse events 	e. Outline approaches which deal with threats & opportunities, and how this helps to build business resilience	xi. Review complex information or data to produce critical insights
		xii. Analyse, predict and offer insights into longer term, future opportunities and threats to build business resilience
	f. Explain the concepts of ambiguity and black swan events	xiii. Identify and evaluate crisis or black swan events on the success of business strategy

Module Overview

Module 4 – Financial Risk

Management of financial risks is a key component in the success of any business. Where financial risks are not managed effectively, this is one of the most common drivers for corporate collapse and unplanned changes in ownership.

Areas of focus	Learning Outcomes (LO)	Indicators to demonstrate LO achievement
Relationship between financial risks and ERM	a. Explain how managing financial risks relates to ERM	i. Advise on risk management strategy to mitigate financial risk, including developing code of professional conduct
Types of financial risks	b. Distinguish between the financial risks which an organisation could consider, and how this is driven by the environment in which the organisation operates	ii. Categorise the financial risks which an organisation could consider
Identifying and monitoring financial risks such as market risk, credit risk, liquidity risk, insurance risk, investment risk, accounting and tax risk	c. Explain how to identify financial risks which an organisation should consider	iii. Use records, information and knowledge management functions and systems
		iv. Proactively analyse data from diverse sources to identify, explain and offer insights into trends and financial performance
		v. Map the financial risks to the business objectives
	d. Explain risk and return relationship	vi. Apply risk and return relationship to financial risk assessment
	e. Compare the relationship between risk, capital requirement and regulatory perspective	vii. Apply the relationships between risk, capital requirement and regulatory perspective appropriately
		viii. Create a risk register through risk identification and risk assessment using appropriate tools and techniques
ix. Gather, organise and evaluate qualitative and quantitative data from multiple sources to inform decision making		
Key drivers and impacts	f. Identify the key drivers and impacts of financial risks	x. Apply the concepts of risk tolerance, appetite and mitigation to the risks facing the organisation
		xi. Organise the collection and analysis of relevant information and data (L)
		xii. Evaluate the quality of data and how well it supports analysis and decision making
		xiii. Promote the use of data to analysis and inform evidence-based decisions
Risk adjusted performance metrics (benchmarking)	g. Explain how to establish risk-adjusted performance metrics to manage shareholder value in the financial sector	xiv. Analyse the likelihood and potential financial impact of risks
		xv. Review complex information or data to produce critical insights
Managing extreme shocks	h. Describe stress testing approaches used to manage extreme shocks.	xvi. Review the internal and external environment and adjust monitor risk exposure of accounting and finance activities
		xvii. Apply stress testing approaches to manage extreme shocks and impact on the success of business strategy
Risk escalation	i. Explain when financial risks get escalated to enterprise risks, or circumstances when they become strategic?	xviii. Review complex information or data to produce critical insights

Module Overview

Module 5 – Non-Financial Risk

Non-financial risk management deals with the numerous microenvironments, systems and processes of an entity, all of which contribute to the organisation achieving its business strategy. These typically encompass the people, process and systems critical to successful business operations and are sometimes referred to operational risks.

Areas of focus	Learning Outcomes (LO)	Indicators to demonstrate LO achievement
Relationship between non-financial risks and ERM	a. Explain how managing non-financial risks relates to ERM	i. Advise on risk management strategy to mitigate non-financial risk, including developing code of professional conduct
Types of non-financial risks including: <ul style="list-style-type: none"> compliance risks incorporating regulatory and legal components and policies operational risks relating to the management & conduct/operation of people, processes, systems, such as projects (delivery and delivered risk), data management, cyber security, technology, workforce management, work health safety, sustainability, security and supply chain (contracting), 	b. Distinguish between the non-financial risk categories which an organisation could consider, and how this is driven by the environment in which the organisation operates	ii. Categorise the non-financial risks which an organisation could consider
Data risk management <ul style="list-style-type: none"> data taxonomy classification characteristics control and management analysis (tools and methods) 	c. Outline the key strategies used to manage data risk to mitigate business risks	iii. Manage data risk to ensure that the overall business and risk management objectives continue to be met iv. Identification of key risk indicators and how they or appropriate surrogate indicators are measured
Identifying, monitoring and managing non-financial risks <ul style="list-style-type: none"> business continuity management disaster recovery planning 	d. Explain how to identify non-financial risks which an organisation should consider	v. Use records, information and knowledge management functions and systems vi. Proactively analyse data from diverse sources to identify, explain and offer insights into trends and operational performance vii. Map the compliance risks to the business objectives viii. Map the non-financial risks to the business objectives
	e. Create a risk register through risk identification and risk assessment using appropriate tools and techniques	ix. Analyse the likelihood and potential financial impact of risks
	f. Explain how non-financial risks are measured, controlled and managed	x. Review the internal and external environment and monitor risk exposure of business activities xi. Identify key controls and assess control effectiveness xii. Manage risks to meet organisational, regulatory or community expectations
	g. Explain the role of business continuity management and disaster recovery planning in managing risks	xiii. Manage risks to ensure preparedness of unforeseen circumstances

Module Overview

Module 5 – Non-Financial Risk (continued)

Areas of focus	Learning Outcomes (LO)	Indicators to demonstrate LO achievement
Key drivers and impacts	h. Identify the key drivers and impacts of non-financial risks	xiv. Organise the collection and analysis of relevant information and data
		xv. Evaluate the quality of data and how well it supports analysis and decision making
		xvi. Promote the use of data to analysis and inform evidence-based decisions
		xvii. Analyse the likelihood and potential non-financial impact of risks
		xviii. Evaluate the strategic impact of internal decisions and external influences on project and operational-level plans and initiatives
		xix. Manage team compliance with regulations, policies and standards guiding the use of digital information and technologies
Reporting on non-financial risks and their potential impact on strategic and business objectives	i. Explain when non-financial risks get escalated to enterprise risks, or circumstances when they become strategic	xx. Review complex information or data to produce critical insights
Risk escalation	j. Explain when non-financial risks get escalated to enterprise risks, or circumstances when they become strategic?	xxi. Review complex information or data to produce critical insights
		xxii. Review the internal and external environment and adjust monitor risk exposure of accounting and finance activities

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events.charteredaccountantsanz.com/Risk-ROI

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specialisation@charteredaccountantsanz.com

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