



Enterprise Risk Management 2 days On-line

Course Overview

In the ever-changing business environment, encountering risk is inevitable. The ability to manage these increasingly significant risks now represents the difference between a thriving organisation and one that is struggling to deal with the challenges facing it.

The organisations that have dealt with the challenges 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.

A well organised and embedded risk process and a strong control environment will enable your business to maintain and strengthen your business

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 can also be an opportunity in disguise.

Who should attend?

- Risk managers
- Managers and Directors responsible for the risk management function or process
- Senior Internal Auditors and audit managers
- Other assurance professionals such as those in Compliance and QA functions who are being asked to review the risk process
- Finance managers and other professionals who need knowledge of the wider approach to risk management

Course Level

- This is an intermediary level course and delegates should have 12 months experience in a supervisory, management or assurance role

- Delegates should have a good educational standard and/or a professional qualification or be in the process of studying for such a qualification
- No advance preparation is required
- Delivery method – On-line-live (with exercises and case studies to provide practical application of the tools and techniques)

After completing this course you will be able to

- APPLY the concepts of enterprise risk management
- DELIVER the benefits of an enterprise –wide approach to risk
- EMBED an ERM approach
- LEARN the different techniques for identifying risks
- IMPLEMENT effective risk mitigation
- LINK risk management into the business planning process
- GENERATE measurable value by aligning the ERM framework with corporate performance expectations
- DEVELOP key risk indicators (KRI's) for each line of business
- PREPARE risk appetite statements and apply risk tolerance techniques

CPE credits

- Participants will earn 9 CPE credits (in the Management Advisory Services field of study)

Course Outline

Day One: Understanding Enterprise Risk Management (ERM)

The Key aspects of ERM

- Explanation of ERM and why it is not fully understood
- The current economic crisis and how ERM can provide a lifeline
- The role and responsibilities of directors and senior management with respect to ERM
- ERM roles and responsibilities
- Strategic, financial and operational risk.
- The key link between corporate governance and risk
- Selling the benefits to top management
- Risk standards
- ERM FAQ's

Exercise 1 – 20 questions about risk management

Risk Measurement

- The need to measure risk effectively
- How to quantify and measure risk – and why the approach followed by many businesses may be misleading
- Assessing risks
- The need to determine the Inherent, residual and target risks
- Risk scoring

Exercise 2 – Is the ERM matrix effective?

The link between ERM and strategic objectives

- The need to understand the organisation's strategic objectives
- Developing a programme to reflect these objectives
- Risk appetite – the least understood aspect of risk?
- External risk statements – principal risk factors
- Examples of risk appetite statements will be provided
- Categories of risk
- Establishing a risk management framework
- The results of a Global RM study will be shared

Exercise 3 – Analysing a Disaster

Establishing an Embedded Risk Management Process

- Risk management framework guide
- Surprises and risk
- Why financial risks are only the tip of the iceberg
- The widening of the risk portfolio
- Risk cultures
- IRM paper on risk culture assessment
- The challenges
- New and emerging risks- reputation, social, environmental
- Updating the risk strategy for your organisation
- Establishing the business case
- Selling the benefits to management
- The need for risk champions
- Risk and competitive advantage

Exercise 4 – Risk Taking In Action – The Mystery

Risk Identification and Evaluation

- Approaches and techniques
- How to establish a risk workshop process
- Risk workshops – the do's & don'ts
- How to identify, sift and group the risks
- Measuring the consequences and the likelihood of occurrence of each risk
- The use of risk matrices to prioritise the risks.
- The need for effective facilitation
- The use of diagnostic questions and thought-provokers prior to a workshop
- Other methods of risk identification
 - Monte Carlo Simulations
 - Bayesian networks
 - Scenario planning
 - Failure Mode analysis
 - Delphi Analysis
 - Root cause analysis
 - HAZOP

Exercise 5 Risk management evaluation techniques

Assessment of Risk Mitigation

- Controls or mitigation
- Ensuring risks are managed effectively
- How to assess risk mitigation
- The need for diligence and challenge
- Identification of risk exposures
- Dealing with the exposures (the 4 T's - terminate, tolerate, treat or transfer)
- Recording the risks – risk registers or risk maps
- Risk registers – do's and don'ts
- The need to keep the process as simple as possible
- Establishment of action plans
- Allocation of risk owners

Exercise 6 The ERM risk register

Recording the Risk Environment

- The need to coordinate and link the output
- Flagging interdependencies – if one risk treatment is changed the other party or parties impacted need to be notified
- Risk treatment analysis – how to determine the cost/benefits of dealing with exposures / exploiting opportunities
- Risk management as a route to reducing bureaucracy
- How to use the risk process to break down the barriers

- **Reports for senior management**

Exercise 7 –Risk management reports

Key risk indicators (KRI's)

- **The banana skins**
- **Identifying these in advance**
- **Examples of KRI's**
- **New KRI guidance**
- **How to develop effective KRI's**

Exercise 8 - KRI's

Cascading the Process

- **Stakeholders interest in risk**
- **Workshops for other management levels**
- **How to measure the benefits**
- **Risk awareness for staff**
- **Sharing output with partners**
- **Evaluating risks within these relationships**
- **Feeding key risks up the organisation**
- **Coordinating the whole process**
- **Useful web sites and reference books**
- **Managing stakeholder expectations**
- **How to use the programme to change the culture**

Exercise 9 – Measuring the Benefits