

## Subject Outline Enterprise Risk Management

**NQF8**

**Prescribed textbook: P Hopkin *Fundamentals of Risk Management* 6<sup>th</sup> ed Kogan Page Ltd**

The aim of this module is to develop an enhanced knowledge of enterprise risk management (ERM) practices to assist the board, or governing body to determine its strategic responsibility for risk-taking; demonstrate an understanding of how different risks operate within the context of existing enterprise management frameworks; formulate the organisation's attitude and policy to risk appetite and tolerance for key individual risks, and ensure clear lines of accountability

Topics	Topic content	Textbook
<b>Learning outcome 1: Conceptualise the foundations, concepts, frameworks and principles of ERM</b>		
<ul style="list-style-type: none"> <li>• Introduction to ERM</li> <li>• ERM perspectives</li> <li>• Concepts and terminology</li> <li>• ERM frameworks and standards</li> </ul>	<ul style="list-style-type: none"> <li>• Introduction to risk management</li> <li>• Definition of risk and risk management</li> <li>• Impact of risk on organisations</li> <li>• The concept of ERM</li> <li>• Types of risks</li> <li>• Scope of risk management</li> <li>• Principles and aims of risk management</li> <li>• Risk management standards</li> </ul>	Introduction Chapters 1, 2, 3, 4, 5, 6
<b>Learning outcome 2: Justify and critically apply the practical aspects of ERM, including all elements of a robust risk management framework (people, systems, and processes) and its operation, and critical success factors</b>		
<ul style="list-style-type: none"> <li>• ERM assessment and analysis techniques</li> </ul>	<ul style="list-style-type: none"> <li>• Sources and types of risk</li> <li>• Enterprise risk management</li> <li>• Approaches to risk management, and alternative approaches</li> <li>• Risk assessment considerations</li> <li>• Risk classification systems</li> <li>• Risk analysis and evaluation</li> <li>• Loss control</li> <li>• Risk response</li> <li>• Risk control techniques</li> </ul>	Chapters 3, 8, 9, 10, 11, 12, 13, 15, 16
<b>Learning outcome 3: Justify how ERM can benefit organisations and its impact on cost, corporate governance, sustainability and wider social responsibility</b>		
<ul style="list-style-type: none"> <li>• ERM and corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>• What is the role of ERM in corporate governance?</li> <li>• Corporate governance model</li> <li>• Stakeholder expectations</li> <li>• Operational risk management</li> </ul>	Chapters 28, 29, 30, 31, 32

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	<ul style="list-style-type: none"> <li>• Project risk management</li> <li>• Supply chain management</li> </ul>	
<b>Learning outcome 4:</b> Apply methods for the management of the risks that could undermine an organisation's strategy, reputation or long-term viability		
<ul style="list-style-type: none"> <li>• Methods for managing risk in business.</li> </ul>	<ul style="list-style-type: none"> <li>• Context and designing a risk register</li> <li>• Business continuity</li> <li>• Core business processes</li> <li>• Reputation and the business model</li> <li>• Risk management context</li> <li>• Risk management responsibilities</li> <li>• Control of selected hazard risks</li> </ul>	Chapters 7, 18, 19, 20, 21, 22, 23
<b>Learning outcome 5:</b> Manage, critically appraise and report to relevant stakeholders, the organisation's exposure to risk and the key risks that could undermine its strategy, reputation or long-term viability		
<ul style="list-style-type: none"> <li>• Reporting of ERM and levels of report</li> <li>• ERM Documentation tools</li> </ul>	<ul style="list-style-type: none"> <li>• The control environment</li> <li>• Risk assurance techniques</li> <li>• Internal audit activities</li> <li>• Reporting on risk management</li> </ul>	Chapters 33, 34, 35, 36
<b>Learning outcome 6:</b> Synthesise an organisation's approach to risk and develop a risk management strategy, policies and procedures which will include identifying, analysing, assessing and instilling the right culture		
<ul style="list-style-type: none"> <li>• Risk management strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Risk-aware culture</li> <li>• Risk appetite</li> <li>• Risk training and communication</li> </ul>	Chapters 24, 25, 26
<b>Practical work</b>		
<ul style="list-style-type: none"> <li>• Given a case study, draw up a risk register for an organisation.</li> <li>• Carry out a risk analysis and draft a report on findings.</li> </ul>		

### Online resources:

- ERM Introduction: <https://youtu.be/QgyiRWcZYS4> What is ERM? <https://youtu.be/MgGq3RExPSs>
- Which one is better? COSO or ISO13000: <https://youtu.be/0MgVltiqkCs> ISO31000:2018 structure and overview: <https://youtu.be/RDlCsQ2OPdc>
- King IV

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### Additional readings:

- Risk Management in the Public Sector: Salga:  
<https://www.salga.org.za/Documents/Knowledge%20Hub/Publications/Final%20Risk%20Management%20Framework%20June%202017e.pdf>
- The IRM. (2018) A Risk Practitioners Guide to ISO 31000: 2018:  
<A%20Risk%20Practitioners%20Guide%20to%20ISO%2031000%20%96%202018.pdf> (demarcheiso17025.com)
- OECD (2014). Risk Management and Corporate Governance: <http://www.oecd.org/daf/ca/risk-management-corporate-governance.pdf>