

Subject Outline Enterprise Risk Management

NQF8

Prescribed textbook: K Boothroyd and C. Thompson, *Fundamentals of Risk Management* (7th 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 |
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| Learning outcome 1: Conceptualise the foundations, concepts, frameworks and principles of ERM | | |
| <ul style="list-style-type: none"> • Introduction to ERM • ERM perspectives • Concepts and terminology • ERM frameworks and standards | <ul style="list-style-type: none"> • What risk is and why it is important • The evolution of risk management • Risk management standards | Introduction Chapters 1, 2, 3 |
| 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 | | |
| <ul style="list-style-type: none"> • ERM assessment and analysis techniques | <ul style="list-style-type: none"> • Enterprise risk management • Risk management aims and principles • Risk management framework <ul style="list-style-type: none"> ○ Roles, responsibilities and documentation ○ Risk practitioner competencies ○ How risk practitioners add value ○ Setting objectives ○ Assessing risks - risk identification and articulation ○ Classifying risks ○ Assessing risks - risk analysis ○ Assessing risks - risk evaluation ○ Prioritizing risk • Approaches to risk management, and alternative approaches | Chapters 4, 5, 6, 7, 12, 13, 14, 15, 16, 17, 35, 41, 42 |
| Learning outcome 3: Justify how ERM can benefit organisations and its impact on cost, corporate governance, sustainability and wider social responsibility | | |
| <ul style="list-style-type: none"> • ERM and corporate governance | <ul style="list-style-type: none"> • What is the role of ERM in corporate governance? • Corporate governance model • Stakeholder expectations | Chapters 11, 27, 28, 29 |
| Learning outcome 4: Apply methods for the management of the risks that could undermine an organisation's strategy, reputation or long-term viability | | |
| Methods for managing risk in business. | <ul style="list-style-type: none"> • Managing risk • Controlling both threats and opportunities | Chapters 18, 19, 20, 21, 22, 23 |

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| | <ul style="list-style-type: none"> • Monitoring risk • Reporting on risk | |
| Learning outcome 5: 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 | | |
| Reporting of ERM and levels of reporting ERM Documentation tools | <ul style="list-style-type: none"> • The control environment • Risk assurance techniques • Strategy and risk management • Resilience and risk management • Surviving shocks and disruption • Sustainability and the risk management • ESG and climate change | Chapters 28, 29, 30, 31, 32, 33, 34 |
| Learning outcome 6: 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 | | |
| Risk management strategy | <ul style="list-style-type: none"> • Risk-aware culture • Risk appetite • Risk maturity and continual improvement | Chapters 23, 24, 25, 26, 39 |

Practical work

- Given a case study, draw up a risk register for an organisation.
- Carry out a risk analysis and draft a report on findings.

Additional readings and resources: for downloading or reading/viewing:

- ERM Introduction: <https://youtu.be/QgyiRWcZYS4> What is ERM? <https://youtu.be/MqGq3RExPSs>
- Which one is better? COSO or ISO13000: <https://youtu.be/0MgVltiqkCs> ISO31000:2018 structure and overview: <https://youtu.be/RDlCsQ2OPdc>
- Risk Management in the Public Sector: Salga: <https://www.salga.org.za/Documents/Knowledge-products-per-theme/Municipal%20Finance/Risk%20Management%20Framework.pdf>
- The IRM. (2018) A Risk Practitioners Guide to ISO 31000: 2018: <https://www.theirm.org/media/6907/irm-report-iso-31000-2018-v2.pdf>
- OECD (2014). Risk Management and Corporate Governance: https://www.oecd.org/en/publications/risk-management-and-corporate-governance_9789264208636-en.html