

KPMG Learning

Principles of Risk Management

Unit Code: TBA

MQC Level: 5

Guided Learning Hours: 40

Contact hours: 25

Self- Study: 15

Awarding Body

KPMG Learning provides a broad range of accounting and finance CPE education programs. As one of the leading training sources for today's business professional, KPMG Learning provides training in different formats to suit the particular needs of its client base and of the financial community, including Executive Education public seminars, customized on-site instructor-led classes, web-based self-study programs and live topical webcasts. KPMG Learning also offers a suite of training-related services including building learning strategies, curriculum design and providing general learning management system capabilities

Unit Introduction:

Any business, whatever the industry and size, needs to take risks as part of their day-to-day activities. However, risks have to be managed as otherwise these could translate into disruption of our operations, financial losses, fines or suspension of trading, if business is regulated and found in breach of regulations, and in extreme cases bankruptcy. The objective of this unit is to provide all the knowledge and practical tools in order to manage the typical risks that arise in any firm.

This unit will teach participants how to manage risks from a holistic point of view, i.e. from risk identification to risk assessment and risk evaluation and finish by deciding on best risk management course of action. This unit will also teach participants how to use a number of tools which can facilitate the risk management process as described above. The emphasis of this unit is to help participants apply all these tools in the context of their firm by making use of cases and typical situations encountered on a day-to-day basis so as to develop a risk culture.

Learning Outcomes:

After completing this unit a participant should be able to:

- Understand the importance of having a risk management system within a firm
- Identify and understand the different types of risk arising in a typical business
- Explain, understand and apply the various steps involved in the risk management process
- Classify and prioritise risks in terms of a number of dimensions (probability of occurrence and potential consequences) in different business environments
- Communicate a risk management plan to regulators, senior managers and junior staff
- Implement a risk management plan
- Evaluate the effectiveness of a risk management plan
- Revise and adapt a risk management plan to take into account of a changing environment/ regulation
- Learn from other organisations risk management problems

Unit Content:

- **An introduction to risk Management**
 - Definition of risk management
 - Why do we need risk management?
 - What is risk management?
 - What are the risks that apply to our business?
 - Importance of having a risk management culture
 - Risks are dynamic: how to cope with ongoing changes in risks
- **Different Types of Risk**
 - Financial Risk
 - Operational Risk
 - Technological Risk
 - Economic Risk
 - Environmental Risk
 - Legal Risk
 - Political Risk
 - Market Risk
 - Social Risk

- **The risk management process**

- Analyse the Business.
- Risk Identification and risk mapping
- Risk Assessment
- Risk Evaluation
- Risk Planning
- Risk Management implementation
- Risk Management Communication
- Collecting feedback on implementation and amending risk management implementation

1. Tools used in Risk Management

- PESTEL Analysis
- SWOT Analysis
- Variance Analysis
- Sensitivity Analysis
- Probability Analysis
- Scenario Analysis
- Other Statistical and quantitative tools

2. Practicing applying risk management

Assessment Method:

This unit will be assessed through one home assignment including an in-class presentation (75%) and a final Time-Constrained Assignment of 1.5 hrs in duration (25%)

Candidates need to pass all components in order to obtain unit certification.

Recommended Textbooks and/or Websites (not exhaustive):

- Strategic Risk Taking: A framework for Risk Management by Aswath Damodaran
- Sample Tools and Techniques for Enterprise Risk Management by Robert J Chapman

Additional reading and cases studies as well as practical exercises will be used in class as part of learning by doing

Special Requirements:

Prospective students are expected to have a good level of English and some experience working in any business preferably with some administrative role/background (but the latter is not essential).