ACST4060
Enterprise Risk Management 1

Course Description
This course aims to develop expertise in several aspects of Enterprise Risk Management including a thorough understanding of:

- the concept of ERM
- the drivers behind ERM - governance, regulation, improvements in understanding of risk and techniques for measuring and managing risk, enterprise value protection and creation
- practical aspects of ERM, including all elements of a robust risk management framework (people, systems, processes) and its operation, and critical success factors
- standards and good practice in use around the world
- the different types of risk - financial (including liquidity, credit, equity market, interest rate), insurance (including catastrophe, mortality, product options), operational, and strategic
- the quantification of risk, including tools and techniques and supporting mathematics with particularly strong skills in the financial aspects of risk management.

<table>
<thead>
<tr>
<th>Mode of Delivery</th>
<th>On campus, blended</th>
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</thead>
<tbody>
<tr>
<td>Prerequisites</td>
<td>As listed in Programs and Courses</td>
</tr>
<tr>
<td>Incompatible Courses</td>
<td>As listed in Programs and Courses</td>
</tr>
<tr>
<td>Course Convener and Lecturer</td>
<td>Bridget Browne</td>
</tr>
<tr>
<td>Phone:</td>
<td>X 57373</td>
</tr>
<tr>
<td>Email:</td>
<td><a href="mailto:bridget.browne@anu.edu.au">bridget.browne@anu.edu.au</a></td>
</tr>
<tr>
<td>Office hours for student consultation:</td>
<td>Tues and Fri 8-9am or email for appointment</td>
</tr>
<tr>
<td>Research Interests</td>
<td>Mortality, longevity, long term care and enterprise risk management</td>
</tr>
<tr>
<td>Student Administrator</td>
<td>Maria Lander</td>
</tr>
<tr>
<td>Email:</td>
<td><a href="mailto:maria.lander@anu.edu.au">maria.lander@anu.edu.au</a></td>
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</tbody>
</table>

SEMESTER 1
2016

http://programsandcourses.anu.edu.au/course/ACST4060
COURSE OVERVIEW

Learning Outcomes

Upon successful completion of the requirements for this course, students will be able to:

- Demonstrate an understanding of risk management frameworks for financial organisations and in different regulatory environments.
- Demonstrate an understanding of the relevance of ERM to stakeholders.
- Describe and show an understanding of different risk categories.
- Recommend methods to manage an organisation’s risk, including risk optimisation, and management of market risk, credit risk, operational and other risks.
- Demonstrate an understanding of economic capital and capital allocation.

Assessment Summary

<table>
<thead>
<tr>
<th>Assessment Task</th>
<th>Value</th>
<th>Due Date</th>
<th>Date for Return of Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Class presentation</td>
<td>10%</td>
<td>Weeks 4-11</td>
<td>Week 13</td>
</tr>
<tr>
<td>2. Mid-semester exam</td>
<td>15%</td>
<td>TBC</td>
<td>TBC</td>
</tr>
<tr>
<td>3. Assignment</td>
<td>15%</td>
<td>Week 11</td>
<td>Prior to Final Exam</td>
</tr>
<tr>
<td>4. Final exam</td>
<td>60%</td>
<td>TBC</td>
<td>30 June</td>
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</table>

Research-Led Teaching

The lecturer has many years of professional practice and active research experience. The course will address current issues of interest and current approaches to actuarial practice in enterprise risk management.

Feedback

Staff Feedback

Students will be given feedback in the following forms in this course:

- Written comments
- Feedback to the whole class, to groups and to individuals

Student Feedback

ANU is committed to the demonstration of educational excellence and regularly seeks feedback from students. One of the key formal ways students have to provide feedback is through Student Experience of Learning Support (SELS) surveys. The feedback given in these surveys is anonymous and provides the Colleges, University Education Committee and Academic Board with opportunities to recognise excellent teaching, and opportunities for improvement.

For more information on student surveys at ANU and reports on the feedback provided on ANU courses, go to:

http://unistats.anu.edu.au/surveys/selt/students/ and
http://unistats.anu.edu.au/surveys/selt/results/learning/

Policies

ANU has educational policies, procedures and guidelines, which are designed to ensure that staff and students are aware of the University’s academic standards, and implement them. You can find the University’s education policies and an explanatory glossary at:

http://policies.anu.edu.au/
Students are expected to have read the **Academic Misconduct Rules 2014** before the commencement of their course.

**Other key policies include:**
- Student Assessment (Coursework)
- Student Surveys and Evaluations

**Required Resources**

**Additional course costs**
There are no additional course costs

**Examination material or equipment**
The following material is permitted in the examination room:
- Non-programmable calculator,
- paper dictionary (without annotation) and
- 1 A4 page with notes on both sides.

**INDICATIVE COURSE SCHEDULE**

<table>
<thead>
<tr>
<th>Week</th>
<th>Summary of Topics</th>
<th>Reading and activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Introduction to ERM</td>
<td>ActEd ST9 Course Notes Modules 1, 2, 3 and 33</td>
</tr>
<tr>
<td>2</td>
<td>ERM Frameworks - internal</td>
<td>ActEd ST9 Course Notes Module 4</td>
</tr>
<tr>
<td>3</td>
<td>ERM Processes and structures; Risk Policy</td>
<td>ActEd ST9 Course Notes Modules 8 and 9</td>
</tr>
<tr>
<td>4</td>
<td>Monitoring and communication of risk; Stakeholders</td>
<td>ActEd ST9 Course Notes Modules 10 and 11</td>
</tr>
<tr>
<td>5</td>
<td>Business analysis, risk identification and initial assessment</td>
<td>ActEd ST9 Course Notes Module 13</td>
</tr>
<tr>
<td>6</td>
<td>Governance/assurance, role of CRO</td>
<td>ActEd ST9 Course Notes Module 12</td>
</tr>
<tr>
<td>7</td>
<td>ERM Frameworks - external</td>
<td>ActEd ST9 Course Notes Modules 5, 6 and 7</td>
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<tr>
<td></td>
<td>Mid-semester break</td>
<td></td>
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<tr>
<td>8</td>
<td>Risk optimisation and risk responses</td>
<td>ActEd ST9 Course Notes Module 26</td>
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<tr>
<td>9</td>
<td>Management of market risks</td>
<td>ActEd ST9 Course Notes Module 27</td>
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<tr>
<td>10</td>
<td>Management of credit risks</td>
<td>ActEd ST9 Course Notes Module 28</td>
</tr>
<tr>
<td>11</td>
<td>Management of operational and other risks</td>
<td>ActEd ST9 Course Notes Module 29</td>
</tr>
<tr>
<td>12</td>
<td>Capital Management</td>
<td>ActEd ST9 Course Notes Module 30</td>
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<tr>
<td>13</td>
<td>Course Review</td>
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</tr>
<tr>
<td></td>
<td>Examination period</td>
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ASSESSMENT REQUIREMENTS

The ANU is using Turnitin to enhance student citation and referencing techniques, and to assess assignment submissions as a component of the University’s approach to managing Academic Integrity. For additional information regarding Turnitin please visit the ANU Online website.

Students may choose not to submit assessment items through Turnitin. In this instance you will be required to submit, alongside the assessment item itself, copies of all references included in the assessment item.

Assessment Tasks

Assessment Task 1: In class presentation

Details of task:
Each week (likely commencing in Week 4) a small group of students will be required to present an assigned topic related to ERM. This should consist of a presentation of maximum 30 minutes.

The presentation should be oral, with written support (usually MS PowerPoint). The written support will be provided to the lecturer for posting on Wattle.

Students will be assigned to groups and topics after semester starts. Students should work together in a way of their choosing. Each student will receive an individual mark, based on their performance in the oral and written presentations.

Students must advise the lecturer as soon as possible if they cannot participate in the week to which they have been assigned. They will then be assigned to another week if possible, or assigned another equivalent task, or given a grade of “no participation” at the discretion of the lecturer.

Assessment Rubric

The marks will be assigned as follows:

<table>
<thead>
<tr>
<th>Mark assigned</th>
<th>Requirements for this mark</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 out of 20</td>
<td>No participation</td>
</tr>
<tr>
<td>5 out of 20</td>
<td>Presentation is incomplete or demonstrates lack of understanding without attempts to clarify</td>
</tr>
<tr>
<td>10 out of 20</td>
<td>Presentation is somewhat incomplete or occasionally demonstrates lack of understanding without attempts to clarify</td>
</tr>
<tr>
<td>15 out of 20</td>
<td>Competent presentation</td>
</tr>
<tr>
<td>20 out of 20</td>
<td>Excellent summary of issue and presentation, student goes beyond material provided and enriches with additional activities</td>
</tr>
</tbody>
</table>

Marks for this task will be uploaded to the Wattle gradebook feature for the course.

Assessment Task 3: Assignment

Details of task:

Aim of the assignment:

- Meaningfully discuss with an expert/practitioner the theory & concepts of a particular topic in ERM arising from the Learning Outcomes of the course.
• Describe a current practice related to the topic and identify the challenges to practical application and solutions.
• Explore the topic from the perspectives provided by the expert/practitioner and the course concepts and theories and critically reflect on differences between theoretical and practical forms.
• Increase your networks with ERM professionals and understanding of the practice environment.

Assignment details:

1. Choose a particular topic from this course for which you are interested in aspects of its practical application.

You will be assigned a partner for the assignment and a person to interview, together with your partner. Prepare for this interview by searching for available public information regarding the person you will be speaking to - their employment history, publications or presentations. Prepare your questions accordingly - they may be more general or more specific - but also be ready to adapt as the interview takes place.

1. Arrange the interview time and medium. Interview can be via phone, email, Skype or indeed in person. Interview should be verifiable. Interview should not last more than 30 minutes, unless the person agrees to continue. If you wish to record the interview, instead of relying on notes alone, you must have the explicit agreement of the subject (and this must be recorded so it can be verified).
2. Interview the person on your chosen topic, focussing on the aspects you are particularly interested in or the parts of their work that are related to ERM, making sure to cover the practical application of the theory and concepts covered in the course work. Interview can be via phone, email, Skype or indeed in person. Interview should be verifiable. Interview should not last more than 30 minutes, unless the person agrees to continue.
3. At the end of the interview remember to:
   1. thank the person for their time
   2. remind them that none of the interview, the assignment you prepare or their name will be published as part of this assignment
4. Each student must individually write up/present the interview as described in the assessment rubric.

Assessment Rubric

Word/time limit:
If submitted in Word/pdf: 3 000
If submitted in video/audio format: 20 minutes
OR any combination of the above at a rate of 150 words per minute.

The assignment must address these three elements (value shown in brackets):

• Brief description of chosen topic and reason(s) for choosing (15%)
• Record of the interview (effectively your transcript of the content), which can be edited for relevance, clarity etc (20%)
• Your reflection on what you have learned (expected or unexpected, what surprised you the most...), and what improvements you could suggest to either
the clarity of the theory and concepts or the application of the concept in practice. You must explicitly connect the content of the interview to relevant elements of the coursework for your chosen topic. (65%)
Include at the end of your required reports a bibliography that lists only those references that have been cited in the body of your report. The bibliography does not count towards any word limit. References in the bibliography should conform to the following styles:


Websites can be referenced as follows (note that the date that you accessed the website should be included as the contents of websites can change):


**Reading Lists**

Prescribed texts and readings are as follows:

- Actuarial Education Company (ActEd) *ST9 Course Notes*

These can be purchased from the course website.

All other reading material will be available via Wattle.

**Actuaries Institute Exemption**

The standard for exemption from the Actuaries Institute Part III – Module 1 - Course C7A Enterprise Risk Management is achievement of a weighted average mark of 75 per cent or better over the combination of the two units ACST4060 and ACST4061, with a minimum requirement of 65 per cent in each unit. Each course counts 50% towards this exemption.

**Scaling**

Your final mark for the course will be based on the raw marks allocated for each of your assessment items. However, your final mark may not be the same number as produced by that formula, as marks may be scaled. Any scaling applied will preserve the rank order of raw marks (i.e. if your raw mark exceeds that of another student, then your scaled mark will exceed the scaled mark of that student), and may be either up or down.

**SUPPORT FOR STUDENTS**

The University offers a number of support services for students. Information on these is available online from http://students.anu.edu.au/studentlife/