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, online, off-campus fieldwork</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prerequisites</td>
<td>As listed in Programs and Courses</td>
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<tr>
<td>Incompatible Courses</td>
<td>As listed in Programs and Courses</td>
</tr>
<tr>
<td>Co-taught Courses</td>
<td>ACST4060</td>
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<tr>
<td>Course Convener:</td>
<td>Gaurav Khemka</td>
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<td>Phone:</td>
<td>6125 4642</td>
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<td>Email:</td>
<td><a href="mailto:Gaurav.khemka@anu.edu.au">Gaurav.khemka@anu.edu.au</a></td>
</tr>
<tr>
<td>Office hours for student consultation:</td>
<td>See Wattle or email for appointment</td>
</tr>
<tr>
<td>Research Interests</td>
<td>Please see <a href="https://www.cbe.anu.edu.au/about/staff-directory/?profile=Gaurav-Khemka">https://www.cbe.anu.edu.au/about/staff-directory/?profile=Gaurav-Khemka</a></td>
</tr>
<tr>
<td>Relevant 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>
</tr>
<tr>
<td>Tutor(s)</td>
<td>Yunxi (lucy) Hu</td>
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<tr>
<td></td>
<td><a href="mailto:Yunxi.hu@anu.edu.au">Yunxi.hu@anu.edu.au</a></td>
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</tbody>
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SEMESTER 1
2018
http://programsandcourses.anu.edu.au/course/ACST8060
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. Weekly Online Quizzes</td>
<td>5%</td>
<td>End of each week starting week 2</td>
<td>NA</td>
</tr>
<tr>
<td>2. Mid-Semester Exam</td>
<td>25%</td>
<td>Specific date to be advised (likely to be Week 6 or 7)</td>
<td>TBA</td>
</tr>
<tr>
<td>3. Assignment</td>
<td>15%</td>
<td>4pm on Thursday 17.05.2018</td>
<td>Prior to Final Exam</td>
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<tr>
<td>4. Final Exam</td>
<td>55%</td>
<td>Specific date to be advised.</td>
<td>NA</td>
</tr>
</tbody>
</table>

Research-Led Teaching

Gaurav has many years of professional practice and active research. He also has the relevant background in the field of enterprise risk management. 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:

- Following the mid-semester examination, feedback will be given to the whole class about the general performance on the exam.
- Students will have an opportunity to look over their script-book following both the mid-semester and final examinations.
- Students will have the opportunity to speak with the lecturer and seek comments from the lecturer about their performance in the assignments.

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 Rule before the commencement of their course.

Other key policies include:

- Student Assessment (Coursework)
- Student Surveys and Evaluations

Required Resources

It is strongly advised that students undertaking this course have access to the following texts:

- Actuarial Education Company (ActEd) ST9 Course Notes 2018

These can be purchased from the course website.

All other reading material will be available via Wattle.

Examination material or equipment

The following material is permitted in the examination room:

- Non-programmable calculator,
- paper dictionary (without annotation),
- 1 A4 page with notes on both sides, and
- Formulae and Tables for Actuarial Examinations (Yellow Book).
<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 &amp; 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>
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<tr>
<td></td>
<td>Mid-semester break</td>
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<tr>
<td>7</td>
<td>ERM Frameworks - external</td>
<td>ActEd ST9 Course Notes Modules 5, 6 and 7</td>
</tr>
<tr>
<td>8</td>
<td>Risk optimisation and risk responses</td>
<td>ActEd ST9 Course Notes Module 26</td>
</tr>
<tr>
<td>9</td>
<td>Management of market and credit risks</td>
<td>ActEd ST9 Course Notes Module 27 and 28</td>
</tr>
<tr>
<td>10</td>
<td>Management of operational and other risks</td>
<td>ActEd ST9 Course Notes Module 29</td>
</tr>
<tr>
<td>11</td>
<td>Capital Management</td>
<td>ActEd ST9 Course Notes Module 30</td>
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<tr>
<td>12</td>
<td>Course Review</td>
<td>ActEd ST9 Course Notes Modules 31 and 32</td>
</tr>
<tr>
<td></td>
<td>Examination period</td>
<td></td>
</tr>
</tbody>
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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.

As a further academic integrity control, students may be selected for a 15 minute individual oral examination of their written assessment submissions.

Any student identified, either during the current semester or in retrospect, as having used ghost writing services will be investigated under the University’s Academic Misconduct Rule.

Assessment Tasks

Assessment Task 1: Weekly Online Quizzes

Details of task: Each week (starting week 2), online quizzes will be available covering material from the previous week. You will be required to answer a random selection of 5 questions. There will be 11 such quizzes. Best 10 scores will be counted towards the final grade. You will need to complete a minimum of 10 quizzes for the grade to be counted.

Value: 5%
Hurdle Assessment requirements: Minimum 10 completed
Date: The quizzes will open on 00:00 hrs Monday of the corresponding week and close on Sunday 23:59 of that week.

Assessment Task 2: Mid-Semester Exam

Details of task:
The mid-semester exam will be 90 minutes in length, plus 15 minutes of reading time. Please note that the mid-semester exam is compulsory and non-redeemable. The mid-semester exam will cover material from up to and including the week before the exam.

Value: 25%
Date: The Mid-Semester Exam will be scheduled for Week 6 or Week 7, however, this date may change depending on room availability. Further details relating to the exam will be provided closer to the scheduled date.

Assessment Task 3: Assignment

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/s for the assignment and a person to interview, together with your partner/s. 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.
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: 3000
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%)

Value: 15%

Due Date: 4pm on Thursday 17.05.2018
Assessment Task 4: Final Exam

Details of task: The Final Exam will be 3 hours plus an additional 15 minutes as reading time. The Final Exam is compulsory. Further details relating to the Exam will be provided closer to the scheduled date.

Value: 55%
Date: To be advised

Examination(s)

The course includes formal examination through a mid-semester and final examination as described above.

Assignment submission

Online Submission: Assignments are submitted using Turnitin in the course Wattle site. You will be required to electronically sign a declaration as part of the submission of your assignment. Please keep a copy of the assignment for your records.

Extensions and penalties

Extensions and late submission of assessment pieces are covered by the Student Assessment (Coursework) Policy and Procedure. The Course Convener may grant extensions for assessment pieces that are not examinations or take-home examinations. If you need an extension, you must request it in writing on or before the due date. If you have documented and appropriate medical evidence that demonstrates you were not able to request an extension on or before the due date, you may be able to request it after the due date.

No submission of assessment tasks without an extension after the due date will be permitted. If an assessment task is not submitted by the due date, a mark of 0 will be awarded.

Returning assignments

Marked assessments will be returned as soon as they are marked, at the next available lecture time, or you will be able to collect them from the course convenor.

Resubmission of assignments

There is no possibility of resubmitting assignments.

Referencing requirements

All material used should be referenced in your assignments. References in the body of the report should conform to the styles:

Jones (2008) models the ...

(see, Jones, 2008; Smith, 2005; and Foster, 1997).

For multiple authors of a reference state the first authors name and use et al. (short for the latin expression et alii which means ‘and others’). e.g., (Roberts et al., 2007)

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):


**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 ACST8060 and ACST8061, 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.

**Privacy Notice**

The ANU has made a number of third party, online, databases available for students to use. Use of each online database is conditional on student end users first agreeing to the database licensor’s terms of service and/or privacy policy. Students should read these carefully.

In some cases student end users will be required to register an account with the database licensor and submit personal information, including their: first name; last name; ANU email address; and other information.

In cases where student end users are asked to submit ‘content’ to a database, such as an assignment or short answers, the database licensor may only use the student’s ‘content’ in accordance with the terms of service – including any (copyright) licence the student grants to the database licensor.

Any personal information or content a student submits may be stored by the licensor, potentially offshore, and will be used to process the database service in accordance with the licensors terms of service and/or privacy policy.

If any student chooses not to agree to the database licensor’s terms of service or privacy policy, the student will not be able to access and use the database. In these circumstances students should contact their lecturer to enquire about alternative arrangements that are available.

**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/