



Level 7 Diploma in Risk Management

Qualification Specification

February 2023

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About QUALIFI

QUALIFI is recognised and regulated by Ofqual (Office of Qualifications and Examinations Regulator). Our Ofqual reference number is RN5160. Ofqual regulates qualifications, examinations, and assessments in England.

As an Ofqual recognised Awarding Organisation, QUALIFI is required to carry out external quality assurance to ensure that centres approved for the delivery and assessment of QUALIFI's qualifications meet the required standards.

Why Choose QUALIFI Qualifications?

QUALIFI qualifications aim to support learners to develop the necessary knowledge, skills and understanding to support their professional development within their chosen career and or to provide opportunities for progression to further study.

Our qualifications provide opportunities for learners to:

- apply analytical and evaluative thinking skills;
- develop and encourage problem solving and creativity to tackle problems and challenges;
- exercise judgement and take responsibility for decisions and actions;
- develop the ability to recognise and reflect on personal learning and improve their personal, social and other transferable skills.

Employer Support for the Qualification Development

During the development of this qualification QUALIFI consults a range of employers, providers and existing centres, where applicable, to ensure rigour, validity, and demand for the qualification and to ensure that the development considers the potential learner audience for the qualification and assessment methods.

Equality and Diversity

QUALIFI's qualifications are developed to be accessible to all learners who are capable of attaining the required standard. QUALIFI promotes equality and diversity across aspects of the qualification process and centres are required to implement the same standards of equal opportunities and ensure teaching and learning are free from any barriers that may restrict access and progression.

Learners with any specific learning need should discuss this in the first instance with their approved centre who will refer to QUALIFI's Reasonable Adjustment and Special Consideration Policy.

Qualification Title and Accreditation Number

This qualification has been accredited to the Regulated Qualification Framework (RQF) and has its own unique Qualification Accreditation Number (QAN). This number will appear on the learner's final certification document. Each unit with the qualification has its own RQF code. The QAN for this qualification is as follows:

QUALIFI Level 7 Diploma in Risk Management 610/2175/1

Qualification Aims and Learning Outcomes

Aims of the QUALIFI Level 7 Diploma in Risk Management

The aim of the QUALIFI Level 7 Diploma in Risk Management is to provide learners to:

1. Assess the focal points of ISO standard 'harmonisation' programmes.
2. Evaluate the tools which can be used to review organisational strategy and risk plans.
3. Review the position of an organisation in its current market using appropriate tools
4. Assess contemporary issues that contribute to CSR risk management systems.
5. Explain how leadership and management styles should change to meet the needs of different risk situations found in organisations.
6. Evaluate a range of risk financing options available for an organisation.
7. Prepare a risk management plan by an environmental screening to help mitigate potential risks.
8. Assess the Standardised approach for credit risk as per Basel III recommendations.
9. Explain and apply the mathematical models of VaR, CVaR and EVaR
10. Develop and design a Research Proposal on a chosen risk management related

Successful completion of the QUALIFI Level 7 Diploma in Risk Management provides learners with the opportunity to progress to further study or employment.

Learning Outcomes of the QUALIFI Level 7 Diploma in Risk Management

The overall learning outcomes of the qualification are for learners to:

1. Understand the principles and formation of agreements.
2. Understand aims and general principles of risk management.
3. Understand the sources of risk management.
4. Understand what strategy risk is and the different types of strategy risk.
5. Understand the significance of corporate governance in organisations
6. Understand how to construct research methods in the context of risk management.

The learning outcomes and assessment criteria for each unit are outlined in the unit specifications.

Delivering the Qualification

External Quality Assurance Arrangements

All centres are required to complete an approval process to be recognised as an approved centre. Centres must have the ability to support learners. Centres must commit to working with QUALIFI and its team of External Quality Assurers (EQAs). Approved centres are required to have in place qualified and experienced tutors, all tutors are required to undertake regular continued professional development (CPD).

Approved centres will be monitored by QUALIFI External Quality Assurers (EQAs) to ensure compliance with QUALIFI requirements and to ensure that learners are provided with appropriate learning opportunities, guidance and formative assessment.

QUALIFI's guidance relating to invigilation, preventing plagiarism and collusion will apply to centres.

QUALIFI, unless otherwise agreed:

- sets all assessments;
- moderates assessments prior to certification;
- awards the final mark and issues certificates.

Learner Induction and Registration

Approved centres should ensure all learners receive a full induction to their study programme and the requirements of the qualification and its assessment.

All learners should expect to be issued with the course handbook, a timetable and meet their personal tutor and fellow learners. Centres should assess learners carefully to ensure that they are able to meet the requirements qualification and that, if applicable, appropriate pathways or optional units are selected to meet learners' progression requirements.

Centres should check the qualification structures and unit combinations carefully when advising learners. Centres will need to ensure that learners have access to a full range of information, advice and guidance to support them in making the necessary qualification and unit choices. During recruitment, approved centres need to provide learners with accurate information on the title and focus of the qualification for which they are studying.

All learners must be registered with QUALIFI within the deadlines outlined in the QUALIFI Registration, Results and Certification Policy and Procedure.

Entry Criteria

Approved centres are responsible for reviewing and making decisions as to applicants' ability to complete the learning programme successfully and meet the demands of the qualification. The initial assessment by the centre will need to consider the support that is readily available or can be made available to meet individual learner needs as appropriate.

The qualification has been designed to be accessible without artificial barriers that restrict access. For this qualification, applicants must be aged 19 or over.

In the case of applicants whose first language is not English, then IELTS 6 (or equivalent) is required. International qualifications will be checked for appropriate enrolment to UK higher education postgraduate programmes where applicable. Applicants are normally required to produce two supporting references, at least one of which should preferably be academic.

Recognition of Prior Learning

Recognition of Prior Learning (RPL) is a method of assessment (leading to the award of credit) that considers whether learners can demonstrate that they can meet the assessment requirements for a unit through knowledge, understanding or skills they already possess and so do not need to develop through a course of learning.

QUALIFI encourages centres to recognise learners' previous achievements and experiences whether at work, home or at leisure, as well as in the classroom. RPL provides a route for the recognition of the achievements resulting from continuous learning. RPL enables recognition of achievement from a range of activities using any valid assessment methodology. Provided that the assessment requirements of a given unit or qualification have been met, the use of RPL is acceptable for accrediting a unit, units, or a whole qualification.

Evidence of learning must be valid and reliable. For full guidance on RPL, please refer to QUALIFI's *Recognition of Prior Learning Policy*.

Data Protection

All personal information obtained from learners and other sources in connection with studies will be held securely and will be used during the course and after they leave the course for a variety of purposes and may be made available to our regulators. These should be all explained during the enrolment process at the commencement of learner studies. If learners or centres would like a more detailed explanation of the partner and QUALIFI policies on the use and disclosure of personal information, please contact QUALIFI via email support@QUALIFI-international.com

Learner Voice

Learners can play an important part in improving the quality through the feedback they give. In addition to the on-going discussion with the course team throughout the year, centres will have a range of mechanisms for learners to feed back about their experience of teaching and learning.

Professional Development and Training for Centres

QUALIFI supports its approved centres with training related to our qualifications. This support is available through a choice of training options offered through publications or through customised training at your centre.

The support we offer focuses on a range of issues including:

- planning for the delivery of a new programme.
- planning for assessment and grading.
- developing effective assignments.
- building your team and teamwork skills.
- developing learner-centred learning and teaching approaches.
- building in effective and efficient quality assurance systems.

Please contact us for further information.

Progression and Links to other QUALIFI Programmes

Completing the **QUALIFI Level 7 Diploma in Risk Management** will enable learners to progress to:

- QUALIFI Level 8 Diploma Strategic Management.
- University for top up to a Masters.
- Employment in an associated profession.

Qualification Structure and Requirements

Credits and Total Qualification Time (TQT)

The QUALIFI Level 7 Diploma in Risk Management is made up of 120 credits which equates to 1200 hours of TQT.

Total Qualification Time (TQT): is an estimate of the total amount of time that could reasonably be expected to be required for a learner to achieve and demonstrate the achievement of the level of attainment necessary for the award of a qualification.

Examples of activities that can contribute to Total Qualification Time include guided learning, independent and unsupervised research/learning, unsupervised compilation of a portfolio of work experience, unsupervised e-learning, unsupervised e-assessment, unsupervised coursework, watching a prerecorded podcast or webinar, unsupervised work-based learning.

Guided Learning Hours (GLH): are defined as the time when a tutor is present to give specific guidance towards the learning aim being studied on a programme. This definition includes lectures, tutorials, and supervised study in, for example, open learning centres and learning workshops, live webinars, telephone tutorials or other forms of e-learning supervised by a tutor

in real time. Guided learning includes any supervised assessment activity; this includes invigilated examination and observed assessment and observed work-based practice.

Rules of Combination for QUALIFI Level 7 Diploma in Risk Management

All units are mandatory.

Unit Reference	Mandatory Units	Level	TQT	Credit	GLH
L/650/5656	Principles of Risk Management	7	200	20	100
M/650/5657	Strategic Risk Management	7	200	20	100
R/650/5658	Responsible Leadership and Governance	7	200	20	100
T/650/5659	Organisational and Environmental Risk	7	200	20	100
D/650/5660	Risk Analysis and Modelling	7	200	20	100
F/650/5661	Advanced Research Methods in Risk Management	7	200	20	100
Total			1200	120	600

Achievement Requirements

Learners must demonstrate they have met all assessment criteria for all units to achieve this qualification. QUALIFI will issue certificates to all successful learners via their registered centres.

Awarding Classification/Grading

This qualification grading is **Pass/Fail**.

All units will be assessed internally through written assignment, marked internally by the QUALIFI approved centre and subject to external quality assurance by QUALIFI.

Assessment Strategy and Methods

QUALIFI will provide learners assessments for each unit of this qualification. These tasks will address all learning outcomes and related assessment criteria, all of which must be demonstrated/passed in order to achieve the qualification. To achieve a 'pass' for each of the units, learners must provide evidence to demonstrate that they have fulfilled all the learning outcomes and meet the standards specified by all assessment criteria.

The assessment tasks will require learners to draw on real organisational information or case studies to illustrate their answers. To support this activity during the programme of learning, centres are required to make sure that they include case studies of relevant organisations and, wherever possible, encourage learners to draw on work-place opportunities to undertake research and investigation to support their learning.

Learner assessments will be internally marked by the approved centre and will be subject to external moderation by QUALIFI prior to certification.

Qualifi will provide a combination of assessment that covers the learning outcomes and assessment criteria. These may be:

1: Formative Assessment

Formative assessment is an integral part of the assessment process, involving both the tutor/assessor and the learner about their progress during the course of study. Formative assessment takes place prior to summative assessment and focuses on helping learners to reflect on their learning and improve their performance and does not confirm achievement of grades at this stage.

The main function of formative assessment is to provide feedback to enable learners to make improvements to their work. This feedback should be prompt so that it has meaning and context for learners and time must be given following the feedback for actions to be complete. Feedback on formative assessment must be constructive and provide clear guidance and actions for improvement. All records should be available for auditing purposes as we may choose to check records of formative assessment as part of our on-going quality assurance. Formative assessments will not contribute to the overall mark of the units.

2: Summative Assessment

Summative assessment is used to evaluate learner competence and progression at the end of a unit or component. Summative assessment should take place when the assessor deems that the learner is at a stage where competence can be demonstrated.

Learners should be made aware that summative assessment outcomes are subject to confirmation by the Internal Verifier and External Quality Assurer (EQA) and thus is provisional and can be overridden. Assessors should annotate on the learner work where the evidence supports their decisions against the assessment criteria. Learners will need to be familiar with the assessment and grading criteria so that they can understand the quality of what is required.

Formative Assessment	Summative Assessment
used during the learning process	used at the end of the learning process
provides feedback on learning-in-process	evaluates achievement against learning outcomes and assessment criteria
dialogue-based, ungraded	graded pass / refer

Evidence of both formative and summative assessment **MUST** be made available at the time of external quality assurance – EQA.

Unit Specifications

Unit DRM701: Principles of Risk Management

Unit code: L/650/5656

RQF Level: 7

Unit Aim

The aim of this unit is to develop learners' understanding of legislative frameworks that contributed to design on risk assessment plans in organisations and learn the basics of ISO standards. ISO is a universally recognised international standard that provides principles and guidelines on risk management. These standards provide principles, a framework, and a process for managing risk that can be used by any organisation. The learners will become aware of the principles of the ISO standards.

Learning Outcomes and Assessment Criteria

Learning Outcomes	Assessment Criteria
When awarded credit for this unit a learner will:	Assessment of this learning outcome will require a learner to demonstrate that they can:
1 Understand the principles of risk management.	1.1 Define risk in the context of an organisation.
	1.2 Explain risk management in the context of an organisation.
	1.3 Evaluate the risk management process in three stages in an organisational context
	1.4 Evaluate the significance of effective risk management.
	1.5 Evaluate the effectiveness of risk management strategies.
2 Understand legislative frameworks that influence risk management decision-making in an organisation.	2.1 Analyse the legislative factors that influence risk assessment considerations for health and safety.
	2.2 Evaluate the impact of relevant legislation, legal factors and regulatory bodies on health and safety in an organisation.

	2.3 Assess the role and importance of the legislative framework on risk management in an organisation.
3. Understand the extent and implications of risk management standards.	3.1 Assess the scope of relevant ISO standards in an organisation.
	3.2 Analyse the focal points of ISO Standards harmonisation programmes and their impact on an organisation.
	3.3 Analyse the application of ISO standards in managing risks in an organisation.

Indicative content

- Identification, evaluation, and prioritisation of risks
- Stages: Risk Identification, Risk Assessment, Risk Planning
- Methods: Avoidance, Retention, Sharing risk, Transferring risk, Loss prevention and reduction.
- Relevant legislature relating to own country E.G. in the UK the legislative factors include but are not limited to the following: Control of Substances Hazardous to Health (COSHH, 2002), Health and Safety (First Aid) Regulations (1981), Health and Safety at Work Act (1974), additions to the (1974) Health and Safety at Work Act (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR), Management of Health and Safety at Work Act (Amendment) Regulations (1994), Management of Health and Safety Regulations (1999), Manual Handling Operations Regulations (1992).
- Other regulatory bodies, E.G. local authorities, local educational authorities, police.
- Framework example: ISO31000:2018-Riskmanagement- Guidelines, ISO/TR31004:2013- Riskmanagement - Guidance for the implementation of ISO 31000, IEC31010:2019- Riskmanagement- Risk assessment techniques, ISO31022:2020-Riskmanagement- Guidelines for the management of legal risk, IWA31:2020-Riskmanagement- Guidelines on using ISO 31000 in management systems.
- Focus: Transferring accountability in enterprise risk management, Aligning objectives of the governance frameworks with ISO 31000, Embedding management system reporting mechanisms, Creating uniform risk criteria and evaluation metrics.

Suggested Resources

- Hopkin, P. (2018). *Fundamentals of risk management: understanding, evaluating and implementing effective risk management*. London, United Kingdom; New York, Ny: Kogan Page Limited.
- Roberts, A., Wallace, W., McClure, N. and Heriot-Watt University. Business School (2003). *Strategic risk management*. Harlow: Pearson Education.
- Godfrey, P.C., Lauria, E., Bugalia, J. and Narvaez, K. (2020). *Strategic risk management : new tools for competitive advantage in an uncertain age*. Oakland, Ca: Berrett-Koehler Publishers, Inc.

Unit DRM702: Strategic Risk Management

Unit code: M/650/5657

RQF level: 7

Unit Aim

This unit aims to introduce learners to the critical examination of strategic in relation to the setting and continuous improvement of performance standards; the establishment and maintenance of an effective system of risk management; all aspects of risk management are considered including, but not limited to, health and safety, environmental and security; planning and alignment of risk objectives with other corporate strategy.

Learning Outcomes, and Assessment Criteria

Learning Outcomes	Assessment Criteria
When awarded credit for this unit, a learner will:	Assessment of this learning outcome will require a learner to demonstrate that they can:
1. Understand the nature of strategy risk and the different types of strategy risk.	1.1 Define strategy risk in an organisational context.
	1.2 Evaluate an organisation's primary strategy risks.
	1.3 Evaluate the impact of strategy risks on a business.
2. Understand how to review an organisation's strategy and risk plans.	2.1 Explain the significance of reviews of the development of an organisation's strategy and risk plans.
	2.2 Evaluate the methods that can be used to review an organisation's strategy and risk plans and their suitability.
	2.3 Analyse the competitive strengths and weaknesses of an organisation's current business strategy and business plans.
	2.4 Review the position of an organisation in its current market using appropriate tools.

3. Understand ethics and corporate social responsibility in risk management systems.	3.1 Analyse the STEP framework on risk management.
	3.2 Assess contemporary challenges that affect CSR risk management systems.
	3.3 Evaluate the implications for an organisation and its stakeholders if it does not function ethically.
4. Understand the development, implementation and role of business continuity planning with regard corporate strategy.	4.1 Assess an organisation's sensitivity to a breakdown of continuity.
	4.2 Evaluate the significance of doing a business impact analysis (BIA).
	4.3 Assess approaches to crisis management and business continuity planning with regard to corporate strategy.

Indicative Content

- Topics will include but not limited to the following: Liability risk, Marketing risk, Project risk, Innovation risk, Merger & Acquisition risk, Security risk, Compliance risk, Economic risk, Procurement risk, Liquidity risk.
- Market position; market share analysis; life cycle analysis; Boston growth share BCG Matrix
- SWOT analysis, resource analysis, competitive analysis, skills and competencies audit, benchmarking sustainable competitive advantage; pricing strategies; resource analysis; economies of scale and scope for this; market equilibrium.
- Social, Technological, Economic and Political CSR risk management includes conventional elements.
- Risk management strategies.
- Employment practices, fraud prevention measures, health and safety policy, protection of physical assets and business continuity, process management, benchmarking, disaster management.

Suggested Resources

- Godfrey, P.C., Lauria, E., Bugalia, J. and Narvaez, K. (2020). Strategic risk management : new tools for competitive advantage in an uncertain age. Oakland, Ca: Berrett-Koehler Publishers,Inc.
- Hopkin, P. (2018). Fundamentals of risk management : understanding, evaluating and implementing effective risk management. London, United Kingdom ; New York, Ny: Kogan PageLimited.
- SPECIFICATION | OCTOBER 2020 WWW.OTHM.ORG.UK Roberts, A., Wallace, W., McClure, N. and Heriot-Watt University. Business School (2003). Strategic risk management. Harlow: PearsonEducation.

Unit DRM703: Responsible Leadership and Governance

Unit code: R/650/5658

RQF level: 7

Unit Aim

This unit aims to provide learners with an understanding of the modern organizational necessity of governance which leads to an examination of efficient corporate governance practice. This unit gives learners an understanding of the impact of law and global integration on organizational decisions, policies, processes and activities.

Learning Outcomes and Assessment Criteria

Learning Outcomes	Assessment Criteria
When awarded credit for this unit, a learner will:	Assessment of this learning outcome will require a learner to demonstrate that they can:
1. Understand the key socio cultural, ethical and moral challenges that organisations face in the current economy.	1.1 Assess an organisation's obligations for enhancing employee well-being.
	1.2 Compare approaches to the management of diversity in organisations.
	1.3 Compare organisational approaches to promoting positive workforce diversity policies.
2 Understand the role of leadership to manage strategic and operational risk in the organisation.	2.1 Analyse strategic leadership and its links to risk management in organisations.
	2.2 Evaluate key leadership and management theories.
	2.3 Explain how leadership and management styles should change to meet the needs of different risk situations found in organisations.
3. Understand the importance of corporate governance in organisations.	3.1 Evaluate the importance of responsible corporate governance in organisations.

	3.2 Evaluate the impact of major frameworks, regulations and acts on corporate stakeholders' interests in an organisation.
4. Understand the role and impact of corporate governance in the management of companies.	4.1 Evaluate the principles of corporate governance in the management of the corporations.
	4.2 Critically evaluate the role of a board in corporate governance issues and different approaches taken.
	4.3 Recommend duties of directors in complying with principles of governance in the management of corporation.

Indicative Content

- Social, cultural, ethical and moral issues: equal opportunities, diversity; disability; discrimination; racism; harassment; bullying; whistleblowing; privacy; confidentiality (up-to-date legislation covering these issues must be used)
- Workforce profiling; dignity in the workplace; multi-culturalism, stereotyping; labelling; prejudice, glass ceilings; human rights; Citizen's Charter, moral imperatives; value rigidity; empowerment; management styles; work-life balance; childcare provision; professional development; employee participation.
- Ethical standards in business activities (finance, human resources, marketing, dealing with stakeholders); affirmative action; codes of practice; organisational policies; staff training
- Concepts of leadership and management.
- Leadership and management theories.
- Frameworks, regulations and Acts: Cadbury report;
- Rutteman guidance; Greenbury report; Hampel report; Turnbull report; Higgs report; Companies Acts (2004, 2006); the 8th Company Law Directive of the European Union (2006), Sarbanes Oxley Act (2002, US) – impact on domestic business; UK Corporate Governance Code; stock exchange listing requirements; incorporation of legal and regulatory requirements into organisational policies, practice and procedures.
- Different board structures, role of the board on governance issues, types and policies and procedures leading to best practice, requirement under company law for governance framework within companies.
- Conflicts of interest and policies e.g. bribery, compliance, data protection regulations. Rules – based versus principles approach.
- Corporate rescue and liquidations.
Rationale of corporate rescue, role of Administrator, voluntary winding up, creditors

Suggested Resources

- Solomon, J. (2014). Corporate governance and accountability. Chichester: Wiley

Unit DRM704: Organisational and Environmental Risk

Unit code: T/650/5659

RQF level: 7

Unit Aim

The aim of this unit is to help learners develop knowledge and understanding of the importance of managing risks in business organisations and enable them to develop an effective risk management plan and review risk financing options.

Learning Outcomes and Assessment Criteria

Learning Outcomes	Assessment Criteria
When awarded credit for this unit, a learner will:	Assessment of this learning outcome will require a learner to demonstrate that they can:
1 Understand the effects of risks on business organisations.	1.1 Assess the impact of various types of risk on businesses.
	1.2 Evaluate the activities which are high risk of different sectors in the economy.
2 Understand the role of risk management functions in organisations.	2.1 Assess the role and importance of risk management in organisations.
	2.3 Evaluate the role of business functions in risk management.
	2.3 Evaluate the effectiveness of various approaches to risk assessment and management in organisations.
3. Be able to prepare an effective risk management plan followed by an environmental screening.	3.1 Assess an organisation's activities to determine the potential for risks.
	3.2 Evaluate the possible impact to an organisation of identified risks.
	3.3 Evaluate the strategic benefits to an organisation of an effective risk.

	3.4 Prepare a risk management plan by an environmental screening to help mitigate potential risks.
4. Understand risk control techniques.	4.1 Assess the most frequent kinds of hazard controls.
	4.2 Assess the suitability of a variety of risk financing solutions available to an organisation.
	4.3 Review the best risk financing options for an organisation of your choice.

Indicative Content

- Drivers, Strategic risks (e.g. competition, changes in society or markets), financial risks (e.g. liquidity, foreign exchange, credit risk), operational risks (e.g. product failure), hazard risks (e.g. natural Disasters), information risks (e.g. computer hacking). Operations: Identifying risks in business operations
 - High risk areas • Data, systems integrity, reputation, financial theft, health and safety. Risks vary between organisations in different sectors e.g. primary – importance of mitigating risks associated with health and safety.
 - Functions that have a role in managing risk • Strategic planning, marketing, compliance operations, legal and accounting, insurance, treasury/accounting, management and quality assurance, internal audit, health and safety, environmental.
 - Risk management process • Risk assessment, risk reporting, decisions, risk treatment, residual risk reporting, monitoring – ongoing and formal audit, modification.
- Potential risks
- Uncertainty in profits e.g. legal issues, market trends, stock market fluctuations, increase in production costs, changing trends and fashions, inadequate forecasting.
 - Danger of loss e.g. natural disasters such as floods and earthquakes, technology failures, physical factors such as machine failure, fire, theft; personnel issues such as strikes, talent management
 - Events e.g. political factors such as change of government, compliance and regulations, global incidences, security breaches.
 - Business impact analysis.

- Analysing level of risk (consequence x likelihood), rating risks e.g. severe, high, moderate, low Risk management plan.
- Prevention, preparedness, response, recovery.
- Preventive, corrective, directive and detective.
- Risk financing options.

Suggested Resources

- Godfrey, P.C., Lauria, E., Bugalia, J. and Narvaez, K. (2020). Strategic risk management: new tools for competitive advantage in an uncertain age. Oakland, Ca: Berrett-Koehler Publishers, Inc.

Unit DRM7005: Risk Analysis and Modelling

Unit code: D/650/5660

RQF level: 7

Unit Aim

This unit aims to provide learners with an understanding of the core concepts and tools used to build modern risk analysis models. It introduces learners to the foundations of risk analysis. These core concepts are then combined to explore a number of modern risk analysis modelling techniques. This unit will provide learners with the skills needed to apply these techniques in real life situations.

Learning Outcomes and Assessment Criteria

Learning Outcomes	Assessment Criteria
When awarded credit for this unit, a learner will:	Assessment of this learning outcome will require a learner to demonstrate that they can:
1 Understand the concept of operational risk and the Basel II model.	1.1 Explain the concept operational risk.
	1.2 Discuss the Basel II's ten 'Sound Practices' concepts.
	1.3 Analyse seven types of official Basel II events.
2 Understand how to apply risk models in an organisational setting.	2.1 Identify and apply three common methods to calculate operational risk capital
	2.2 Explain the scope of Standardised Measurement Approach (Basel III)
	2.3 Assess the Standardised approach for credit risk as per Basel III recommendations.
3 Be able to apply financial models in an organisational context.	3.1 Explain the concept and equation of Black– Scholes model.
	3.2 Assess situations were Black–Scholes model can be applied.
	3.3 Analyse Knightian uncertainty, Ellsberg paradox, Black swan events.
	3.4 Discuss how Dynamic Financial

	Analysis can be used in an organisational context.
	3.5 Explain Value at risk (VaR) based risk management
	3.6 Explain and apply the mathematical models of VaR, CVaR and EVaR

Indicative Content

- Black–Scholes in practice: Tail risk, Liquidity risk, Volatility risk, Gamma hedging.
- Knightian uncertainty, Ellsberg paradox – examples.
- Top Black Swan Events in History: Fukushima Accident, Collapse of the World Trade Centre, The Collapse of The Soviet Union.
- DFA: Business mix, reinsurance, asset allocation, profitability, solvency, and compliance.
- VaRo: variance-covariance VaR or delta-gamma VaR, historical simulation VaR or resampled VaR.
- Conditional Value-at-Risk (CVaR).
- Entropic value at risk (EVaR).

Suggested Resources

- Holton, G.A. (2010). Value-at-risk: theory and practice. Boca Raton, Fla.: Chapman & Hall/Crc.
- Morris, J.R. and Daley, J.P. (2017). Introduction to financial models for management and planning. Boca Raton: Crc Press, Taylor & Francis Group.
- Taleb, N. (2007). The black swan : The impact of the highly improbable. New York: RandomHouse

Unit DRM706: Advanced Research Methods in Risk Management

Unit code: F/650/5661

RQF level: 7

Unit Aim

The aim of this unit is to develop learners' ability to prepare for various types of academically based management research through the development and design of a research proposal. Learners will develop a critical understanding of the philosophical, practical and ethical concepts of research within the context of the business environment.

Learning Outcomes, and Assessment Criteria

Learning Outcomes	Assessment Criteria
When awarded credit for this unit, a learner will:	Assessment of this learning outcome will require a learner to demonstrate that they can:
1. Be able to develop research methods in context of risk management.	1.1 Appraise research problems.
	1.2 Develop and justify appropriate research aims and objectives within a defined scope and timeframe.
	1.3 Critically explore, select and justify research approaches.
2 Be able to critically review literature on a risk management topic.	2.1 Analyse different theoretical approaches to a research problem.
	2.2 Create a structured and thorough critical literature review.
3 Be able to design research methodologies.	3.1 Critically evaluate relevant research methodologies to reflect the research objectives.
	3.2 Design an appropriate methodology in terms of the research objectives for a defined population.

	3.3 Justify the methodology selected in terms of the research objectives within agreed ethical guidelines.
4. Be able to develop a research proposal.	4.1 Create a research question, literature review and methodology.
	4.1 Create a research question, literature review and methodology.
	4.2 Propose techniques for use with quantitative and qualitative data collection and analysis.

Indicative content

- Understanding the research context; research problem identification for investigation; research topic identification; the conceptualisation of a research problem; developing insights; and feasibility and possibilities.
- Definition, features and ways to do literature review; the generic selection of literature; spotting the sources of literature; justification of an appropriate selection of literature; : the selection of appropriate theories for the research; conceptualisation of the research phenomenon; including relevant theories and the justification of choices; the strength and credentials of relevant theoretical framework; the understanding and interpretation; and developing the theoretical framework.
- Designing a research using the most appropriate method; research question or hypothesis test; reliability and validity test; ethical issues consideration; quantitative methodology; questionnaire design and distribution; conducting interviews; surveys; qualitative methodology; interviews; observation; and case studies.
- Writing a research report for professional audiences; following a criteria sequence as rationale of the research, formatting, editing, critical analysis, discussions of evidence and findings.

Suggested Resources

- Bryman, Alan and Emma Bell (2015). Business Research Methods (4th ed.). Oxford: OxfordUniversity Press
- Chilsa, B. (2012) Indigenous Research Methodologies London: Sage
- Denzin, N.K., Lincoln Y.S., and Tuhiwai Smith, L. (2008, Eds.) Handbook of Critical andIndigenous Methodologies London: Sage

- Hantrais, Linda (2009). International Comparative Research: Theory, Methods and Practice. Basingstoke and New York: Palgrave
- Piekkari, R. and Welch, C. (2011, Eds.): Rethinking the Case Study in International Business and Management Research, Cheltenham, UK: Edward Elgar
- Marschan-Piekkari, R. and Welch, C. (2004, Eds.): Handbook of Qualitative Research Methods for International Business, Cheltenham, UK and Northampton, MA: Edward Elgar
- Neuman, W.L. (2011) Social research methods: qualitative and quantitative approaches. Boston and London: Pearson Education

Contact Details

Customer service number: +44 (0) 1158882323

Email: support@QUALIFI-international.com

Website: www.QUALIFI.net www.QUALIFI-international.com