OTHM LEVEL 7 DIPLOMA IN RISK MANAGEMENT

Qualification Number: 603/6782/9

Specification | JUNE 2025

TABLE OF CONTENTS

Qualifications Objectives

The objective of the OTHM Level 7 Diploma in Risk Management qualification is to equip learners with the skills and knowledge necessary for effective risk management, ensuring alignment with strategic decision-making that enhances an organization's competitive advantage.The OTHM Level 7 Diploma in Risk Management programme offers a comprehensive understanding of risk and its practical applications in both financial and non-financial organisations.

Learners will gain both theoretical and practical understanding of risk including techniques for risk measurement and modelling.

The aims of this programme will allow learners to:

- Critically evaluate five basic methods for risk management
- Compare and contrast the influences of legislation, legal factors and regulatory bodies on health and safety in an organisation of your choice
- Assess the focal points of ISO standard 'harmonisation' programmes
- Evaluate the tools which can be used to review organisational strategy and risk plans
- Review the position of an organisation in its current market using appropriate tools
- Assess contemporary issues that contribute to CSR risk management systems
- Critically analyse the importance of conducting a business impact analysis (BIA).
- Explain how leadership and management styles should change to meet the needs of different risk situations found in organisations
- Critically evaluate the role of a board in corporate governance issues and different approaches taken.
- Evaluate a range of risk financing options available for an organisation.
- Prepare a risk management plan by an environmental screening to help mitigate potential risks
- Assess the Standardised approach for credit risk as per Basel III recommendations
- Analyse Knightian uncertainty, Ellsberg paradox, Black swan events.
- Explain and apply the mathematical models of VaR, CVaR and EVaR
- Develop and and design a Research Proposal on a chosen risk management related topic.

Quality, Standards and Recognitions

OTHM Qualifications are approved and regulated by Ofqual (Office of Qualifications and Examinations Regulation). Visit the Register of Regulated Qualifications.

OTHM has progression arrangements with several UK universities that acknowledge the ability of learners after studying Level 3-7 qualifications to be considered for advanced entry into corresponding degree year/top up and Master's/top-up programmes.

REGULATORY INFORMATION

Qualification Title	OTHM Level 7 Diploma in Risk Management
Qualification Ref. Number	603/6782/9
Regulation Start Date	22/10/2020
Operational Start Date	26/10/200
Duration	1 year
Total Credit Value	120
Total Qualification Time (TQT)	1200 Hours
Guided Leaning Hours (GLH)	600 Hours
Sector Subject Area (SSA)	15.3 Business Management
Overall Grading Type	Pass / Fail
Assessment Methods	Coursework
Language of Assessment	English

EQUIVALENCES

The OTHM Level 7 diplomas on the Regulated Qualifications Framework (RQF) are at the same level as master's degrees. However, they are shorter (120 credits), and learners will have to proceed to the dissertation stage (60 credits) with a university to achieve a full masters or MBA.

QUALIFICATION STRUCTURE

The OTHM Level 7 Diploma in Risk Management qualification consists of 6 mandatory units making a combined total of 120 credits, 1200 hours of Total Qualification Time (TQT) and 600 Guided Learning Hours (GLH) for the completed qualification.

Unit Ref. No.	Mandatory Units	Credit	GLH	TQT
D/618/5302	Principles of Risk Management	20	100	200
H/618/5303	Strategic Risk Management	20	100	200
K/618/5304	Responsible Leadership and Governance	20	100	200
M/618/5305	Organisational and Environmental Risk	20	100	200
T/618/5306	Risk Analysis and Modelling	20	100	200
A/618/5307	Advanced Research Methods	20	100	200

DEFINITIONS

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

Total Qualification Time is comprised of the following two elements –

a) *the number of hours which an awarding organisation has assigned to a qualification for Guided Learning, and*

b) *an estimate of the number of hours a Learner will reasonably be likely to spend in preparation, study or any other form of participation in education or training, including assessment, which takes place as directed by – but, unlike Guided Learning, not* *under the Immediate Guidance or Supervision of – a lecturer, supervisor, tutor or other appropriate provider of education or training.*

(Ofqual 15/5775 September 2015)

Guided Learning Hours (GLH) are defined as the hours that a teacher, lecturer or other member of staff is available to provide immediate teaching support or supervision to a learners working towards a qualification.

Credit value is defined as being the number of credits that may be awarded to al learner for the successful achievement of the learning outcomes of a unit. One credit is equal to 10 hours of TQT.

ENTRY REQUIREMENTS

For entry onto the OTHM Level 7 Diploma in Risk Management qualification, learners must possess:

- An honours degree in a related subject or UK level 6 diploma or an equivalent overseas qualification
- Mature learners with management experience (learners must check with the delivery centre regarding this experience prior to registering for the programme)
- Learners must be 21 years old or older at the beginning of the course.

English requirements: If a learner is not from a majority English-speaking country must provide evidence of English language competency. For more information visit English Language Expectations page.

PROGRESSIONS

Successful completion of OTHM Level 7 Diploma in Risk Management qualification enables learners to progress into or within employment and/or continue their further study.
As this qualification is approved and regulated by Ofqual (Office of the Qualifications and Examinations Regulation), learners are eligible to progress to an MBA top-up with advanced standing.
For more information visit the University Progressions page on our website www.othm.org.uk.

DELIVERY OF OTHM QUALIFICATIONS

OTHM do not specify the mode of delivery for its qualifications, therefore OTHM Centres are free to deliver this qualification using any mode of delivery that meets the needs of their Learners. However, OTHM Centres should consider the Learners' complete learning experience when designing the delivery of programmes, ensuring the requirement for assessed observations of practice is met.

OTHM Centres must ensure that the chosen mode of delivery does not unlawfully or unfairly discriminate, whether directly or indirectly, and that equality of opportunity is promoted. Where it is reasonable and practicable to do so, it will take steps to address identified inequalities or barriers that may arise.

Guided Learning Hours (GLH), which are listed in each unit, gives the Centres the number of hours of teacher-supervised or direct study time likely to be required to teach that unit.

Assessment and Verification

All units within this qualification are internally assessed by the centre and externally verified by OTHM. The qualifications are criterion referenced, based on the achievement of all the specified learning outcomes.

To achieve a 'pass' for a unit, learners must provide evidence to demonstrate that they have fulfilled all the learning outcomes and meet the standards specified by all assessment criteria. Judgement that the learners have successfully fulfilled the assessment criteria is made by the Assessor.

The Assessor should provide an audit trail showing how the judgement of the learners' overall achievement has been arrived at.

Specific assessment guidance and relevant marking criteria for each unit are made available in the Assignment Brief document. These are made available to centres immediately after registration of one or more learners.

Recognition of Prior Learning and Achievement

Recognition of Prior Learning (RPL) is a method of assessment 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 do not need to develop through a course of learning.

RPL policies and procedures have been developed over time, which has led to the use of a number of terms to describe the process. Among the most common are:

- Accreditation of Prior Learning (APL)
- Accreditation of Prior Experiential Learning (APEL)
- Accreditation of Prior Achievement (APA)
- Accreditation of Prior Learning and Achievement (APLA)

All evidence must be evaluated with reference to the stipulated learning outcomes and assessment criteria against the respective unit(s). The assessor must be satisfied that the evidence produced by the learner meets the assessment standard established by the learning outcome and its related assessment criteria at that particular level.

Most often RPL will be used for units. It is not acceptable to claim for an entire qualification through RPL. Where evidence is assessed to be only sufficient to cover one or more learning outcomes, or to partly meet the need of a learning outcome, then additional assessment methods should be used to generate sufficient evidence to be able to award the learning outcome(s) for the whole unit. This may include a combination of units where applicable.

Equality and Diversity

OTHM provides equality and diversity training to staff and consultants. This makes clear that staff and consultants must comply with the requirements of the Equality Act 2010, and all other related equality and diversity legislation, in relation to our qualifications.

We develop and revise our qualifications to avoid, where possible, any feature that might disadvantage learners because of their age, disability, gender, pregnancy or maternity, race, religion or belief, and sexual orientation.

If a specific qualification requires a feature that might disadvantage a particular group (e.g. a legal requirement regarding health and safety in the workplace), we will clarify this explicitly in the qualification specification.

Unit Specifications

Principles of Risk Management

Unit Reference Number	D/618/5302
Unit Title	Principles of Risk Management
Unit Level	7
Number of Credits	20
Guided Learning Hours (GLH)	100 hours
Total Qualification Time (TQT)	200 hours
Mandatory / Optional	Mandatory
Sector Subject Area (SSA)	15.3 Business Management
Unit Grading Structure	Pass/Fail

Unit Aims

The purpose of this unit is to enhance learners' understanding of the legislative frameworks that shape the development of risk assessment plans within organizations, as well as to introduce them to the fundamentals of ISO standards. ISO is a globally recognized international standard that offers principles and guidelines for effective risk management. These standards provide a structured framework and process for managing risk that can be applied by any organization. Throughout this unit, learners will gain insight into the core principles of ISO standards.

Learning Outcomes, Assessment Criteria and Indicative Content

Learning Outcomes – the learner will:	Assessment Criteria – the learner can:	Indicative content
1. Understand risk management principles.	1.1 Define risk in an organisational context. 1.2 Explain risk management in an organisational context. 1.3 Evaluate three stage risk management process in an organisational context. 1.4 Assess the importance of effective risk management. 1.5 Critically evaluate five basic methods for risk management	● Identification, evaluation, and prioritisation of risks ● Stages: Risk Identification, Risk Assessment, Risk Planning ● Methods: Avoidance, Retention, sharing risk, Transferring risk, Loss prevention and reduction

2. Understand key legislation frameworks that influence risk management decision making in an organisation.	2.1 Describe five legislative factors that influence health and safety risk assessment considerations. 2.2 Analyse the influence of relevant legislation, legal factors and regulatory bodies on health and safety in an organisation of your choice. 2.3 Evaluate the importance of legislative framework on risk management in your chosen organisation.	● Relevant legislature relating to own country ie in the UK the legislative factors include but are not limited to the following: o Control of Substances Hazardous to Health (COSHH, 2002), o Health and Safety (First Aid) Regulations (1981), o 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), o Management of Health and Safety at Work Act (Amendment) Regulations (1994), o Management of Health and Safety Regulations (1999), o Manual Handling Operations Regulations (1992), o Personal Protective Equipment (PPE, 2002) Relating to own country: Legal factors: o law (statutory, civil law, case law); o duty of care; o higher duty of care; o negligence Relating to own country: Regulatory bodies: o Appropriate to all activities (Health and Safety Executive – HSE); ● Other regulatory bodies, e.g. local authorities, local educational authorities, police.
3. Evaluate the scope and implications of risk management standards.	3.1 Critically evaluate the scope of relevant ISO standards in your chosen organisation.	● Relevant framework in own country ● Framework example: o ISO 31000:2018 - Risk management - Guidelines

	3.2 Assess the focal points of ISO standards 'harmonisation' programmes and its impact on your chosen organisation. 3.3 Examine the application of ISO standards in managing risks in an organisation.	o ISO/TR 31004:2013 - Risk management - Guidance for the implementation of ISO 31000 o IEC 31010:2019 - Risk management - Risk assessment techniques o ISO 31022:2020 - Risk management - Guidelines for the management of legal risk o IWA 31:2020 - Risk management - Guidelines on using ISO 31000 in management systems ● Focus o Transferring accountability gaps in enterprise risk management o Aligning objectives of the governance frameworks with ISO 31000 o Embedding management system reporting mechanisms o Creating uniform risk criteria and evaluation metrics ● Risk management policy, objectives and mandate and commitment by top management. ● Arrangements include plans, relationships, accountabilities, resources, processes and activities. ● Managing risk: o Avoiding the risk o Accepting or increasing the risk o Removing the risk source o Changing the likelihood o Changing the consequences o Sharing the risk with another party or parties (including contracts and risk financing) o Retaining the risk by informed decision

Assessment

To achieve a ‘pass’ for this unit, learners must provide evidence to demonstrate that they have fulfilled all the learning outcomes and meet the standards specified by all assessment criteria.

Learning Outcomes to be met	Assessment criteria to be covered	Type of assessment	Word count (approx. length)
All 1 to 3	All ACs under LO 1 to LO 3	Report	4500 words

Indicative reading list

Hopkin, P. (2018). *Fundamentals of risk management : understanding, evaluating and implementing effective risk management*. London, United Kingdom ; New York, Ny: Kogan Page Limited.

International Organization For Standardization (2013). *Risk management : guidance for the implementation of ISO 31000 = Management du risque : lings directrices pour l’implementation de l’ISO 31000.* Geneva: Iso.

Jeynes, J. (2023). *Risk Management: 10 Principles*. Taylor & Francis.

Strategic Risk Management

Unit Reference Number	H/618/5303
Unit Title	Strategic Risk Management
Unit Level	7
Number of Credits	20
Guided Learning Hours (GLH)	100 hours
Total Qualification Time (TQT)	200 hours
Mandatory / Optional	Mandatory
Sector Subject Area (SSA)	15.3 Business Management
Unit Grading Structure	Pass/Fail

Unit Aims

A thorough evaluation of strategy is essential for establishing and continuously enhancing performance standards. This involves the development and upkeep of an effective risk management system that encompasses all facets of risk, including, but not limited to, health and safety, environmental concerns, and security. Additionally, it is important to plan and align risk objectives with the broader corporate strategy.

Learning Outcomes, Assessment Criteria and Indicative Content

Learning Outcomes – the learner will:	Assessment Criteria – the learner can:	Indicative content
1. Understand the concept of strategy risk and various types of strategy risk.	1.1 Define strategy risk in an organisational context. 1.2 Identify major strategy risks facing an organisation. 1.3 Evaluate the impact of strategy risks on a business.	Topics will include but not limited to the following: o Liability risk o Marketing risk o Project risk o Innovation risk o Merger & Acquisition risk o Security risk o Compliance risk o Economic risk o Procurement risk o Liquidity risk

		o Regulatory risk
2. Be able to review an organisation's strategy and risk plans.	2.1 Explain the importance of review in the development of organisational strategy and risk plans. 2.2 Evaluate the tools which can be used to review organisational strategy and risk plans. 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.	● The purpose of review and what this will entail; tools e.g. Value Chain analysis, SWOT analysis, Porter's Five Forces; internal surveys and statistics ● Risk management standards: o ISO 31000: Standard published by the International Standards Organization (2018) o Institute of Risk Management (IRM): Standard produced jointly by Airmic, Alarm and the IRM (2002) o COSO ERM cube: Framework produced by the Committee of Sponsoring Organizations of the Treadway Committee (2004) o CoCo (Criteria of Control): Framework produced by the Canadian Institute of Chartered Accountants (1995) ● 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
3. Understand the role of Corporate Social Responsibility and ethics in risk management systems.	3.1 Analyse the STEP framework on risk management. 3.2 Assess contemporary issues that contribute to CSR risk management systems. 3.3 Evaluate the implications for a business and its stakeholders when they do not operate ethically.	● Social, Technological, Economic and Political ● CSR risk management includes conventional elements: o risk identification, o evaluation (risk assessment), o description and application of risk management methods, o risk evaluation and monitoring.

		● Negative impact on productivity, employee morale, brand value, equity, share value
4. Understand the development, implementation and role of Business Continuity Planning with regard to corporate strategy.	4.1 Evaluate the vulnerability of organisations to breaks in continuity. 4.2 Critically analyse the importance of conducting a Business impact analysis (BIA). 4.3 Assess approaches to crisis management and business continuity planning with regard to corporate strategy.	● Vulnerability o Factors – size of business, operating environment, physical environment etc. o Impacts – loss of profits, loss of assets, inability to trade o Approaches o Business continuity planning, impact assessment, threat assessment, scenario definition, recovery solution design (including customer / stakeholder management), implementation and communication, testing ● Risk management strategies ● Employment practices, fraud prevention measures, health and safety policy, protection of physical assets and business continuity, process and product management, benchmarking, disaster management

Assessment

To achieve a ‘pass’ for this unit, learners must provide evidence to demonstrate that they have fulfilled all the learning outcomes and meet the standards specified by all assessment criteria.

Learning Outcomes to be met	Assessment criteria to be covered	Type of assessment	Word count (approx. length)
All 1 to 4	All ACs under LO 1 to LO 4	Report	4500 words

Indicative reading list

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 Page Limited.

Roberts, A., Wallace, W., Mcclure, N. and Heriot-Watt University. Business School (2003). *Strategic risk management*. Harlow: Pearson Education.

Responsible Leadership and Governance

Unit Reference Number	K/618/5304
Unit Title	Responsible Leadership and Governance
Unit Level	7
Number of Credits	20
Guided Learning Hours (GLH)	100 hours
Total Qualification Time (TQT)	200 hours
Mandatory / Optional	Mandatory
Sector Subject Area (SSA)	15.3 Business Management
Unit Grading Structure	Pass/Fail

Unit Aims

In this unit, "Responsible Leadership and Governance," learners will explore the contemporary organizational need for effective governance, leading to an assessment of best practices in managing company affairs. This unit equips learners with insight into the impact of legislation and global integration on the decisions, policies, processes, and activities carried out by organizations.

Learning Outcomes, Assessment Criteria and Indicative Content

Learning Outcomes – the learner will:	Assessment Criteria – the learner can:	Indicative content
1. Understand the key socio-cultural, ethical and moral issues that affect organisations in the current economic environment.	1.1 Assess the responsibilities of organisations to improving workforce welfare. 1.2 Compare approaches to the management of diversity in organisations. 1.3 Compare organisational approaches to ensuring positive policies of workforce diversity.	● 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
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.	● Concepts of leadership and management o Definitions of leadership and the role of leaders, classification of leadership (e.g. dimensions, processes, personality), o Leadership as a process, power and influence, strategic and operational, the importance of common goals, leaders and followers/ leadership of groups, leadership skills, Mintzberg's 10 managerial roles. ● Leadership and management theories o contingency theory e.g. Fiedler, path-goal theory, o process theories, o psychodynamic theory o situational theories e.g. Hersey and Blanchard, o trait theories, o transactional e.g. Bennis and Bass, o transformational Leadership, ● Styles o Autocratic, bureaucratic, laissez-faire, persuasive, participative, charismatic; adapting styles to different situations.
3. Understand the importance of corporate governance in organisations.	3.1 Explain 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.	● Corporate governance: purposes (direction, oversight, accountability); board responsibilities; transparency; disclosure; objectivity; integrity; ethical behaviour; organisational culture; stakeholders' interests; principal/agent;

		governance controls (internal, external); best governance practice ● Frameworks, regulations and Acts: Cadbury report; Rutteman guidance; Greenbury report; Hampel report; Turnbull report; Higgs report; Smith 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
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.	· Role of corporate governance: o Definition of corporate governance. o The history of corporate governance, international requirement, Enron case, o interaction of governance with business ethics and company law. · Impact of corporate governance: o The corporate governance codes. o The need for corporate governance. o Effect of corporate governance on directors' behaviour and duties of care and skill. ● 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 winding up, duties and functions of a liquidator, distribution of surplus assets, dissolution.

Assessment

To achieve a 'pass' for this unit, learners must provide evidence to demonstrate that they have fulfilled all the learning outcomes and meet the standards specified by all assessment criteria.

Learning Outcomes to be met	Assessment criteria to be covered	Type of assessment	Word count (approx. length)
All 1 to 4	All ACs under LO 1 to LO 4	Report	4500 words

Indicative reading list

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

Cikaliuk, M., Erakovic, L., Jackson, B., Noonan, C., & Watson, S. (2022). *Responsible leadership in corporate governance: An integrative approach*. Routledge.

Organisational and Environmental Risk

Unit Reference Number	M/618/5305
Unit Title	Organisational and Environmental Risk
Unit Level	7
Number of Credits	20
Guided Learning Hours (GLH)	100 hours
Total Qualification Time (TQT)	200 hours
Mandatory / Optional	Mandatory
Sector Subject Area (SSA)	15.3 Business Management
Unit Grading Structure	Pass/Fail

Unit Aims

The primary objective of this unit is to equip learners with a comprehensive understanding of the critical role that effective management of organisational and environmental risks plays in the success of business organisations. Participants will explore various types of risks, including operational, financial, legal, and environmental, and how these factors can impact overall business performance.

Additionally, learners will gain the skills necessary to formulate a robust risk management plan that includes identifying potential risks, assessing their likelihood and impact, and implementing strategies to mitigate them. The course will also cover the importance of continuous monitoring and evaluation of these risks to adapt and refine management strategies over time.

Furthermore, the unit will delve into the different options available for risk financing, enabling learners to make informed decisions on how to allocate resources effectively to safeguard their organisations against potential financial losses. By the end of the unit, learners will be well-prepared to develop and present a comprehensive risk management framework that aligns with organisational objectives and promotes resilience in the face of uncertainties.

Learning Outcomes, Assessment Criteria and Indicative Content

Learning Outcomes – the learner will:	Assessment Criteria – the learner can:	Indicative content

1. Understand the effects of risks on business organisations.	1.1 Assess the impact of different types of risk on organisations 1.2 Evaluate the activities which are high risk of different sectors in the economy	● 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 (as above) ● 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
2. Understand risk management function in organisations.	2.1 Evaluate the role of the risk management function in organisations 2.2 Assess the role of business functions in the management of risk 2.3 Evaluate different approaches associated with risk assessment and management in organisations	● Business risk • Internal and external risks i.e. events taking place within the organisation; risks outside the control of the organisation ● 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
3. Be able to prepare an effective risk management plan followed by an environmental screening.	3.1 Assess activities for an organisation to identify the probability of risks 3.2 Evaluate the potential impact of identified risks to the business 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	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
4. Understand risk control techniques.	4.1 Assess common types of hazard controls. 4.2 Evaluate a range of risk financing options available for an organisation. 4.3 Review the best risk financing options for an organisation of your choice.	● Preventive, corrective, directive and detective ● Risk financing options o conventional insurance; o contractual transfer of risk; o captive insurance companies; o pooling of risks in mutual insurance companies; o derivatives and other financial instruments; alternative o risk finance mechanisms; o single premium insurance bonds.

Assessment

To achieve a ‘pass’ for this unit, learners must provide evidence to demonstrate that they have fulfilled all the learning outcomes and meet the standards specified by all assessment criteria.

Learning Outcomes to be met	Assessment criteria to be covered	Type of assessment	Word count (approx. length)
All 1 to 4	All ACs under LO 1 to LO 4	Report	4500 words

Indicative reading list

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.

Risk Analysis and Modelling

Unit Reference Number	T/618/5306
Unit Title	Risk Analysis and Modelling
Unit Level	7
Number of Credits	20
Guided Learning Hours (GLH)	100 hours
Total Qualification Time (TQT)	200 hours
Mandatory / Optional	Mandatory
Sector Subject Area (SSA)	15.3 Business Management
Unit Grading Structure	Pass/Fail

Unit Aims

This unit is designed to equip learners with a comprehensive understanding of the fundamental concepts and analytical tools essential for constructing modern risk analysis models. It begins by establishing a solid foundation in the principles of risk analysis, emphasizing its importance in decision-making processes across various sectors. Learners will delve into a variety of core concepts, including risk identification, assessment, and management strategies.

By the end of the unit, participants will not only be proficient in the theoretical aspects of risk analysis but will also possess the practical skill set needed to implement these models to inform decision-making and optimize outcomes in real-life scenarios.

Learning Outcomes, Assessment Criteria and Indicative Content

Learning Outcomes – the learner will:	Assessment Criteria – the learner can:	Indicative content
1. Understand the concept of operational risk and Basel II model.	1.1 Explain the concept of operational risk 1.2 Discuss the ten principles on 'Sound Practices' of the Basel II. 1.3 Analyse seven official Basel II event types.	● Operational risk o Country risk o Legal risk o Model risk

		o Political risk o Valuation risk o Moral hazard ● Basel II principles o ORM principles (Basel II) ● Basel II events o Internal Fraud o External Fraud o Employment Practices and Workplace Safety o Clients, Products, and Business Practice o Damage to Physical Assets o Business Disruption and Systems Failures o Execution, Delivery, and Process Management
2. Understand how to apply risk models to an organisational context.	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.	● Calculate operational risk capital o Basic Indicator Approach – based on annual revenue of the Financial Institution o Standardized Approach – based on annual revenue of each of the broad business lines of the Financial Institution o Advanced Measurement Approaches – based on the internally developed risk measurement framework of the bank adhering to the standards prescribed (methods include IMA, LDA, Scenario-based, Scorecard etc.) ● Read the regulatory document for 2.3 https://www.bis.org/bcbs/publ/d424.pdf
3. Be able to apply financial models to 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.	● Black–Scholes in practice o Tail risk o Liquidity risk o Volatility risk o Gamma hedging

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

Assessment

To achieve a 'pass' for this unit, learners must provide evidence to demonstrate that they have fulfilled all the learning outcomes and meet the standards specified by all assessment criteria.

Learning Outcomes to be met	Assessment criteria to be covered	Type of assessment	Word count (approx. length)
All 1 to 3	All ACs under LO 1 to LO 3	Report	4500 words

Indicative reading list

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: Random House

Advanced Research Methods

Unit Reference Number	A/618/5307
Unit Title	Advanced Research Methods
Unit Level	7
Number of Credits	20
Guided Learning Hours (GLH)	100 hours
Total Qualification Time (TQT)	200 hours
Mandatory / Optional	Mandatory
Sector Subject Area (SSA)	15.3 Business Management
Unit Grading Structure	Pass/Fail

Unit Aims

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, Assessment Criteria and Indicative Content

Learning Outcomes – the learner will:	Assessment Criteria – the learner can:	Indicative content
1. Be able to develop research approaches within a risk management context.	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.	● Understanding the research context; research problem identification for investigation; research topic identification; the conceptualisation of a research problem; developing insights; and feasibility and possibilities.
2. Be able to critically review literature on a relevant risk management topic.	2.1 Critically analyse different theoretical approaches to a research problem. 2.2 Create a structured and thorough critical literature review.	● 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.
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.	● 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.
4. Be able to develop a research proposal.	**4.1** Create a research question, literature review and methodology. **4.2** Propose techniques for use with quantitative and qualitative data collection and analysis.	● 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.

Assessment

To achieve a ‘pass’ for this unit, learners must provide evidence to demonstrate that they have fulfilled all the learning outcomes and meet the standards specified by all assessment criteria.

Learning Outcomes to be met	Assessment criteria to be covered	Type of assessment	Word count (approx. length)
All 1 to 4	All ACs under LO 1 to 4	Research Proposal	4500 words

Indicative reading list

Bryman, Alan and Emma Bell (2015). *Business Research Methods* (4th ed.). Oxford: Oxford University Press

Chilsa, B. (2012) *Indigenous Research Methodologies*. London: Sage

Denzin, N.K., Lincoln Y.S., and Tuhiwai Smith, L. (2008, Eds.) *Handbook of Critical and Indigenous 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

Important Note

Whilst we make every effort to keep the information contained in programme specification up to date, some changes to procedures, regulations, fees matter, timetables, etc may occur during the course of your studies. You should, therefore, recognise that this booklet serves only as a useful guide to your learning experience. For updated information please visit our website www.othm.org.uk.