



**Subject C100**  
**Applied Enterprise Risk Management**  
**Course syllabus**

2019

October 2018

## **Subject C100 – Applied Enterprise Risk Management (ERM) Course**

The satisfactory completion of the 2-day Applied ERM Course is a requirement to be awarded the CERA qualification by the Actuarial Society of South Africa.

To register for the course candidates must be registered for F106 during the following exam session (or already have passed F106) and have studied A301. (For this purpose, study will be defined as at least one attempt at the A301 exam.) In case of oversubscription, preference will be given to candidates who satisfy all other requirements for CERA status, and to those candidates who have passed A301.

There is no formal assessment but active participation is expected from all attendees, and a pre-course assignment will be set. The course leader will need to sign off that a student has completed the course, and this sign-off will be withheld for a particular student if there is little evidence of active participation.

In assessing active participation the course leader will consider the following:

- the satisfactory completion of the pre-course assignment
- the degree to which the student participates in the class, in particular in
  - o demonstrating an understanding of the pre-course reading
  - o actively participating in discussions
  - o asking questions that demonstrate an acquisition of higher-order skills in the course topics

### **LEARNING OBJECTIVES**

On completion of the course, participants should be able to:

- Understand the key stakeholders and the value they derive from the ERM process.
- Understand how risks are identified, measured and managed. In particular understand the metrics and indicators used to quantify major types of risk exposure and tolerances in the context of an integrated risk management process, with particular focus on South African banks and insurance companies.
- Apply risk measures and demonstrate how to use them in economic capital assessment.
- Understand and contrast regulatory capital requirements versus economic capital requirements.
- Understand and explain how risk metrics and indicators are considered in terms of the risk appetite of the organisation.
- Evaluate best practices in risk measurement, modelling, and management of various financial and non-financial risks faced by an entity in the South African business context.

- Propose techniques of allocating/appropriating the “cost” of risk/capital/hedge strategies to business units in order to gauge performance (e.g. returns on marginal capital). Highlight the advantages and disadvantages of these techniques.
- Understand the challenges associated with using a single technique to implement economic capital allocation and propose a concrete process to address this matter.
- Understand the sensitivity of economic capital assessment and allocation to the choice of the risk allocation strategy and to the correlation model employed.
- Propose ERM solutions or strategies to address real (case study) and hypothetical situations.

**End of Syllabus**