



ACCG930

Enterprise Risk Management - Corporate Governance Perspectives

S2 Evening 2014

Dept of Accounting & Corporate Governance

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General Information

Unit convenor and teaching staff

Unit Convenor

Mark Runnalls

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Contact via mark.runnalls@mq.edu.au

Friday 10am to 12pm

Credit points

4

Prerequisites

ACCG611 or admission to MAdvProfAcc or MCorpGvnce prior to 2013

Corequisites

Co-badged status

Unit description

This unit examines enterprise risk management, processes and techniques aimed at the cost effective loss prevention of an entity's assets and resources. It provides a strong business foundation that can be applied in business planning and decision making. In the wake of the spate of corporate collapses, a risk-based approach to evaluate and plan business activities is now an accepted paradigm. The unit covers topics of risks: strategic, operational, reputational, contractual, financial and information system, while addressing emerging challenges. The unit is presented with a corporate governance focus.

Important Academic Dates

Information about important academic dates including deadlines for withdrawing from units are available at <https://www.mq.edu.au/study/calendar-of-dates>

Learning Outcomes

On successful completion of this unit, you will be able to:

Evaluate risk management exposures from a corporate governance (including internal control and ethics) and compliance perspective

Respond to issues associated with the development, implementation and use of enterprise risk management

Appreciate the social /legal/economic contexts of enterprise risk management frameworks.

Examine the weaknesses of current ERM frameworks.

Appreciate the importance of concepts such as risk mapping, risk identification, monitoring risk and appropriate sources of information

Develop an awareness of the issues involved in developing and implementing an organisational policy and strategy for enterprise risk management

Assessment Tasks

Name	Weighting	Due
<u>1. Class Test</u>	20%	Week 5
<u>2. Case Study</u>	30%	As scheduled
<u>3. Final Examination</u>	50%	Examination period

1. Class Test

Due: **Week 5**

Weighting: **20%**

The Class test is assessed as follows:

Marking criteria: The test will be 20 questions and marked out of a possible 20 marks, this is a diagnostic test which means it assesses students on progress to date and allows time to address potential challenges in subsequent classes. The questions will be based on the learnings covered during classes week 1- 4 inclusive to ensure students have a thorough foundation of understanding.

Submission: In-class test in week 5. Students will complete the test in class, and the unit convenor will collect the papers from students. If you are late, you will not be allowed to resit the test. If you miss the test because of illness you can re-sit upon production of satisfactory medical certificate and approval from the unit convenor via the Disruptions to Studies process.

Extension: No extensions will be granted.

Penalties: None, however if the test is not taken students will forfeit any marks for this assessment task.

Preparation: The in class test is designed so that a student working on average 4-6 hours per week both in attendance at class plus additional reading will be able to achieve satisfactory marks.

On successful completion you will be able to:

- Evaluate risk management exposures from a corporate governance (including internal control and ethics) and compliance perspective

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- Appreciate the social /legal/economic contexts of enterprise risk management frameworks.
- Examine the weaknesses of current ERM frameworks.

2. Case Study

Due: **As scheduled**

Weighting: **30%**

Submission: In-class presentation and report in week allocated. Students work in groups or individually (depending on numbers). Case studies are graded based on content and presentation style. See below for the marking assessment criteria. Please refer to the University's policy regarding Group Assessment: <http://mq.edu.au/policy/docs/assessment/policy.html>

The purpose of this assessment is to allow the students to work on a significant piece of work and communicate their level of understanding of key risk concepts, theories and issues presented by the case studies during the semester. Students will note that each case has multiple dimensions of risk. This allows students to build their understanding of risk through exposure to the different cases over successive presentations. Each case study requires an oral presentation, approximately 20 minutes, a submitted power point presentation, plus a written report which summarises the key issues raised by the case study. Case study questions and project teams (numbers permitting) will be allocated in week 1 of semester.

Presentation Audience

Each group is to present to class and your fellow students are encouraged to ask questions. Each group will have a maximum 'overall' presentation time of 20 minutes. Each group member must speak for a minimum of four minutes depending on the number of students in each group.

Marking Criteria: This assessment task allows the students to display oral and written communication skills to explain the key concepts. 10 (of 30) marks are awarded for the presentation itself, 20 (of 30) marks are awarded for the written report and presentation slides.

Presentation Marking Criteria (10 of 30 marks)

- Audience Communication and question response
- Presenter linking and group effort and support
- Presentation aids/material quality and use
- Presentation Structure and Innovation
- Overall Clarity and Conviction

Report Marking Criteria (20 of 30 marks)

- Structured report laying out the issues involved in the case
- Demonstrated appreciation of the risk concepts and issues involved, use of relevant case studies as examples
- Use your knowledge of the concepts and the particular case to build a coherent well argued answer

Extension: No extensions will be granted.

Penalties: Failure to present or submit will result in no marks being awarded for this assessment task.

On successful completion you will be able to:

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- Examine the weaknesses of current ERM frameworks.
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3. Final Examination

Due: **Examination period**

Weighting: **50%**

Due Date: Examination period

A final examination is included as an assessment task to provide assurance that:

1. the product belongs to the student and
2. that the student has attained the knowledge and skills tested in the exam

A final two hour examination for this unit will be held during the University Examination Period. In session 2 of 2014 this is 17th November to 5th December, inclusive. All material covered in the unit is examinable. It is a closed book examination. Further details will be made available via iLearn. Details of the examination time and place will be in the University Examination Timetable: www.timetables.mq.edu.au/exam

Submission method: Submitted in hard copy at end of examination.

The only exception to not sitting an examination at the designated time is because of documented illness or unavoidable disruption. In such circumstances students may wish to apply under the Disruption to Studies policy. Further details are available here:

(http://www.mq.edu.au/policy/docs/disruption_studies/policy.html)

Marking Criteria: The examination represents 50% of the student's overall assessment for this unit. Typically the examination consists of a multiple-choice format in one section followed by more in depth questions in the next section. Questions in the latter section are designed to test student's ability to demonstrate knowledge of the key topics, cases studied and issues discussed in the unit. Students must pass the final examination in order to achieve a passing grade for the unit.

Special consideration in the final examination can only be applied for by students with a minimum of 45% in the coursework assignments completed up to the application closing date.

Submission: Written hard copy submitted during class in week 13.

Extension: None provided.

Penalties: Students will not receive any marks for this assessment task if they fail to sit the examination. If a Supplementary Examination is granted as a result of an application under the Disruption to Studies policy the examination will be scheduled as per the Supplementary Examination timetable of the Faculty. Please note that the supplementary exam will be of similar format to the final exam.

On successful completion you will be able to:

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Delivery and Resources

Classes

Students are required to attend one 3 hours face-to-face seminar per week.

The timetable for classes can be found on the University web site at: <http://www.timetables.mq.edu.au/>

A typical 3 hour session will be as follows:

- a) Brief lecture and class discussions (90 minutes)
- b) Class activities and discussions relating to cases or other pre-assigned reading material and questions (45 minutes)
- c) Case study presentation by students (in certain weeks) (20 minutes)

a) Brief lecture and class discussions. The lecturer will introduce key themes and their practical applications for each week's topic. The lecturer will then facilitate discussions on key issues, challenges and solutions relating to the topic. Students are required to pre-read assigned material and be prepared to lead discussions in turn. **Students are expected to read the course materials for at least three hours per week.** A week-by-week list of the topics to be covered is at the end of the unit outline.

(b) Class activities and discussions. Each week, all students will be asked to prepare and contribute to discussion relating to cases or reading material and questions. These tasks will be assigned in advance. The amount of time spent on these discussions will be decided by the lecturer. Contribution to class discussions is part of the learning outcomes and contributes to developing understanding of the key issues (please see the section 'Relationship between Assessment and Learning Outcomes' below).

(c) Case study presentation. In week 1, the lecturer will assign students to groups, and will allocate project work to each group. The groups then will be asked to present their written and oral reports on their project work in allocated weeks. Group project is an important part of course assessment.

Required and Recommended Texts and/or Materials

Prescribed textbook

No text is prescribed for the course. Reading list will be provided for each week. The main case study is on BP and the Gulf Oil Spill. Hard copies will be provided to students in week 1.

Students are expected to read the business pages of the Sydney Morning Herald (www.smh.com.au) daily or the Australian Financial Review (www.afr.com.au), this helps to familiarise yourself with business issues, political developments and the companies we will be discussing in class.

References:

- Taleb, Nassim N., 2005, "Fooled by Randomness: The Hidden Role of Chance in Life and in the Markets", Random House Trade Paperbacks, 2005

The above book is suggested since it is a comprehensive analysis of the way that probability and statistical representation is used, and abused in the area of risk management. It is not compulsory but you will find it invaluable, and I hope, interesting.

On-line sources will be advised for different topics before these topics are covered in the class.

Unit Web Page

Course material is available on the learning management system (iLearn). The web page for this unit can be found at: <http://mq.edu.au/iLearn/index.htm>

Technology Used and Required

Students are expected to have:

- Proficiency in Word, Excel and PowerPoint
- Knowledge of the library research databases – for accessing additional research material.

Changes to this offering since last semester: None.

Unit Schedule

Week	Week starting	Topic
1	Tues 5th August 2014	Course overview An introduction to ERM and creating enterprise value
2	12th August 2014	Corporate governance, internal control and ERM frameworks
3	19th August 2014	Risk culture and developing risk strategy
4	26th August 2014	ERM techniques and tools - monitoring risk.

5	2nd September 2014	Introduction to categories of risk: Financial; Credit; Operational, and Market risk <i>In-class test</i>
6	9th September 2014	Financial risk management
7	16th September 2014	Measuring strategic and operational risk
	20th Sept to 5th Oct, 2014	Mid session break
8	7th October, 2014	Reputation risk
9	14th October, 2014	Information risk
10	21st October 2014	Project risk
11	28th October 2014	Environmental risk and business
12	4th November 2014	Implementing an ERM strategy, challenges and future developments.
13	11th November 2014	Course summary

Policies and Procedures

Macquarie University policies and procedures are accessible from [Policy Central](#). Students should be aware of the following policies in particular with regard to Learning and Teaching:

Academic Honesty Policy http://mq.edu.au/policy/docs/academic_honesty/policy.html

Assessment Policy <http://mq.edu.au/policy/docs/assessment/policy.html>

Grading Policy <http://mq.edu.au/policy/docs/grading/policy.html>

Grade Appeal Policy <http://mq.edu.au/policy/docs/gradeappeal/policy.html>

Grievance Management Policy http://mq.edu.au/policy/docs/grievance_management/policy.html

Disruption to Studies Policy http://www.mq.edu.au/policy/docs/disruption_studies/policy.html *The Disruption to Studies Policy is effective from March 3 2014 and replaces the Special Consideration Policy.*

In addition, a number of other policies can be found in the [Learning and Teaching Category](#) of Policy Central.

Student Code of Conduct

Macquarie University students have a responsibility to be familiar with the Student Code of Conduct: https://students.mq.edu.au/support/student_conduct/

Grades

Macquarie University uses the following grades in coursework units of study:

- HD - High Distinction
- D - Distinction
- CR - Credit
- P - Pass
- F - Fail

Grade descriptors and other information concerning grading are contained in the Macquarie University Grading Policy which is available at:

<http://www.mq.edu.au/policy/docs/grading/policy.html>

Student Support

Macquarie University provides a range of support services for students. For details, visit <http://students.mq.edu.au/support/>

Learning Skills

Learning Skills (mq.edu.au/learningskills) provides academic writing resources and study strategies to improve your marks and take control of your study.

- [Workshops](#)
- [StudyWise](#)
- [Academic Integrity Module for Students](#)
- [Ask a Learning Adviser](#)

Student Services and Support

Students with a disability are encouraged to contact the [Disability Service](#) who can provide appropriate help with any issues that arise during their studies.

Student Enquiries

For all student enquiries, visit Student Connect at ask.mq.edu.au

IT Help

For help with University computer systems and technology, visit <http://informatics.mq.edu.au/help/>.

When using the University's IT, you must adhere to the [Acceptable Use Policy](#). The policy applies to all who connect to the MQ network including students.

Graduate Capabilities

PG - Critical, Analytical and Integrative Thinking

Our postgraduates will be capable of utilising and reflecting on prior knowledge and experience, of applying higher level critical thinking skills, and of integrating and synthesising learning and knowledge from a range of sources and environments. A characteristic of this form of thinking is the generation of new, professionally oriented knowledge through personal or group-based critique of practice and theory.

This graduate capability is supported by:

Learning outcomes

- Appreciate the social /legal/economic contexts of enterprise risk management frameworks.
- Appreciate the importance of concepts such as risk mapping, risk identification, monitoring risk and appropriate sources of information

Assessment tasks

- 1. Class Test
- 2. Case Study
- 3. Final Examination

PG - Research and Problem Solving Capability

Our postgraduates will be capable of systematic enquiry; able to use research skills to create new knowledge that can be applied to real world issues, or contribute to a field of study or practice to enhance society. They will be capable of creative questioning, problem finding and problem solving.

This graduate capability is supported by:

Learning outcomes

- Evaluate risk management exposures from a corporate governance (including internal control and ethics) and compliance perspective

- Respond to issues associated with the development, implementation and use of enterprise risk management
- Appreciate the social /legal/economic contexts of enterprise risk management frameworks.
- Examine the weaknesses of current ERM frameworks.
- Appreciate the importance of concepts such as risk mapping, risk identification, monitoring risk and appropriate sources of information

Assessment tasks

- 1. Class Test
- 2. Case Study
- 3. Final Examination

PG - Capable of Professional and Personal Judgment and Initiative

Our postgraduates will demonstrate a high standard of discernment and common sense in their professional and personal judgment. They will have the ability to make informed choices and decisions that reflect both the nature of their professional work and their personal perspectives.

This graduate capability is supported by:

Learning outcomes

- Evaluate risk management exposures from a corporate governance (including internal control and ethics) and compliance perspective
- Respond to issues associated with the development, implementation and use of enterprise risk management
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- Develop an awareness of the issues involved in developing and implementing an organisational policy and strategy for enterprise risk management

Assessment tasks

- 2. Case Study
- 3. Final Examination

Research and Practice

In addition to the course materials and textbook, students are encouraged to consult different sources and search for external reading materials and practical reports. This will enhance their understanding of the unit concepts and support their learning process.