



# International Diploma in Risk Management

## Core Module One: Principles of Risk

### Module aims

Module One, *Principles of Risk*, serves two core purposes:

1. To orient students toward the substance of the entire Diploma programme, and
2. To provide a focused introduction to risk.

The first two-thirds or so of Module One comprise an extended investigation of the principles of risk and the practical applications of its meaning today. One of the overarching objectives is to provide students with a clear understanding of the multi-dimensional nature of risk. They will see that risk is a cultural and psychological construct, a quantifiable, measurable and objective phenomenon, and a characteristic of reality as we understand and perceive it.

The last third of the module provides an exploration of risk *management*. The intention here is not to revisit students' prior knowledge of the subject, but to provide a restatement of the subject and to place the Diploma's investigation on a somewhat higher intellectual level. The purpose of the Diploma is not to dwell unnecessarily on the factual or descriptive side of the subject, but to focus on the applications, issues and challenges that are part of the field.

Therefore, the module concludes with an introductory investigation of problems and issues that confront risk management today. These issues are somewhat conceptual and philosophical in nature, but also quite practical. As an introductory exercise, they will suggest some of the more critical modern challenges facing risk managers and risk management practice.

### Module learning outcomes

By the end of the module, students should be able to:

1. Explain the rationale for developing risk management in an organisational context.
2. Understand and explain the significance of uncertainty management compared with threat and opportunity management.
3. Identify and explain the drivers of modern risk management practices.
4. Explain the complexities associated with defining and understanding risk.
5. Understand and explain some important issues, problems and challenges encountered by individual risk managers and the risk management community.

6. Explain the range of factors that can influence the perception of risk and principles involved in achieving effective risk identification.
7. Explain the ways in which risk and uncertainty may be quantified and the limitations to quantification, including the treatment of interdependencies between sources of uncertainty.
8. Explain the history of risk management and the important antecedents influencing the modern risk management world.

## **Module syllabus**

**Unit One: What you should know; what you will learn.** Establishes the expectations going into the Diploma and reflects on the intended outcomes.

**Unit Two: Risk: an introduction.** Introduces and reviews definitions of risk and affiliated concepts.

**Unit Three: A modern understanding of risk: part 1.** Further explores risk and affiliated concepts with an emphasis on cultural and psychological dimensions.

**Unit Four: A modern understanding of risk: part 2.** Further explores risk and affiliated concepts with an emphasis on the objective, scientific nature of those concepts.

**Unit Five: Risk issues, problems and challenges.** Exposes students to several subjects related to risk and its meaning to modern organisations.

**Unit Six: Risk: an application.** Provides an application/case setting in which students can think critically about the concepts and principles set forward in the previous units.

**Unit Seven: A short history of risk management.** Discusses the practice of risk management with a focus on the factors that have driven its evolution.

**Unit Eight: Risk management: the modern scene.** Explores the practice of risk management with reference to its modern characteristics and current developments.