AGRC Certificate in Risk Management - Syllabus

About the Association of Governance, Risk & Compliance (AGRC)

AGRC is a non-profit global professional accreditation & certification organization & networking platform. AGRC aims to facilitate the exchange of knowledge & sharing of experiences among Compliance, Risk & Governance professionals (GRC) with the goal of growing its community to ensure multi-jurisdictional regulatory compliance in the financial services & exchange values, experiences, expertise & professional opportunities.

Aim of the Certification

The AGRC Certificate in Risk Management is a comprehensive programme aimed at providing participants with a deep understanding of risk and risk management within the financial services sector. This course covers a wide array of topics, including the regulatory environment, risk identification, and the three lines of defence model.

By the end of the program, participants will be equipped with the knowledge and practical skills required to navigate the intricacies of financial risk management. Whether you're a student, professional, or simply interested in financial risk management, this course offers a solid foundation in this critical field.

The expected learning outcomes encompass an array of skills, from understanding risk principles to conducting risk assessments and applying risk management frameworks in practical scenarios. This program is a valuable educational journey for those seeking to excel in the dynamic world of financial services.

Certificate & Training Hours

The recommended number of learning and training hours is 25 to 30. This does not include additional time studying, revising, and preparing for the exam. A candidate should expect to spend an additional 15 hours of studying time to pass the exam, depending on prior knowledge and/or work experience.

Exam Information

Type of Exam	Multiple-choice questions (MCQs)
Number of Questions	50 questions
Passing Grade or Mark	70/100
Exam Duration	60 minutes
Method of Delivery	Computer-Based

Learning Objectives - Bloom Level

Based on **Bloom's Taxonomy**, AGRC's certificates prepares students to acquire knowledge that covers Bloom Levels 1, 2 and 3.

- **Level 1 - Remember:** Recall facts related to risk management in financial services and be able to define the main concepts involved in the risk management industry.
- **Level 2 - Understand:** Explain, describe, identify, and discuss the main ideas or concepts pertaining to risk management.
- **Level 3 - Apply:** Use, apply and implement the information acquired to new scenarios, and solve problems or meet challenges related to risk management.

Certificate Content

Chapter 1: Principles of Risk and Risk Management (2 Hours)

Learning Objectives

The students will be able to do the following upon completion of this section:

- ✓ Explain why financial institutions need to manage risk.
- ✓ Understand what uncertainty is.
- ✓ Understand what risk is.
- ✓ Explain what risk management is.
- ✓ Learn the principles of risk management.

1 Principles of Risk and Management

- ✓ Why Financial Institutions Need to Manage Risk
- ✓ Introduction to Risk Management
- ✓ Defining Uncertainty
- ✓ Defining Risk
- ✓ Defining Risk Management
- ✓ Principles of Risk Management

Chapter 2: The Financial Services Sector (2 Hours)

Learning Objectives

The students will be able to do the following upon completion of this section:

- ✓ Understand the key components of the financial services environment.
- ✓ Understand the financial services industry and the types of financial services.
- ✓ Identify the types of financial institutions.
- ✓ Identify the key types of financial products and services.
- ✓ Explain the importance of risk management in financial services.

2 The Financial Services Sector

- ✓ The Financial Services Sector

- ✓ Personal Finance
- ✓ Consumer Finance
- ✓ Corporate Finance
- ✓ Types of Financial Institutions
- ✓ Key Financial Products and Services
- ✓ Importance of Risk Management in Financial Services

Chapter 3: Impact of Risk in Financial Services (2 Hours)

Learning Objectives

The students will be able to do the following upon completion of this section:

- ✓ Define and differentiate between various types of risks in the financial services industry, including market risks, credit risks, operational risks, regulatory risks, and cyber risks.
- ✓ Explain how these risks can impact financial institutions, affecting their financial stability, solvency, reputation, and broader systemic stability.
- ✓ Understand the importance of trust and reputation in the financial sector and how incidents like data breaches, fraud, and poor customer service can erode trust and lead to negative consequences.
- ✓ Describe the concept of systemic risk and provide examples of how interconnectedness between financial institutions can amplify risk impacts.
- ✓ Recognise the significance of regulatory compliance and legal consequences in the financial industry and the potential outcomes of failing to adhere to regulations.

3 Impact of Risk in Financial Services

- ✓ Impact or Risk in Financial Services
- ✓ Direct and Indirect Impacts
- ✓ Addressing a Group of Incidents with a Common Root Cause
- ✓ Example: Data Breach and Unauthorised Transactions
- ✓ Addressing the Common Root Cause

Chapter 4: The Regulatory Environment in Financial Services (2 Hours)

Learning Objectives

The students will be able to do the following upon completion of this section:

- ✓ Identify the various regulatory bodies that oversee financial services.
- ✓ Understand the European System of Financial Supervision
- ✓ Explain the financial services regulation including Basel III and Solvency II
- ✓ Explain the impact of regulation on risk management in financial services.

4 The Regulatory Environment in Financial Services

- ✓ Regulatory Bodies
- ✓ The European System of Financial Supervision (ESFS)
- ✓ European Systemic Risk Board (ESRB)
- ✓ European Banking Authority
- ✓ European Securities and Markets Authority (ESMA)
- ✓ European Insurance and Occupational Pensions Authority
- ✓ The ESFS Macro-prudential and Micro-prudential Supervision
- ✓ Compliance Requirements
- ✓ The Regulatory Landscape
- ✓ Basel III
- ✓ Solvency II Directive
- ✓ Markets in Financial Instruments Directive (MiFID II)
- ✓ Banking Directive and Regulation (CRD IV/CRR)
- ✓ Alternative Investment Fund Managers Directive (AIFMD)
- ✓ Payment Services Directive (PSD2)
- ✓ Anti-Money Laundering Directive (AMLD)
- ✓ General Data Protection Regulation (GDPR)
- ✓ Investor Protection and Intermediaries Regulation (MiFIR)
- ✓ European Market Infrastructure Regulation (EMIR)
- ✓ Prospectus Regulation
- ✓ Securities Financing Transactions Regulation (SFTR)
- ✓ Insurance Distribution Directive (IDD)
- ✓ PRIIPs (Packaged Retail and Insurance-Based Investment Products)
- ✓ Impact of Regulation on Risk Management

Chapter 5: Establishing a Risk Management Framework (2 Hours)

Learning Objectives

The students will be able to do the following upon completion of this section:

- ✓ Understand what a risk management framework and its components is.
- ✓ Understand the design of a risk management policy and its content.
- ✓ Learn what is risk appetite, risk tolerance and level of risk criteria.
- ✓ Define roles and responsibilities within a risk management framework.
- ✓ Understand the steps of risk assessment.
- ✓ Identify the various risk treatment strategies.
- ✓ Understand the importance or risk recording, reporting, monitoring, and reviewing.

5 Establishing a Risk Management Framework

- ✓ Overview of the Risk Management Framework
- ✓ The Risk Management Policy
- ✓ Typical Components of a Risk Management Policy
- ✓ Purpose and Scope of the Risk Management Policy
- ✓ Risk Appetite and Risk Tolerance
- ✓ Level of Risk

- ✓ Roles and Responsibilities
- ✓ Risk Assessment
- ✓ Risk Identification Analysis and Evaluation
- ✓ Risk Treatment Strategies, Mitigation and Control
- ✓ Recording Monitoring and Reporting
- ✓ Monitoring and Review

Chapter 6: Approaches Used to Identify, Assess and Treat Risks in Financial Services (2 Hours)

Learning Objectives

The students will be able to do the following upon completion of this section:

- ✓ Understand the various approaches to risk management in financial services.
- ✓ Understand the various risk management frameworks that can be applied to financial services.
- ✓ Explain the ISO 31000 risk management framework.
- ✓ Explain the COSO ERM risk management framework.

6 Approaches Used to Identify, Assess and Treat Risks in Financial Services

- ✓ Approaches to Risk Management
- ✓ Risk Management Frameworks
- ✓ The ISO 31000 Risk Management Framework
- ✓ COSO ERM

Chapter 7: The Three Lines of Defence Model (2 Hours)

Learning Objectives

The students will be able to do the following upon completion of this section:

- ✓ Understand the three lines of defence model.
- ✓ Understand the role of the first line of defence.
- ✓ Understand the role of the second line of defence.
- ✓ Understand the role of the third line of defence.

7 The Three Lines of Defence Model

- ✓ Overview of the Model
- ✓ First Line of Defence
- ✓ Second Line of Defence
- ✓ Third Line of Defence

Chapter 8: Applying a Risk Management Framework in Financial Services (2 Hours)

Learning Objectives

The students will be able to do the following upon completion of this section:

- ✓ Understand how to develop a risk management framework for a financial services organisation.
- ✓ Learn how to apply a risk management framework in a financial service organisation.
- ✓ Understand how to apply a risk management framework in financial services.

8 Applying a Risk Management Framework in Financial Services

- ✓ Overview
- ✓ Establish Context
- ✓ Risk Identification
- ✓ Risk Assessment
- ✓ Risk Treatment
- ✓ Risk Monitoring and Review
- ✓ Risk Communication and Consultation
- ✓ Risk Recording and Reporting

Chapter 9: Sources of Risk in Financial Services (2 Hours)

The students will be able to do the following upon completion of this section:

- ✓ Understand the impact of risk in financial services.
- ✓ Explain the sources of risk in financial services.
- ✓ Explain market, credit, liquidity, operational, legal and compliance, reputation, strategic and systemic risks, in financial services.
- ✓ Identify the sources of risk in banks and insurance companies.
- ✓ Identify the sources of risk in life and non-life insurance companies.
- ✓ Identify the main cybersecurity risks in financial services organisations.

9 Sources of Risk in Financial Services

- ✓ Impact of Risk in Financial Services
- ✓ Sources of Risk in Financial Services
- ✓ Market Risk
- ✓ Credit Risk
- ✓ Liquidity Risk
- ✓ Operational Risk
- ✓ Legal and Regulatory (Compliance) Risk
- ✓ Strategic Risk
- ✓ Reputational Risk
- ✓ Systemic Risk
- ✓ Sources of Risk in Banks

- ✓ Examples of Risks in Banks
- ✓ Sources of Risk in Insurance Companies
- ✓ Sources of Risk in Life Insurance Companies
- ✓ Examples of Risk in Life Insurance Companies
- ✓ Sources of Risk in Non-Life Insurance Companies
- ✓ Examples of risks in a non-life insurance company

Chapter 10: Risk Assessment (2 Hours)

The students will be able to do the following upon completion of this section:

- ✓ Learn the principles of risk assessment.
- ✓ Understand the process of risk assessment.
- ✓ Explain the methodology of risk identification and risk analysis.
- ✓ Understand the methodology of risk evaluation.
- ✓ Be aware of the various risk assessment techniques.

10 Risk Assessment

- ✓ Risk Assessment Overview
- ✓ Risk Identification
- ✓ Risk Identification Techniques
- ✓ Risk Description and Risk Statements
- ✓ Brainstorming workshops
- ✓ SWOT Analysis
- ✓ Scenario Analysis
- ✓ Business Process Mapping
- ✓ Questionnaires/Surveys Checklists
- ✓ Risk Registers
- ✓ Risk Surveys
- ✓ Risk Interviews
- ✓ Industry Analysis
- ✓ Historical Data Analysis
- ✓ Risk Analysis
- ✓ Risk Evaluation

Chapter 11: Assessment of Risk in Financial Services (2 Hours)

The students will be able to do the following upon completion of this section:

- ✓ Grasp the key steps involved in risk assessment.
- ✓ Gain insight into the process of assessing market risk.
- ✓ Comprehend the methods for evaluating credit risk.
- ✓ Familiarize yourself with the techniques used to measure liquidity risk.
- ✓ Acquire an understanding of how to gauge concentration risk.
- ✓ Explore the methods for assessing operational risk.

- ✓ Get acquainted with the process of evaluating regulatory and compliance risk.
- ✓ Learn how to appraise reputational risk.
- ✓ Discover how to assess strategic risk.
- ✓ Explore the various risks associated with insurance companies.

11 Assessment of Risk in Financial Services

- ✓ Assessment of Market Risk
- ✓ Assessment of Credit Risk
- ✓ Assessment of Liquidity Risk
- ✓ Assessment of Concentration Risk
- ✓ Assessment of Operational Risk
- ✓ Assessment of Regulatory and Compliance Risk
- ✓ Assessment of Reputational Risk
- ✓ Assessment of Strategic Risk
- ✓ Assessment of Systemic Risk
- ✓ Assessment of Risks in Life Insurance Companies
- ✓ Assessment of Underwriting Risk
- ✓ Assessing Reserving Risk
- ✓ Assessing Catastrophe Risk
- ✓ Assessing Mortality Risk
- ✓ Assessing Longevity Risk
- ✓ Assessing Concentration Risk

Chapter 12: Risk Treatment and Incident Response (2 Hours)

The students will be able to do the following upon completion of this section:

- ✓ Understand what risk treatment is.
- ✓ Learn the various strategies (options for treating risk).
- ✓ Understand the risk treatment process.
- ✓ Know what risk avoidance is.
- ✓ Understand what risk reduction/mitigation.
- ✓ Be aware of what risk transfer is.
- ✓ Understand what risk acceptance is.
- ✓ Know what an incident response is.

12 Risk Treatment and Incident Response

- ✓ Risk Treatment Process
- ✓ Risk Avoidance/Elimination
- ✓ Risk Reduction/Mitigation
- ✓ Risk Transfer/Risk Sharing
- ✓ Risk Retention
- ✓ Incident Response

Chapter 13: ESG and Conduct Risk in Financial Services (2 Hours)

The students will be able to do the following upon completion of this section:

- ✓ Learn what is ESG and its common components.
- ✓ Understand why ESG matters to financial institutions.
- ✓ Understand how to address ESG.
- ✓ Learn what is conduct risk and its key aspects.
- ✓ Understand to assess and manage conduct risk.

13 ESG and Conduct Risk in Financial Services

- ✓ ESG Definition
- ✓ Why ESG Matters for Financial Institutions
- ✓ Addressing ESG Considerations
- ✓ Conduct Risk
- ✓ Managing Conduct Risk
- ✓ Assessment of Conduct Risk

Chapter 14: Organisational Resilience in Financial Services (2 Hours)

The students will be able to do the following upon completion of this section:

- ✓ Learn what is organisational resilience.
- ✓ Understand the key aspects of organisational resilience.
- ✓ Be aware of the EU Digital Operational Resilience Act (DORA).
- ✓ Learn which financial entities are covered by DORA.
- ✓ Understand DORA key definitions and terms.

14 Organisational Resilience in Financial Services

- ✓ What is Organisational Resilience?
- ✓ Organisational Resilience in Financial Services
- ✓ Digital Operational Resilience Act (DORA)
- ✓ Overview
- ✓ Entities Covered by DORA
- ✓ DORA Definition of Terms

Chapter 15: Impact of Risk in the Wider Business Environment (2 Hours)

The students will be able to do the following upon completion of this section:

- ✓ Understand the relationship between risk and business objectives.
- ✓ Learn what is risk culture and how to recognise a good risk culture.
- ✓ Understand the importance of risk culture in the context or risk management.

- ✓ Understand what a business continuity plan is.
- ✓ Learn how to develop a business continuity plan.

15 Impact of Risk in the Wider Business Environment

- ✓ Relationship between Risk and Business Objectives
- ✓ Risk Culture
- ✓ What Does a Good Risk Culture Look Like?
- ✓ Reputational Risk
- ✓ Managing Reputational Risk
- ✓ Business Continuity Planning
- ✓ Contents of a Business Continuity Plan

Chapter 16: Conclusions (30 Minutes)

- ✓ Summary of Risk Management in Financial Services: Key Points
- ✓ The Future of Risk Management in Financial Services
- ✓ EU Financial Services Environment