

# **CERTIFIED PRACTICING RISK MANAGER (CPRM)**

## **Proficiency Statement**

CPRM certification has been developed to meet the demand for qualified risk professionals with a depth of relevant experience. Organisations are placing greater reliance on having competent risk managers to guide the design and implementation of the risk management framework.

CPRM candidates need to demonstrate that they have a minimum of 5 plus years' experience in risk management across 5 of 6 Body of Knowledge Domains within a business context and /or project.

The exam requires the CPRM candidate to have not only a theoretical knowledge of the ISO31000:2009 Risk Management Standard ("Standard"), but also knowledge in applying risk management.

A CPRM is expected to have engaged with senior management and /or project steering committee level in implementing the Standard into organisations. However, it is recognised that many organisations will 'adapt' the Standard to meet their operational environment.

The candidate is to have knowledge of how to integrate risk management into business processes and systems within an organisation. Further, they need to demonstrate the application of risk across a broad range of risks management fields, for example, finance, governance, people, customers and markets, operations, supply/procurement etc.

It is not a CPRM proficiency requirement to develop and implement risk management enterprise-wide or for a portfolio of projects, though it would be advantageous if a CPRM candidate had this experience.

### **Proficiencies:**

- Demonstrate a sound understanding of AS/NZS ISO 31000 Risk Management principles ("Standard") and ISO073 risk management vocabulary.
- Understand the AS/NZS HB436:2013 (risk management guidelines companion to the Standard).
- An understanding of ISO31010 – Risk Techniques.
- Demonstrate the application of the principles, concepts, and guidelines of the Standard within the context of an organisation in developing and implementing an integrated risk management framework, processes and governance.
- Articulate how risk management contributes to the formation of, and is an integral component of the organisation's governance structure.
- Articulate how risk management improves the organisation's decision-making processes.

- Articulate the components of a framework for managing risk and explaining how the risk management framework integrates into management systems and governance of an organisation.
- Ability to establish communication and consultation mechanisms with relevant stakeholders, so that they have appropriate input to the risk management framework and processes based on the Standard.
- Effectively communicate through:
  - Providing written reports and procedures
  - Face-to-face meetings
- Demonstrate an understanding of the risk context and the application within the risk management framework, governance and processes.
- Develop and implement organisational risk management governance under the framework and have this integrated into the organisation's objectives, strategies, plans, structures and processes.
- Apply and document a structured approach to identifying, categorising, assessing and evaluating risks.
- Demonstrate the application of the methods of risk analysis (e.g. analysis of statistical data relating to risk, research of literature, etc.).
- Develop an assurance program to monitor and evaluate the effectiveness of the organisation's risk management framework and that strategic and key business risks are being managed.
- Document risks in a Risk Register as well as describe a "set of risks" in a "Risk Profile" consistent with the Standard and distinguish between a risk, a consequence and a potential failure of a control.
- Demonstrate an understanding of qualitative and quantitative measures of likelihood.
- Articulate the role of the rating matrix and how to use it to prioritise or rank risks.
- Demonstrate the identification and design effectiveness of controls.
- Evaluate risk treatment options, define a treatment strategy, develop and communicate a risk treatment plan.
- Develop, in consultation with the organisation's senior management, and /or board of directors a risk register or risk profile that is within the risk appetite.
- Develop and deliver risk management training education and awareness programs across the business/enterprise to enable the understanding and application of risk management.

Recommended additional reading HB327:2010 Communicating and Consulting about Risk.

## CPRM Focus Areas

The CPRM designation focuses on the following Body of Knowledge Domains:

**Domain 1:** Communication and Consultation (Clause 5.2\*)

**Domain 2:** Risk Context (Clause 5.3\*)

**Domain 3:** Risk Identification, Analysis and Assessment (Clause 5.4\*)

**Domain 4:** Risk Treatment (Clause 5.5\*)

**Domain 5:** Monitoring and Review (Clause 5.6\*)

**Domain 6:** Governance (Clause A3.3/A3.5 \*)

★ ISO31000 Risk Management Standard

Please refer to the RMIA Body of Knowledge – Domains 1 – 6.

## CPRM Certification Requirements

To earn the CPRM certification, candidates are required to:

- Pass the CPRM exam.
- Provide documentary evidence to support five years plus of cumulative work experience performing the tasks of a CPRM across at least five CPRM domains.
- Adhere to the RMIA Code of Professional Ethics.
- Agree to meet the requirements of the RMIA Continuing Education Policy.