

BODY OF KNOWLEDGE
DOMAIN 3
RISK ASSESSMENT

Purpose

To document the knowledge and practices, which an applicant for certification with RMIA is required to know to successfully pass the certification examination. The Body of Knowledge is to be read in conjunction with the appropriate Competency Statement.

Knowledge and Practice Statements are indicated in the tables below. The application of the Knowledge and Practices Statements may vary between the certification levels i.e. CPRA and CPRM, and this is indicated in the tables.

Domain 3: Risk Assessment

Risk Assessment - identification, analysis, categorisation and evaluation concerned with determining the severity of risk faced by the organisation and providing recommendations to business leaders on how to effectively manage risk within tolerance levels, including but not limited to:

- The creation of a risk profile that reflects the contexts of strategic and work operations (refer Domain 2).
- Identifying sources of risk, areas of impacts, events (including changes in circumstances), their causes and the potential consequences that might create, enhance, prevent, degrade, accelerate or delay the achievement of objectives.
- Analyse the risk severity associated with each threat, including anticipated risk consequence and likelihood using both quantitative and qualitative analysis techniques.
- Performing risk evaluations based on the outcome of the risk analysis, to assist in decision-making, informing which risks need treatment and the priority for treatment implementation.

This process includes the creation of a comprehensive, prioritised inventory of relevant risks, which is documented in a Risk Register.

KNOWLEDGE STATEMENTS

A certified risk professional is required to have knowledge of the following at the operational, project, process, and business/enterprise* activity levels:

Knowledge No.	Description	CPRA	CPRM
KS3.1	Standards (ISO31000 and ISO73), frameworks and practices related to risk identification, analysis and evaluation.	✓	✓
KS3.2	Risk Techniques (ISO31010) and tools for risk identification, categorisation, analysis and evaluation.	✓	*✓
KS3.3	The category of risks related to organisational objectives, initiatives and processes within the context defined for each risk assessment.	✓	✓

Knowledge No.	Description	CPRA	CPRM
KS3.4	Basic (Advance*) level of quantitative and qualitative risk analysis.	✓	*✓
KS3.5	The effectiveness and efficiency of existing controls to reduce risk and consequences.	✓	✓
KS3.6	Application of likelihood and consequence for identified risks.	✓	✓
KS3.7	Allocation of risk ownership within the roles and accountabilities that the organisation delegates.	✓	✓
KS3.8	Tolerances for risks within the organisation.		✓
KS3.9	Organisation's appetite for risk and it's context.		✓
KS3.10	Develop a risk awareness program to ensure all stakeholders understand risk and contribute to the risk management culture.		✓

PRACTICE STATEMENTS

A certified risk professional is required to perform the following at the operational, project, process, and business/enterprise* activity levels:

Practice No.	Description	CPRA	CPRM
PS3.1	Collate information and review documentation of organisational objectives, initiatives and processes.	✓	✓
PS3.2	Identify potential threats related to organisational objectives, initiatives and processes to assist in the identification of risks.	✓	✓
PS3.3	Identification of risks whether or not their sources are external to the organisation (risks that are external may be more difficult to control).	✓	✓
PS3.4	Develop risk scenarios to indicate the likelihood and consequences of a risk should it occur.		✓
PS3.5	Engagement of stakeholders in the risk identification process.	✓	✓
PS3.6	Risk analysis from assessing consequences, likelihood and the risk rating, and the influencing factors that can affect these.	✓	✓
PS3.7	Identify the existing controls and their effectiveness and efficiency.	✓	✓

Practice No.	Description	CPRA	CPRM
PS3.8	Assess the likelihood and consequence of risks.	✓	✓
PS3.9	Risk evaluation comparing the level of risk with the risk criteria.	✓	✓
PS3.10	Determine if proactive risk treatment is required.	✓	✓
PS3.11	Validate risk appetite and tolerance with key stakeholders.	✓	✓
PS3.12	Assign risk ownership.	✓	✓
PS3.13	Develop a risk register.	✓	✓
PS3.14	Conduct education and awareness training for all stakeholders.		✓

*** At the enterprise level it is performed by the CPRM.**