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EVALUATION OF RISK MANAGEMENT CERTIFICATION AND TRAINING PROGRAMS

August 30, 2007

This publication was produced for review by the United States Agency for International Development. It was prepared by Sarah W. Hargrove, Consultant to BearingPoint, Inc.

ASSESSMENT OF RISK MANAGEMENT CERTIFICATION AND TRAINING PROGRAMS

SUSTAINABLE ACHIEVEMENT OF BUSINESS EXPANSION AND
QUALITY (SABEQ)

CONTRACT NUMBER: 278-C-00-06-00332-00

BEARINGPOINT, INC.

USAID/JORDAN ECONOMIC OPPORTUNITIES OFFICE (EO)

AUGUST 30, 2007

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TASK NO : 1.3.3.4 ASSESSMENT OF EXISTING RISK
MANAGEMENT CERTIFICATION PROGRAMS AND PROVISION OF
RESULTS TO BANKS.

DISCLAIMER:

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Assessment of Existing Risk Management Certification and other training Programs

	Summary of Program	Target Audience	Cost	Advantages and Disadvantages
Global Association of Risk Professionals (GARP) FRM@Garp.com	Financial Risk Manager (FRM) certification can be attained after successfully completing one exam	Risk managers in all disciplines	\$500 (including 1-year membership fee in GARP)	Minimum 2 years experience in chosen field. One exam Generally recognized as leading risk professional certification Exams given in secure settings around the world There is a GARP study group in Amman
Professional Risk Managers International Association (PRMIA)	PRM Certification after completing 4 exams (total 4 ½ hours) that can be taken in one sitting but must be completed within 2 years	Risk managers in all disciplines	\$500 (including membership fee); \$195 per exam	Tends to be more academic than other more practitioner-oriented.
Bankers Association Institute (BAI)	Certified Risk Professional (CRP) designation attained after successfully completing 3 exams (2 core exams and 1 specialty exam)	Risk managers in financial services	\$600 for non-members (\$500 for members)	Core exams can be taken in one day, but third exam must be taken separately.
Risk Management Association (RMA)	Extensive membership and training courses.	Risk managers in financial institutions	Membership fee and course costs	No certification program. Primary focus of training is credit training.
ACF Consultants	On-line training courses	Financial professionals	Per course	No certification program. Broad array of on-line risk management training courses.

APPENDIX

The following is a sampling of the offerings of the various programs summarized in the table. The material is taken from the vendors' websites and is not to be interpreted as endorsed or independently verified by USAID, SABEQ, BearingPoint, or any of the SABEQ subcontractors.

APPENDIX 1: GLOBAL ASSOCIATION OF RISK PROFESSIONALS (GARP)

www.garp.org

GARP is a not-for-profit association consisting of **55,000** individuals around the world who are involved in financial risk management. Members come from over 100 countries, and work in regional and global banks, asset management firms, insurance companies, central banks, securities regulators, hedge funds, universities, large industrial corporations and multinationals.

GARP's aim is to encourage and enhance communications between risk professionals, practitioners and regulators worldwide. Through its events, publications, website and certification examination (FRM), GARP works on expanding views and increasing recognition of the global risk management community.

GARP MISSION STATEMENT

To be the leading professional association for risk managers, managed by and for its members dedicated to the advancement of the risk profession through education, training and the promotion of best practices globally.

The GARP Risk Academy, a non-profit, wholly owned subsidiary of GARP, is a practice-oriented, financial risk management education and training institution. The aim of the Risk Academy is to 'create a culture of risk awareness' throughout an entire organization. It does this through a series of training and certification programs overseen by a committee of internationally-respected academics and industry practitioners. The Risk Academy also publishes learning material that supports its practice-oriented certification programs. In addition, the Risk Academy offers Continuing Professional Education programs and Train-the-Trainer courses in support of its national and international programs.

The FRM program was organized in 1997 and has grown steadily and dramatically. In 2006, 8,078 individuals from around the world registered to take the FRM examination, a 19% increase over 2005. The FRM is a comprehensive examination both in content and questions.

The FRM covers buy and sell-side issues as well as corporate and regulatory risk concepts. It is not geared toward any one risk management discipline.

APPENDIX 2: PROFESSIONAL RISK MANAGERS INTERNATIONAL ASSOCIATION (PRMIA)

www.prmia.org

PRMIA is a non-profit professional association of risk professionals offering a vast array of resources to its members, including: Local Chapter Network – Over 200 meetings each year are offered through local PRMIA chapters giving you access to the best practices of the global risk profession and to a local network of your colleagues.

The PRM Certification – Endorsed by leading universities and businesses, the PRM certification is the global standard for financial risk managers and is offered in 140 countries.

The PRMIA C-Suite – Over 1,500 C-Level officers and their direct reports belong to the PRMIA C-Suite and have access to governance resources, boardroom roundtables and a network of peers defining the best practices of risk management.

Online Resources – PRMIA members have access to a wealth of online resources including ROSE, our proprietary Risk Online Search Engine, the PRMIA Links Network, a Jobs Board with hundreds of risk management job openings in dozens of countries, links to past presentations and papers and much more...

The PRMIA Institute is the non-profit educational and scientific wing of PRMIA. Formed collaboratively with leading universities, the PRMIA Institute is engaged in a variety of initiatives:

- ☐ Establishing Best Practices – Leading universities around the world have come together to define the best practice curricula for graduate programs in risk management and financial mathematics / financial engineering.
- ☐ Publications – Global access to cutting-edge publications like the Professional Risk Managers' Handbook: A Comprehensive Guide to Current Theory and Best Practices. Available digitally and in print.
- ☐ Online Professional Development – Over 400 online learning courses are available to help risk professionals expand and refine their career skills.
- ☐ Classroom Professional Development – With the faculty of leading universities, the PRMIA Institute offers a select number of classroom-based professional development opportunities.

Scholarships and Academic Grants – The PRMIA Institute supports the development of best practices by offering academic prizes, research grants and scholarship discounts to those in need of financial assistance.

A Summary of the PRM Program

Exam Structure

Candidates are required to pass four exams to be awarded the PRM designation. You can choose to take the complete PRM exam in one sitting or in four separate modules, which can be taken in any order over a period of up to two years. The only pre-requisite is [membership](#) in PRMIA.

Exam I:	Finance Theory, Financial Instruments and Markets (120 minutes)
Exam II:	Mathematical Foundations of Risk Measurement (120 minutes)
Exam III:	Risk Management Practices (90 minutes)
Exam IV:	Case Studies, PRMIA Standards of Best Practice, Conduct and Ethics, Bylaws (60 minutes)

Format

The exams are computer-based and the questions are all multiple choice. The complete PRM exam consists of 120 questions. Exam questions are randomly drawn, according to the syllabus order and weightings, from the exam database.

Testing Venues

The exam is offered in secure, monitored [testing facilities](#) in any of nearly 4,000 locations, operated by Pearson VUE, in over 140 countries.

Recognition of Other Designations

The PRM program recognizes other professional designations and gives partial credit towards completion of the requirements for the PRM certification. "Cross-over" candidates need only to pass the following exams to receive the PRM:

CFA Charter Holders:	Exams III and IV
CIIA, CEFA Charter Holders:	Exams III and IV
CQF Holders:	Exams III and IV
Actuarial Fellows:	Exams III and IV
Actuarial Associates:	Exams I, III and IV
CSI Financial Risk Management Graduates:	Exams, II, III and IV
CAIA Financial Risk Management Graduates:	Exams, II, III and IV

1.1

Online eLearning Courses

The PRMIA Institute provides over 40 comprehensive online courses and more than 400 [eLearning short courses](#) to help you grow as a risk professional. Corporate licensing of any course, or combination of courses is also available. To learn more about corporate licensing or customizable learning programs, please [contact us](#).

1.1.1.1 What you get:

- One year of unlimited access to the course or courses of your choice
- 24X7 email support
- Specific Job Aids and other PDFs that are printable to complement your digital courses
- Online Chat, Discussions and tracking of your progress

1.1.2 Recommended Courses

[Treasury Analytics](#)

US \$100.00

[Buy Now](#)

The concept of yield curve analysis, different analytical techniques like duration, convexity and basis point value, which form the basis for understanding the overall risk measurement framework are the elements of this course. The practitioner is introduced to the Value-at-Risk (VaR) methodology to measure risks.

[Global Banking Supervision](#)

US \$200.00

[Buy Now](#)

Focuses on the measurement, monitoring and formulation of prudential regulations. Describes requirements to control inherent risks in banking as per the guidelines issued by the Basel Committee on Banking Supervision.

1.1.3 Search for eLearning Courses by Keyword

Enter Keyword:

1.1.4 View courses by subject area:

- [ALM for Insurance Companies](#)
- [Asset Liability Management](#)
- [Banking Regulations, Basel I & II](#)
- [Core Financial Concepts](#)

- [Corporate Governance](#)
- [Corporate Treasury Management](#)
- [Credit Risk Management](#)
- [Derivatives](#)
- [Finance & Accounting](#)
- [Global Financial Markets](#)
- [Market Risk Management](#)
- [Money Market Instruments](#)
- [Operational Risk Management](#)
- [Operations and Compliance](#)
- [Structured Finance](#)

1.2 PRMIA Tutorials:

1.3 What can I do with PRMIA online?

[Attain the PRM Certification](#)

The higher standard in risk certification is the PRM. Demonstrate your world-class risk management skills.

[Find Helpful Publications](#)

The Professional Risk Managers' Handbook and other publications to help you in your work.

[Attend a Training Session](#)

The PRMIA Institute offers intensive classroom settings, featuring world-class faculty.

[Take a Course Online](#)

Over 450 online courses, from basic to advanced, available immediately.

[Search Through Millions of News Stories](#)

The PRMIA news database contains over 5 million stories from sources around the world

APPENDIX 3: BAI

Working in conjunction with leading industry experts, BAI Center for Certification has developed three certifications that set the standards in financial services risk management and bank auditing.

Through certifications, financial services professionals demonstrate expertise and high degrees of competency in selected fields. Individuals are recognized for their knowledge, skills and experience while enhancing their professional standing among management and peers.



Risk Management Certification by BAI

Offered by BAI Center for Certifications, the **Certified Risk Professional® Program (CRP)** is an extensive and prestigious professional designation dedicated to promoting standards of excellence in risk management in financial services.

What is the CRP?

Developed by BAI Center for Certification, the CRP designation recognizes financial services professionals who meet a demanding set of examinations, experience, education and ethical requirements. The CRP certification has been created to recognize individuals who have a strong knowledge of risk identification, assessment and management in the financial services industry. The CRP Executive Advisory Committee was convened to study the financial services industry and to ascertain how risk management professionals obtain this knowledge and experience, and the committee developed risk management best practices established by the CRP requirements.

Professionals who attain this designation will distinguish themselves from others because the CRP certification sets the standards for measuring risk management experience, knowledge and skills of risk management professionals.

Risk management continues to become more complex and to grow in importance in financial services. In addition, the regulatory community is focusing on risk control as a key indicator of an organization's strength. The CRP certification will identify individuals who have specialized expertise in financial services risk management.

The CRP certification is the most extensive and prestigious professional designation dedicated to promoting standards of excellence in risk management in financial services. Currently, the BAI Center for Certification is providing two **core risk management exams**:

- Financial Services Risk Management Theory, Principles and Concepts
- Financial Services Risk Management Practice and Application

and four **specialty exams**:

- Audit
- U.S. Regulatory Compliance
- Finance and Accounting
- Treasury/Asset Liability Management and Balance Sheet Risk Management

Certified

Anti-Money

Laundering

The Anti-Money Laundering (AML) certificate program is a valuable educational opportunity for anti-money laundering and Bank Secrecy Act (BSA) professionals. This program is also an excellent professional enhancement for national and state regulators.

This comprehensive educational program for AML assists in identifying and monitoring high-risk customers—a major requirement that financial institutions must fulfill to satisfy tough bank examiners, who vigorously enforce the anti-money laundering laws and BSA. Show the industry that your organization and you personally, take your anti-money laundering responsibilities seriously.

Demonstrate the competency of your anti-money laundering and BSA staff and contribute to the overall safety and soundness of the organization.

Candidate Requirements

Candidates for the Certified Risk Professional (CRP) designation must meet specific requirements within the following categories:

- Proof of completion of a Bachelor's Degree (*A photocopy of an official transcript or a diploma demonstrating completion of a Bachelor's Degree, or written proof of completion of a degree program.*)
- A resume that details your work history
- The one-time application fee
- Agreement to uphold the CRP Code of Ethics
- Successful completion of the examinations
- Letters of Recommendation and Attestation by the candidate's management

All documentation will be reviewed by BAI Center for Certification before the review evaluation will be performed and the certification can be issued.

Professional Experience and Education Requirements

The CRP professional experience and educational requirements for applicants taking the exam are:

1. A Bachelor's Degree from an accredited college or university with work experience of at least three years in the fields of exposure identification, risk evaluation or risk control.
2. For candidates without a Bachelor's Degree, work experience of at least five additional years in the fields of exposure identification, risk evaluation or risk control may be substituted. The total risk management work experience requirement for these candidates is eight years.

The Examination Process

Candidates must pass a two-part core competencies examination in risk management. Part 1 consists of theory and principles. Part 2 consists of applied techniques. In addition, candidates must pass a one-part examination within each specialty area in which they seek certification. (Please note: the core exams need to be successfully completed just once, even if additional specialties are sought later.) Specialties are as follows:

Specialty Areas for the Examination

- Audit
- Compliance
- Treasury, Asset/Liability and Balance Sheet Risk Management

Finance & Accounting/Financial Risk Management

Examinations will be administered in November and June each year. A passing grade of 70% on each exam is required to earn the certification.

Letter of Recommendation and Attestation

In addition to the successful completion of the core competencies and specialty portion of the exam, a letter of recommendation and attestation to the candidate's work experience by an executive in your organization must be provided, if it has not already been received.

Exam Registration Information


To obtain a Certified Risk Professional certification, candidates are required to pass the following three examinations:

Core Exam 1 (morning)	Theory, Principles and Concepts
Core Exam 2 (afternoon)	Risk Management Practice and Application
One Specialty Exam	(Candidate's choice)

Candidates must also meet specific education and professional experience requirements as outlined in the [Candidate Requirements](#). Be sure to review these requirements to find out what additional documentation will need to be submitted.

- ☐ The Complete Exam Package includes costs for both Core Exams, one Specialty Exam, and the one-time application fee. *All parts (Core Exams and Specialty Exams) must be taken at one time when selecting the Complete Exam Package.*

BAI Member Organization/Non-member Organization Price		
<input type="checkbox"/>	Complete Exam Package - BAI Member Organization - \$500	
<input type="checkbox"/>	Complete Exam Package - Non-member Organization - \$600	
<input checked="" type="checkbox"/> Individual Exams	BAI Member Organization Fees	Non-member Organization Fees
Core Exam 1 - Risk Management	\$150	\$175

Theory		
Core Exam 2 - Risk Management Practice		
Specialty Exams		
Audit (CBA holders exempt)		
Treasury/Asset Liability and Balance Sheet Risk Management		
U.S. Regulatory Compliance		
Finance and Accounting		
One time application fee*	 \$100	

APPENDIX 4: RISK MANAGEMENT ASSOCIATION (RMA)

www.rma-hq.org

Founded in 1914, the Risk Management Association is a not-for-profit, member-driven professional association whose sole purpose is to advance the use of sound risk principles in the financial services industry. RMA promotes an enterprise approach to risk management that focuses on credit risk, market risk, and operational risk. Headquartered in Philadelphia, Pennsylvania, RMA has 3,000 institutional members that include banks of all sizes as well as nonbank financial institutions. They are represented in the association by 16,000 risk management professionals who are chapter members in financial centers throughout North America, Europe, and Asia/Pacific. RMA's education and training programs are geared to risk management professionals at every stage of their careers. Sample programs include the following:

[eMentor®](#)

eMentor is RMA's Web-based, comprehensive knowledge management tool for the financial services industry. Continually updated with new information, eMentor is the first integrated source of information on credit and lending processes, concepts, and practices. eMentor also provides information about specific industries.

[Annual](#)

[Statement](#)

[Studies®](#)

This consistently reliable source of financial statement benchmarks on private businesses for more than 85 years includes two publications: Financial Ratio Benchmarks and Industry Default Probabilities and Cash Flow Measures.

[Mentor®](#)

[Training](#)

[Curriculum](#)

This trademark program is available online as well as in CD-ROM, as open enrollment courses or on-site courses, and as self-study courses. These include one-day specialized lending workshops (covering specific industries/customers) in the area of credit risk, specific courses like understanding and preventing fraud in operational risk and the fundamentals of asset/liability management in the area of market risk.

[Diagnostic Assessment of Credit & Lending Skills](#)

Offered online with immediate scoring results, this test helps financial services professionals identify areas where they need more training.

[eCompare2](#)

A powerful Web-based tool for financial statement analysis, eCompare2 allows users to create industry standard ratios, cash flow reports, and projections.

[Courses – Attendance](#) You can register for an open-enrollment event – open to anyone – available across multiple disciplines of risk: Credit, Market, Operational and Securities Lending. Click to see the courses that are available.

[Courses-Custom Solutions](#) RMA delivers the best financial services training available—and you can have it right at your institution. Most of our courses can be delivered to your

employees wherever and whenever you choose. On-site courses can be tailored to meet your immediate needs. No travel is involved, saving time and money. For more information contact the Regional Manager for your area.

[Conferences/Forums](#) RMA conferences and forums present relevant information to help you make smarter decisions in your job. Recognized industry leaders address the conferences and forums, offering insights into current trends and best practices. Many conferences, such as the Risk Management Conference, also offer programs in specialized tracks so that you get information specifically geared to your interests. Click here to see a list of RMA's conferences and forums.

[Mentor Online](#) The result is the *RMA Mentor® Multimedia Continuing Education Series*—the most cost-effective way to increase your lenders' performance and get them back in front of your customers faster. Which is the whole point of training, right?

[Audioconferences](#) Thousands of lending and credit risk management professionals take advantage of RMA's audioconference series. Each audioconference runs only one hour. During that hour some of the most respected names in our business will share their experiences on how to lend smarter and more productively.

[Self Study](#) RMA offers self-study courses in two methods of delivery: text-based and Mentor Online. The self-study format is designed to reduce training time and expense by allowing users to master critical skills without leaving the office.

APPENDIX 5: ACF CONSULTANTS (“ACF”)

www.acfconsultants.com

ACF Consultants provides training for the financial markets, including banks, corporations and financial institutions. Their approach is blended learning which integrates training tools interactive eLearning, top quality tutor-led training, and realistic simulations. ACF specializes in all aspects of the financial markets, and seminars can be pitched at any level with a focus on a particular product or topic, or deliver integrated development programs covering a wide range of instruments and issues.

ACF programs have covered the following areas:

- | | |
|---|---|
| <input type="checkbox"/> Investment Banking | <input type="checkbox"/> Foreign Exchange |
| <input type="checkbox"/> Corporate Finance | <input type="checkbox"/> Derivatives |
| <input type="checkbox"/> Capital Markets | <input type="checkbox"/> Commodities |
| <input type="checkbox"/> Risk Management | <input type="checkbox"/> Analyst and Associates Training Programs |
| <input type="checkbox"/> Portfolio Management | <input type="checkbox"/> Graduate Development Programs |
| <input type="checkbox"/> Asset Management | <input type="checkbox"/> Bond and Financial Math |
| <input type="checkbox"/> Private Banking | <input type="checkbox"/> Quantitative Analysis |
| <input type="checkbox"/> Back Office and Operations | <input type="checkbox"/> Sales and Trading |
| <input type="checkbox"/> Regulation and Compliance | <input type="checkbox"/> Global Financial Markets |
| <input type="checkbox"/> Fixed Income | <input type="checkbox"/> Bank ALM |
| <input type="checkbox"/> Equities | |

ACF can produce detailed designs for integrated, coordinated curricula, specifically targeted to meet particular learning objectives and business needs. Instructional designers and content specialists will create a well-constructed, balanced program to craft a blueprint for learning which will give real impetus to any training initiative.

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