



OPERATIONAL RISK MANAGEMENT A THREE DAY EVENT



This three day programme will provide you with the knowledge you need to review, benchmark and refine operational risk plans within your organisation.

The course focuses on both qualitative and quantitative techniques, offering integrated solutions for operational risk and suggesting approaches to the problems that an institution will face in meeting these demanding requirements.

Attend this Training Event and you will:

Learn to appreciate the key issues and practical solutions within risk management. Addressing all major risk issues, you will gain an appreciation of key risk topics and solutions



Learning Objectives

- Understanding operational risk
- The role of international regulations in driving operational risk management
- Understanding the activities in managing operational risk
- Establishing and using an internal loss database
- Use of external loss data
- Development and use of both stress testing and scenario analysis
- Identifying mitigating techniques
- Development and use of key risk indicators
- Consideration and use of risk and control self assessment
- How to identify and measure operational risk

Who Should Attend

- Heads of Risk
- Risk Managers
- Board directors
- Heads of Audit
- Audit managers
- Heads of Compliance
- Project managers
- Business heads
- Risk management professionals
- Any professional who needs to know how operational risks affect their organisation

Course Methodology & Instructors

Classroom style lectures featuring practical case studies. The objective is for you to fully understand the stages and techniques in implementing an operational risk structure that will meet the demands of your regulator and the Basel Accord as they continue to develop.

The nature of IT solutions available within the market place will also be introduced to enable attendees to move towards the development of solutions.

Course Materials

You will receive comprehensive course notes and materials for future reference.

COURSE AGENDA

Module 1 - Understanding Operational Risk

- An overview of financial and non-financial risk
 - What is operational risk?
 - The boundaries with market and credit risk
- Key terms: the components and attributes of risk
- Defining the scope of operational risk
- Frequency vs. impact, expected vs. unexpected losses

Case study: differentiating and allocating risks (NAB FX trading)

Module 2 - Operational Risk Event Types

- Risk, events and controls
- Operational risk categorisation, organisational modelling and frameworks
- Inherent and residual risks, causal and secondary risks
- Building a risk structure – risks, events and controls
- Creating risk statements
- Examples of risk, events and controls
- Exercise on building a risk model

Case study: operational risk types and events (Bank of Scotland record keeping)

Module 3 – Drivers for Operational Risk

- The regulatory and business drivers – making a business case
 - The Basel II Accord
 - The Basel II definition of Operational risk
 - Basel III changes: Impact on operational risk management and future directions
- Other regulations with operational risk implication
- Why do banks manage their operational risk?
- Discussion: the impact of cross-border regulation

Module 4 – Internal and External Loss Data

- Types of losses – actual, near misses and predictive incidents
- Loss recording and internal loss data
- Gross loss vs. net loss
- The problems of loss data collection
- Use of external data
- The two types of external loss data
 - Public
 - and pooled data
- Making external data relevant to your organisation

Module 5 – Risk-derived Capital and Operational Risk Measurement

- What is capital?
- Uses of capital and capital adequacy
- Regulatory and economic capital
- Operational risk measurement and OpVaR
- Basel II measurement approaches:
 - the Basic Indicator,
 - Standard
 - Advanced Measurement Approaches
- The IMA, LDA and Scorecard methods
- Basic problems of the measurement approaches

Module 6 – Mitigating Operational Risk

- What is operational risk mitigation?
- The objective of operational risk mitigation
- Mitigation techniques
 - severity
 - likelihood
- The mitigation process
- Inherent, residual and target risk levels
- The challenges of implementing effective controls

Case study: identifying appropriate mitigating techniques

Module 7 - Operational Risk Management

- Risk governance
- Risk committees, the CRO and the risk advisory director
- The three lines of defence
- Operational risk management activities

- Identification, assessment, measurement, mitigation/control and monitoring and reporting
- Building the operational risk framework
- Best ways to collect risk data
- Sound practices for the management and supervision of operational risk
- Assess or measure?
- Defining your risk appetite
- Getting commitment from all parties

Case study – the HBOS risk management whistle blowing incident

Module 8 - Monitoring, Event Management and Reporting

- Monitoring operational risk
- Event management
- Event reporting and monitoring
- Progress monitoring and closing events
- Reporting process – how to build reports

Case study: assessing and reporting the root cause of an event

Module 9 – Key Risk Indicators

- What are KRIs?
- Types of KRIs
- The role and structure of effective KRIs
- Developing and designing key risk indicators
- Implementing and evaluating KRIs
- Thresholds and reporting
- What are the true benefits of KRIs?

Case study: setting thresholds on KRI

Module 10 - Risk and Control Self-assessment

- What is a RCSA?
- What is the objective of risk and control self assessment?
- RCSA approaches
- Demonstration of the typical technique applied
- Review of the level of accuracy of data produced
- Consideration of the problems with risk and control self assessment

Case study: carrying out an RCSA

Module 11 - Stress Testing and Scenario Analysis

- What is stress testing?
- The topology and uses of stress testing
- What is scenario analysis
- Uses of scenario analysis
- Developing credible scenarios
- How does stress testing differ from scenario analysis
- What is a suitable stress test?

Case Study

Module 12 - Risk frameworks

- COSO
 - ISO 31000
 - Comparing COSO and ISO 31000
 - Other risk standards
 - Governance codes
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Module 13: Implementing an operational risk management facility

- Planning, business and programme considerations
- Project governance
- Strategic steps and scoping
- Analysis and design
- Choosing software products
- Implementation
- Cut-over and operational running

Module 14: Other key issues

- The role of insurance
 - Supervision of operational risk
 - Supervisory Review Process (SREP)
 - Internal Capital Adequacy Assessment Process (ICAAP)
 - Basel operational risk disclosure
 - Outsourcing and operational risk
 - Business continuity management and outsourcing
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Module 15: Bringing it all together

- Regulation in practice
- The risk culture
- What are the problems of implementing operational risk?
- The regulators view
- The future – where next?
- Summary

END

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BOOKING DETAILS

Product	Date	Location	Delegates	Fee (Excluding VAT)
Total				

TERMS AND CONDITIONS

Terms and conditions will be according to our Premier's standard training 'Terms of Business'. Please note the following points:

Payment is due 30 days from date of invoice, or before or on the day of the course if this is the first booking with Premier.

If the course is cancelled within fourteen days of course commencement there will be a 100% cancellation charge.

TO BE COMPLETED BY CLIENT

After ensuring that all course details are correct, please either sign below and FAX back to confirm your acceptance of this booking and our Terms and Conditions or confirm your booking and return by email.

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