

INTERMEDIATE OPERATIONAL RISK MANAGEMENT

Course Overview

The Intermediate Operational Risk Management course will show delegates how the correct mix of philosophical and operational elements combine together to ensure success. It provides a simple structure for control and automatic mechanisms for detection and resolution of problems, using an evolutionary approach. A series of real life case studies vividly illustrate where problems originate and how they can be solved in a simple systematic way. They are delivered using a participative and highly inter-active style of delivery by mature practitioners with many years of successful experience of risk control, in a wide range of activities. Explore all aspects of operational risk management and its challenges in the financial services industry. From regulation to culture, the course covers in breadth and depth all aspects of operational risk management and its challenges in the financial services industry. Hot topics such as, selection and reporting of leading KRIs, demonstrating business value of risk management, regulatory compliance gaining and the formulation of a risk appetite statement are detailed and debated. Uprising topics like risk connectivity, reporting of aggregate measures and conduct risk monitoring are also covered.

Target Participants

This course is aimed at individuals whose roles involve operational risk management, or anyone with an interest in operational risk and would like to gain a better understanding of the real-world implications and how to better deal with them.

- Trading Manager
- Operations Manager
- Internal Controller
- Financial Analyst
- Compliance Officer
- Risk Officer

Course Objectives

By attending this practical course, participants will learn:

- All best practices in operational risk management for financial companies
- Highlight of key regulatory expectations including Conduct risk
- Effective tools to identifications risks and scenarios
- Sound methodologies for scenario analysis and assessment of rare events
- Structure method to identify and design leading key risks indicators
- Root cause analysis for better control design
- Typology and essential controls for human error
- Formulate risk appetite and tolerance statements
- Reporting on aggregate metrics
- Risk connectivity and risk maps
- Influencing risk culture

COURSE CONTENTS

Part One - Emerging risks, Conduct and Risk Culture

Session 1: Risk identification tools and emerging risks

- Tools and techniques for risk identification
 - Exposures and Vulnerabilities
 - The Risk Wheel
 - Value drivers and reverse stress testing
- Risk register: a list
- Risk connectivity: network of risks

- World economic forum: risk map
- Emerging risks

Class Exercise: identify the network of your top risks and class feedback

Session 2: Implementing ORM: the invisible framework

- Governance of Operational Risk
- 1st line and 2d line: The partnership model

- Use and reuse: The Invisible Framework
- Business value of ORM

Workshop: build a business case for risk management

Session 3: Risk reporting and Conduct reporting

- Modern issues on events and risk reporting: the regulator's view
- Analysing operational risk data: get insight, tell a story
- Management information: the "reporting cake"
- Aggregate and escalate risk information: your options

- Conduct reporting: themes and details
- Highlights of best practice, Group discussion and sharing of experience*

Session 4: Implementing the Desired Risk Culture: a method

- Defining Risk Culture
- Acting on behaviours: the Influencer
- Necessary conditions: willingness and ability
- Risk Culture: DESIRE steps: Define – Inspire – Support – Enable – Reinforce - Evaluate
- Assessing the risk culture

Group work: Plan your own culture change

Part Two - Risk Appetite, Internal controls and KRIs

Session 1: Defining Risk Appetite statements and tolerance limits

- Industry guidance on Risk Appetite
- Risk appetite, tolerance, risk limits and controls
- Templates and options for actionable Risk Appetite
- Risk Appetite Statements: Features and Examples
- Cascading Risk Appetite: RCSA & Indicators
- KRI and risks limits

- Understand and treat the causes of human error
- Effective or Illusory controls
- Prevention by Design

Group work: best and worst controls in the business: sharing of experience

Session 2: Internal Controls: Human Error and Control Design

- Slips & Mistakes: Typology and Causes of human errors (J. Reason)
- HRA: Human Reliability Analysis and other methods

Session 3: Root Causes Analysis – The Bow-Tie

- Root cause analysis: tool and method
- Benefits of Root Cause Analysis: Tracking the common failures and systematic patterns
- Treating causes over symptoms
- Bow-Tie: a most effective tool to define
 - Preventive and corrective controls
 - Leading KRIs
 - Risk likelihood and expected impact

Exercise: Apply the Bow-Tie to one of your incidents; share the lessons learnt

Session 4: Features and types of leading KRIs

- Features of leading KRIs
- KRI, KPI, KCI: definitions and uses.
- A typology of Key Risks indicators
- KRIs: metrics of risks drivers
 - Case studies on selecting metrics of risk drivers

Part 3 - Cyber Security, Scenario Analysis and Project Risks

Session 1: Cyber Threats & Information Security

- Cyber threat landscape
- An old emerging risk
- Key controls in cyber security
- Physical and behavioural measures
- Priorities in prevention

- Lessons learnt from some incidents

Q&A, Benchmarking and Exchange

Session 2: Scenario Analysis: Governance, Stress Testing & Assessment methods

- Four dimensions of stress-testing
- Steps and governance of scenario analysis
- Tackling behavioral biases in scenario assessment
- Industry practices and lists of scenarios
- Assessing probabilities of rare events
- Acting on Scenario Analysis

Class exercise: quantify your own scenario in probability and impact

Session 3: Reorganisation Risk & Project Management

- Risk due to changes and reorganisations
- The trap of cost-cutting
- Invisible opportunity costs
- Essentials of project risk management

Class Debate and Sharing of Best Practice

Session 4: Key Messages & Wrap-Up

- What have you learnt?
- What will you remember?
- What will you apply?

End of Course & Closure

COURSE DURATION	DELIVERY MODE	DELEGATE CLASS SIZE	COURSE FEE/PARTICIPANT
3 DAYS	In-Plant	8 (Guaranteed Minimum)	For quote, please click http://demvros.com/contact/
Discount is available for class size above the minimum. Please visit www.demvros.com or call 08056154199 or e-mail for enquiries.			