

BANK INTERNAL AUDIT SCHOOL

Understand the key issues related to auditing the credit function

WHY ATTEND THIS COURSE?

- Understand the key issues relating to control within the credit function and its role in the business
- Develop practical approaches and planning materials to auditing credit risk that can be directly applied within your institution
- Appreciate best practice techniques for the management of credit risk
- Ensure you understand the main techniques currently employed and key approaches to this developing subject
- Develop a comprehensive audit programme for the credit risk management function

COURSE INFO

3 DAY COURSE

2-5 JULY 2018 **LONDON**

12-15 NOVEMBER 2018 **LONDON**

COURSE DIRECTOR: DENNIS COX

Experienced Financial Internal Auditor and former Director of Risk Management at HSBC & Prudential Portfolio Managers.

Please note that all courses are taught in English and that a certain level of English is required to benefit from this training course.

For a full list of terms and conditions and our cancellation policy please visit our website at www.misti.com



Save up to **50%**
with **In-House Training**



BANK INTERNAL AUDIT SCHOOL

Understand the key issues related to auditing the credit function

COURSE FOCUS AND FEATURES

Credit Departments within banks have become increasingly complex driven by the demands of regulation and the business. The level of sophistication has accelerated in recent years as many banks have developed credit departments with enhanced responsibilities. Basel II has set additional challenges both in terms of modelling and data collation which has exacerbated the need for change. Since the internal audit function needs to address all areas of a financial institution, including the credit department, this provides auditors with additional challenges. This course looks at the credit function and considers the approach that internal auditors should adopt when conducting an audit. The objectives of this course are to enable attendees to appreciate the key issues relating to control within the credit function and to understand its role with the business; to ensure that attendees understand what are the main techniques currently employed and key approaches to this developing subject, and using a series of practical case studies, take the participants through the key approaches to learn lessons applicable within their own organisations.

LEARNING OBJECTIVES

- Understand the key issues relating to control within the credit function and it's role in the business
- Develop practical approaches and planning materials to auditing credit risk that can be directly applied within your institution
- Appreciate best practice techniques for the management of credit risk

COURSE INFO

ADVANCED PREPARATION: NONE

TRAINING TYPE: GROUP-LIVE

LEARNING LEVEL: INTERMEDIATE

CPES: 24



INCLUDED IN THE FEE:

- Expert training in your topic area
- CPE Points and Certificate
- Lunch during Training Days
- Training Materials

COURSE DIRECTOR: DENNIS COX

Dennis William Cox, BSc FCSI FCA is a leading financial services risk management and internal audit specialist. He has held senior management positions within the banking and accountancy profession as Director, Risk Management at HSBC Insurance Brokers Limited and Director, Risk Management, Prudential Portfolio Managers. Formerly he held a number of roles within the audit profession at HSBC Holdings PLC. He has significant expertise in total risk management, risk-based internal audit, treasury, credit, liquidity, operational and market risk.

Dennis specialises his advisory services and lectures on the modernisation of internal audit. He also addresses internal audit as a driver for organisational change in banking. He is a specialist in audit for credit, treasury, operations and the Basel Accord.

WHO SHOULD ATTEND

Audit Committee members, credit and other Internal Auditors, Nonexecutive Directors.

PRICE: GBP £2,245+VAT*

*Delegates may be able to claim back VAT.

For more information please contact misti@misti.com

DAY ONE:

Session 1:

Introduction to Credit Risk

- The functions of the credit department
- Policies and procedures
- The role of the Credit Committee
- Reporting lines for the credit department

Discussion session:

The role of the credit department within a major financial services organisation, by reviewing public information on current company structures.

Session 2:

Lending

- Understanding the risks of lending decisions
- The difference in approach between personal and corporate lending
- The difference in audit approach between the audits of personal and corporate lending
- Planning the audit

Case Study:

Develop a planning memorandum for auditing the credit risk management function

Session 3:

Corporate Credit Analysis

- Balance sheets and financial analysis
- The use of ratings
- Non- financial analysis
- Repayment structures
- Off balance sheet risks
- The credit report
- The problems of corporate data
- Stakeholder assessment
- Corporate collateral and collateral management
- Corporate credit documentation
- The approval process and disbursement
- Reviewing credit data
- Planning the audit of Corporate Credit

Case Study:

Develop an audit plan to address corporate credit

DAY TWO:

Session 4:

Personal Credit Analysis

- Credit evaluation
- Credit scoring and the use of external information
- Pricing policy and risk grading
- The approval process and disbursement
- Collateral valuation
- Know your customer
- Personal credit documentation
- Planning the audit of Personal Credit

Case Study:

Develop an audit plan to address personal credit

Session 5:

Regulatory requirements

- The implications of the Basel Accord for credit audit
- Insight into the latest tools and techniques to measure, manage and monitor credit risk
- Auditing the loss given default
- Auditing the exposure at default
- Auditing likelihood of default
- Auditing the capital calculation

Case Study:

Develop a series of audit plans to address these issues.

Session 6:

Audit Techniques

- Auditing credit risk sensitivity analysis
- Auditing credit risk stress testing
- Auditing credit risk scenario analysis

Case Study:

Consideration of what is the level of stress that should be applied.
Develop a series of audit plans to cover the subjects from this session.

Group Booking Discount**



2 delegates -
5% discount



3 delegates -
10% discount



4 delegates -
12% discount



5 delegates -
15% discount

**Available for delegates from one organisation attending the same course

DAY THREE:

Session 7:

Management Issues

- Model risk and the credit function
- How should the credit function consider complex transactions?
- Securitisation
- Credit arrears and arrears reporting
- What are the key skills required within the audit team
- Auditing credit risk calculations

Case Study:

Develop an audit approach for risk modelling and complex transactions

Session 8:

Credit Portfolio Management

- Developing reporting regimes
- Planning analytical reviews
- Identifying concentrations
- Reviewing documentation
- The role of credit risk management in compliance and money laundering deterrence

Case Study:

Develop a comprehensive audit programme for the credit portfolio management

Session 9:

Advanced Credit Audit Techniques

- Key challenges for credit risk and the Board
- Auditing credit risk sensitivity analysis
- Auditing credit risk stress testing
- Auditing credit risk scenario analysis

Case study:

Consideration of what is the level of stress that should be applied.
Develop a series of audit plans to cover the subjects from this session.

Session 10:

Auditing Credit Model

- Model risk and the credit function
- Sovereign credit ratings
- The credit risk of complex transactions
- Credit arrears and arrears reporting
- Auditing credit risk calculations

Case study:

Develop an audit approach for risk modelling and complex transactions



TAILORED AND PERSONALISED IN-HOUSE TRAINING WHY CHOOSE IN-HOUSE TRAINING?

Savings - Running an in-house course in your offices will ensure you avoid the costs of travel and accommodation. Plus we charge per day not per delegate. You can train six or sixteen people for the same price!

Convenience - We can arrange a course that fits your team's schedule. Any dates, any location, simply tell us what works best for you. Avoid the hassle of coordinating travel arrangements and accommodation for your staff

Tailored training - We have over 150 existing training courses you can mould to fit your exact requirements or if you prefer we can just create a new agenda. You will have complete control over the course content

Confidentiality - You can focus on potentially thorny issues that may be specific to your organization which are best resolved in private with the expert guidance of your course director

Save up to **50%**
with **In-House Training**

Some of the companies we have worked with:

- International Labour Office • Barclays • Deloitte
- Capital One • PwC • Lukoil • Legal and General
- European Court of Auditors • Credit Suisse AG
- Euroclear • AIB • U.S. Steel, Corp. • Novartis
- National Commercial Bank • Qatar National Bank

Visit emea.misti.com/in-house-training
Call us on **+44 (0)20 3819 0800**
Email misti@misti.com

Register online at: www.misti.com