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# Managing Operational Risk in Financial Institutions

Managing Operational Risk in Financial Institutions is a higher-level pathway for risk professionals who may have achieved Operational Risk as part of the Investment Operations Certificate (IOC) or for practitioners who are looking to increase their knowledge in the discipline. The Certificate will equip you with the knowledge and practical techniques to be able to investigate an operational risk incident, manage operational risk in the long term, model appropriate behaviours to support operational risk management in the workplace, and effectively recommend and contribute to measures to enhance the operational risk culture and operational risk management in the workplace

## Course Objectives

The purpose of this three day course is to equip delegates with the necessary knowledge and exam techniques to prepare them for the exam for this qualification.

## Who should attend?

The qualification is appropriate for practitioners in risk, compliance and investment risk control, including Risk Controller, Risk Manager and Risk Modeller.

## Our unique 3 day classroom led training course features:

- Content rich PowerPoint slides
- Up-to-date and relevant case studies
- Smaller class sizes which focus more on teacher/student interactions
- An expert trainer with practical industry experience

## Progressive study pathways and prerequisites:

- It is not mandatory that candidates first take the Level 3 Operational Risk qualification before taking this Level 4 qualification but it is strongly advised.
- To achieve the **Level 6 Diploma in Investment Operations** combine Level 3 Operational Risk with this Level 4 qualification and Global Operations Management.



### Course Director:

**Dennis Cox** is a leading financial services risk

management and internal audit specialist serving banks, regulators and financial institutions globally, with a carrier encompassing HSBC, Prudential Portfolio Managers, Ernst & Young, BDO Binder Hamlyn and Arthur Young.

Dennis specialises his risk advisory services and lectures on the balance of risk management and the modernisation of internal audit and the auditing of compliance risk areas. He also addresses risk management as a driver for organisational change in banking, and risk-based bank internal audit. He is a specialist in risk and audit for bank departments and functions including credit, treasury, operations and accountancy issues related to the Basel Accord and the dynamics of changing regulation and business banking competitiveness.

**Advanced Preparation: Yes**

**Training Type: Classroom**

**Learning Level: Intermediate**

**Field of Study: Risk Mgt**

**This training course is scheduled for:**

**London UK, 3 days**

June 12 - 14, 2017

November 20 - 22, 2017

**The price per delegate for this 3-day programme is £1,995**

(+ UK VAT when applicable)

**For an in-house training option, alternative dates and locations are available.**

We are happy to add extra content to the programme to meet additional requirements from your company. Please contact us for further information.

[www.riskrewardlimited.com](http://www.riskrewardlimited.com)

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# Managing Operational Risk in Financial Institutions

## Detailed Course Outline

### Session 1: Fundamentals of Business Models and Associated Business Risks in Financial Institutions

- General business models of key financial institutions

### Session 2: Fundamentals of Financial Risk in Financial Institutions

- Balance sheet analysis
- Risks of off-balance sheet activity
- Characteristics of specified risks applied to the balance sheet

### Session 3: Operational Risk in Financial Institutions

- Understanding operational risk
- Roles and responsibilities within financial institutions
- Interrelationship between operational risk and financial risks
- Regulatory compliance
- Effect of mergers and acquisitions and/or corporate restructuring on business operations
- Effect of technology
- Consumer demand
- Risk of counterparty failure and the importance of recovery and resolution
- Business benefits for the management of operational risk
- Operational risk consequences

### Session 4: Organisational Considerations in Operational Risk Management

- Importance of governance infrastructure
- Effect of organisational culture on operational risk management
- Role of organisational structures in operational risk management
- Role of key personnel in operational risk management
- Importance of a corporate governance framework to operational risk management
- Roles and responsibilities of the support and control functions

- Importance of communication in fostering an operational risk aware culture

### Session 5: Management of Operational Risk in Financial Institutions

- Key aims of operational risk management
- Policy principles, application and limitations
- Importance of business objectives to risk appetite
- Interdependencies in the risk management process
- Operational risk impact
- Relationship between cause, consequence and impact
- Operational risk planning

### Session 6: The application of the Risk Management Process

- Influence of governance, policy, process and framework on risk culture
- Techniques to embed a risk framework in an organisation
- Practical constraints of operational risk framework implementation
- Consequences of ineffective implementation of the operational risk framework on operational risk culture
- Techniques employed in identifying operational risk
- Techniques to assess and measure operational risk
- Treatment approaches for operational risk 6.8
- Techniques to monitor and report on operational risk

### Session 7: Operational Risk Incidents: An Investigation

- Importance of risk escalation and reporting to incident management
- Importance of risk indicators to incident investigation
- Steps in root cause analysis
- Internal control failures
- Importance of implementation of remedial action plans
- Frequency and impact as essential to swift recovery
- The role of action plans



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- The role of communication in cross-pollinating remedial controls
- The importance of internal and external loss data
- Regulatory breaches

### **Session 8: Regulation of Operational Risk**

- Importance of regulating financial institutions
- Principles of lead UK regulators
- Importance of recovery and resolution plans to treat risk of counterparty failure
- Risk modelling and regulatory compliance
- Drivers and impact of development of operational risk standards
- Application of legislation and regulation relevant to the operational risk environment
- Regulatory compliance in the creation of an operational risk culture

### **Session 9: Supporting Operational Risk Management in the Workplace**

- Importance of training and education in operational risk management
- Importance of workforce planning
- Methods of personal communication within a financial services institution
- Importance of commitment from all employees to the operational risk management framework
- Importance of whistle blowing within the financial services environment
- Role of business line risk in the escalation, detection and prevention of operational risk

Course schedule:

Full day classroom training  
09:30 – 17:00  
AM session 09:30 – 12:30  
PM session 13:30 – 17:00



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# Managing Operational Risk in Financial Institutions (London)

## Registration & Payment details

Please mark **X** in the box and complete the form with BLOCK LETTERS

Dates:

June 12- 14, 2017

November 20- 22, 2017

### Course Fee (per person):

GBP £1,995 (+ UK VAT hen applicable)

Email\* \_\_\_\_\_

First name\* \_\_\_\_\_

Last name\* \_\_\_\_\_

Job title / Position \_\_\_\_\_

Department \_\_\_\_\_

Company Name \_\_\_\_\_

Company Address \_\_\_\_\_

City \_\_\_\_\_

Postcode \_\_\_\_\_

Country\* \_\_\_\_\_

Telephone (direct)\* \_\_\_\_\_

Telephone (main) \_\_\_\_\_

Approving Manager \_\_\_\_\_

Training Manager \_\_\_\_\_

Payment Details

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Signature \_\_\_\_\_

Date \_\_\_\_\_