

**4-6 FEBRUARY  
2015**

**MARRIOTT HOTEL  
SINGAPORE**

**Understand, assess,  
and manage** your  
institution's operational  
risk exposures



## **ADVANCED PRACTICAL OPERATIONAL RISK MANAGEMENT**

**JOIN. ENGAGE. LEAD.**



*For questions about this course  
please contact Christopher Yip at  
[cyip@rmahq.org](mailto:cyip@rmahq.org) or call  
65-96-311-866.*

## COURSE OVERVIEW

Operational risk is inherent in all banking products, activities, processes, and systems, and the effective management of this risk is a fundamental element of a bank's risk management programme. The global financial crisis had roots in operational risk as some of the underlying causes had to do with people risk and behaviour. In the wake of significant losses incurred in "rogue trading" scandals, the massive regulatory settlements by banks for regulatory breaches, the LIBOR fixing scandal, and cyber attacks on banks, operational risk is now in the forefront of CEOs' and CROs' agendas and many senior managers acknowledge that operational risk is by far their most significant risk.

In this 2.5 days, comprehensive course you will gain practical working knowledge of the latest operational risk management practices based on the newest Basel requirements, ISO 31000 risk management standard, COSO, and RMA ERM and ORM frameworks. You will use operational risk case studies to analyze the lessons learned. You will also receive generic templates to help you kick start your program.

## WHO WILL BENEFIT?

- Senior bank managers.
- Heads of risk management and operational risk management.
- Operational risk managers.
- Business managers and operations managers.
- Auditors.

## YOU WILL:

- Gain a more strategic understanding of operational risk and the tools available to identify, measure, control, mitigate, and monitor it.
- Understand and articulate your institution's operational risks and exposures, and learn how these fit into its overall risk picture.
- Recognize what is needed to deliver appropriate policies and programs to address the operational risks in your organization.
- Learn how to raise awareness and build collaboration with your management, business, and risk partners regarding management of operational risk.
- Understand the relationship between operational risk exposures and risk capital.

## COURSE INSTRUCTOR

The course trainer, Patricia Jalleh, has more than 25 years of experience in the banking industry and has held several senior leadership roles in risk strategy and operational risk management with three of the largest banks in Singapore. Patricia has extensive experience in implementing operational risk management frameworks, policies, tools, systems, and processes. She is a Fellow of the Chartered Association of Certified Accountants, UK, a Certified Information Systems Auditor, an approved ISO 31000 trainer, and lectures at the National University of Singapore, Risk Management Institute (NUS RMI).

## COURSE LOCATION:

Mariott Singapore  
320 Orchard Road  
Singapore, 238865  
Tel: 65-6735 5800  
Fax: 65-6735 9800



# COURSE OUTLINE

## DAY ONE, 9:00 A.M.–5:30 P.M.

### Risk Management Principles and Frameworks

- Overview of ERM and ORM Frameworks.
- Overview of the ISO31000 risk management principles.
- Overview of Basel Principles for the Sound Management of Operational Risk.
- Understanding operational risk cause and effect.
- Interconnectivity and relationship between operational risk and other risk types.
- Value proposition for Operational Risk Management.

### Risk Culture

- Corporate values, attitudes, ethics, and behaviour.
- Accountability and transparency.
- Risk awareness and training.
- Remuneration and incentives.
- Indicators of good risk culture and reinforcement of desired risk culture.

### Operational Risk Governance

- The three lines of defence.
- Typical operational risk governance structure.
- Role of board of directors and senior management.
- The Operational Risk Committee (structure, composition and operation).
- Roles and Responsibilities (including the corporate operational risk function).

### Operational Risk Appetite/Tolerance

- Introduction to risk appetite and its role in business strategy.
- How is operational risk appetite different from financial risk appetite?
- Establishing operational risk appetite statements.
- Setting operational risk tolerance thresholds and limits.
- Embedding operational risk appetite into the risk management process.

### Operational Risk Policies

- Corporate operational risk policy including sample table of contents.
- Other operational risk related policies (e.g., new product approval policy, outsourcing risk policy, business continuity management policy, fraud policy).

- Managing policy exceptions, exemptions, and deviations.
- The policy management lifecycle.

### The Operational Risk Management Process

- Establish the context.
- Identify the risks.
- Analyse the risk:
  - Identify controls.
  - Evaluate control effectiveness.
  - Assess residual risk.
- Evaluate the risk.
- Treat risk.
- Communicate and consult.
- Monitor and review.

## DAY TWO, 9:00 A.M.–5:30 P.M.

### Operational Risk and Control Self-Assessments (RCSA)

- Types of risk and control assessments.
- Benefits of RCSA.
- Linking RCSA to achievement of business objectives.
- Sample RCSA template.
- Step-by-step of how to plan and conduct an RCSA.
- Common issues and challenges, and critical success factors.

### Key Risk Indicators (KRI)

- How to identify good and effective KRIs.
- Embedding operational risk appetite and tolerance into KRIs.
- Process to successfully implement a KRI Program.

### Scenario Analysis

- Use of scenario analysis for risk management and risk measurement.
- Advantages and disadvantages of scenario analysis.
- Step-by-step of how to plan and conduct a scenario analysis workshop.
- Sample scenario template.

### Comparative Analysis

- Using comparative analysis to obtain a more comprehensive view of the operational risk profile.

## DAY THREE, 9:00 A.M.–1:00 P.M.

### Operational Risk Loss/Event Reporting

- Definition of an operational risk event.
- Benefits of collecting operational risk event/loss data.
- Basel II requirements for operational risk loss data collection.
- Operational risk event reporting policy.
- Roles and responsibilities for operational risk event reporting.
- Treatment of boundary events (credit risk and market risk related events).
- Corporate events and events impacting multiple lines of businesses.
- Composition of gross loss for operational risk measurement.
- Handling of gains and near misses.
- Template for capturing operational risk event/loss data.
- Ensuring completeness and accuracy of loss data.
- Key challenges in data collection and strategies to overcome them.
- Hands-on exercises in classifying operational risk loss events.

### Operational Risk Capital

- Basel II requirements for operational risk capital under the Basic Indicator (BIA), Standardised (TSA) and Advanced Measurement Approaches (AMA).
- Addressing paucity of internal operational risk loss data.
- Use of external operational risk loss data and its challenges.
- Use of scenario analysis for AMA and its challenges.
- Loss Distribution Approach for modeling operational risk.
- Recognising the risk mitigating impact of insurance.
- Allocating operational risk capital to business lines.
- Incorporating business environment and internal control factors into the model.
- “The Use Test.”



# Advanced Practical Operational Risk Management

4–6 February 2015 | Singapore | Event #348101-15

## REGISTRATION FEE

### On or before 18 December 2014

RMA Members: US \$1,550  
ASEAN Bankers Association  
Members: US \$1,550  
Nonmembers: US \$1,700

### After 18 December 2014

RMA Members: US \$1,650  
ASEAN Bankers Association  
Members: US \$1,650  
Nonmembers: US \$1,800

### Promotional Code: ASEANBAM

Please use this promotional code when prompted during checkout when registering online, or mention it when registering by phone.

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First Name \_\_\_\_\_ M.I. \_\_\_\_\_ Last Name \_\_\_\_\_

Nickname (for badge) \_\_\_\_\_ Title \_\_\_\_\_

Institution \_\_\_\_\_

Mailing address \_\_\_\_\_

City \_\_\_\_\_ State/Province \_\_\_\_\_ Zip/Postal Code \_\_\_\_\_

Country \_\_\_\_\_

**Attention Canadian registrants:** Please be advised that remittance of GST tax is your responsibility. RMA is not required by law to register and collect GST taxes in Canada.

Phone # \_\_\_\_\_ Email \_\_\_\_\_

### Billing Information ☐ Same as above

OR

Name \_\_\_\_\_ Institution \_\_\_\_\_

Phone \_\_\_\_\_ Email \_\_\_\_\_

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City \_\_\_\_\_

State/Province \_\_\_\_\_ Zip/Postal Code \_\_\_\_\_ Country \_\_\_\_\_

## Four ways to register

Web: [www.rmahq.org](http://www.rmahq.org) / Fax: 215-446-4100

Email: [registrar@rmahq.org](mailto:registrar@rmahq.org) / Mail: RMA, Lbx 1140-PO Box 8500, Philadelphia, PA 19178-1140

### Event Cancellation Policy\*

If you cancel your registration 15 or more business days prior to the start of the event, you will receive a full refund. If you cancel 6–14 business days prior to the event, you will be subject to a service fee equal to 50% of the registration fee. If you cancel 5 or fewer business days prior to the event, you forfeit the entire fee. If you fail to attend the event, you forfeit the entire fee.

**Please note:** Written (fax 215-446-4100 or email [registrar@rmahq.org](mailto:registrar@rmahq.org)) cancellation is required to process all refunds.

In the event the course is cancelled by RMA, you will receive a full refund for registration fees. However, RMA does not assume responsibility for any other expenses, including the purchase of airline tickets, incurred by you in connection with attending the event.

If your payment is received in currency other than U.S. dollars, and you are due a refund, you will be responsible for any foreign exchange rate difference.

**\*Please refer to specific cancellation policies for RMA's Annual Conference and Securities Lending Conferences.**

### Transfer Policy

You may transfer one time to a new date up to five or more business days prior to the event. If you are unable to attend a similar event within one year from the original registration date, you forfeit the entire registration fee.

**Please note:** Written (fax 215-446-4100 or email [registrar@rmahq.org](mailto:registrar@rmahq.org)) cancellation is required to process all transfers.

Our goal is to be your “go to” resource for value-added risk management information and programming. Use our tailored email alerts to keep informed when new courses, events, etc. are available in your area of interest, which you can update below:

- ☐ Industry Benchmarking
- ☐ Enterprise Risk
- ☐ Credit Risk, Commercial
- ☐ Credit Risk, Retail
- ☐ Operational Risk
- ☐ Market Risk
- ☐ Regulatory Compliance
- ☐ Securities Lending

#### Other professional interests

- ☐ Online peer sharing (e.g., LinkedIn, Facebook, Twitter, blogs)
- ☐ Young Professionals

#### Please select your current level in risk management

- ☐ Entry level, early stages
- ☐ Mid-level
- ☐ Senior/executive management
- ☐ Not in a risk management role

☐ Check enclosed ☐ VISA ☐ MasterCard ☐ AMEX ☐ Diners Club ☐ Discover

Card number \_\_\_\_\_ Exp. date \_\_\_\_\_

Signature \_\_\_\_\_

I understand my signature authorizes The Risk Management Association to charge my credit card for this purchase.

This section must be filled out in order to properly process your registration.

Which best describes your job function? Please choose one only.

- ☐ Auditor
- ☐ Business Line Operational Risk Manager
- ☐ CEO/President
- ☐ Chief Credit Officer
- ☐ Chief Risk Officer
- ☐ COO
- ☐ Chief Operational Risk Officer
- ☐ Chief Information Officer/Director IT
- ☐ Chief Regulatory Affairs Officer
- ☐ CFO/Finance
- ☐ Compliance Officer/Manager
- ☐ Corporate Operational Risk Manager
- ☐ CPA/Attorney/Appraiser
- ☐ Credit Administration/Department
- ☐ Credit Policy Officer
- ☐ Dean/Professor/Teaching Assistant
- ☐ Government Agency
- ☐ Human Resources/Training Director
- ☐ Insurance
- ☐ IT Manager
- ☐ Legal Counsel
- ☐ Loan Review/Administration
- ☐ Market Risk Officer
- ☐ Nonbank/Nonfinancial
- ☐ Portfolio Management Officer
- ☐ Regulator/Examiner
- ☐ Relationship Manager/Lender
- ☐ Risk Management Officer
- ☐ Secretary/Admin. Assistant
- ☐ Securities Lending
- ☐ Securities Trader
- ☐ Chief/Senior Lender
- ☐ Student
- ☐ Underwriter/Analyst
- ☐ University/Librarian

Which best describes your area of specialty? Please check all that apply.

- ☐ Agricultural Lending
- ☐ Audit
- ☐ Commercial Banking
- ☐ Consumer/Retail Banking
- ☐ Corporate Office
- ☐ Credit Department
- ☐ Credit Risk
- ☐ Custody
- ☐ Enterprise Risk
- ☐ Finance Function
- ☐ Funds Management
- ☐ Health Care
- ☐ International/Global Banking
- ☐ Investment Banking
- ☐ IT
- ☐ Legal
- ☐ Life/Health Insurance
- ☐ Market Risk
- ☐ Nonbank/Nonfinancial Institution
- ☐ Nonprofit/University
- ☐ Operational Risk
- ☐ Operations
- ☐ P&C Insurance
- ☐ Private Banking/Wealth Management
- ☐ Real Estate Lending
- ☐ Sales and Marketing
- ☐ Securities Lending
- ☐ Securities or Fixed-Income Trading

