Operational Risk Management

Duration: 2 Days

Objectives:

This two day program is designed to help market participants understand the implementation issues of Operational Risk Management in their organisations especially keeping in mind the Basel / Solvency guidelines. The workshop will include Operational Risk Management, Measurement, Validation, Stress Testing, Scenario Analysis, Monitoring, Best Practices and other relevant topics.

Methodology:

- Presentation and discussions
- Cases/ exercises/ examples
- Excel based case studies as and when required

Key Takeaways:

- Concept of Operational Risk, its measurement and management
- Considerations of Basel II and Basel III
- Operational Risk Framework
- ORM Principles
- Internal and External Loss Data
- ORM Assessment and Controls
- Scenario Analysis
- KRI determination
- Operational Risk Capital Modeling : BIA, TSA and AMA as per Basel guidelines
- Best practices and implementation issues

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Contents:

- Near miss, Types of recovery & losses
- Case study of Societe Generale and External Event
- Risk and Control Assessments(RCSA)
  - RCSA Questionnaire Approach
  - RCSA Workshop Approach
  - Hybrid RCSA Method
  - RCSA Scoring Methods
  - Usage of Frequency and Severity Distribution
- Scenario Analysis in Operational Risk
  - Methods
  - Biases
  - Scenario Analysis Output
- Key Risk Indicators
  - Selecting KRIs
  - KRI Standards
  - KRI examples
  - KRI Challenges
- Reporting Framework of Operational Risks
  - Loss Data Reporting of Internal and External events
  - Action Tracking Reporting
- Operational Risk Capital Modelling and capital calculation : Detailed Quantification as per Basel Guidelines
  - Basic Indicator Approach
  - Standardised Approach
  - Advanced Measurement Approach
- An overview of Standardized Measurement Approach-BASEL III
- Excel based case studies for operational risk capital modelling
- Stress testing and back testing of models
- Implementation issues

- Best practices of operational risk management