

# OPERATIONAL RISK MANAGEMENT TRAINING

## Course Objectives

- a) Define operational risk and its management
- b) Determine the duties and responsibilities of Board of Directors, management and Business
- c) Line Manager in managing operational risk. Formulate risk appetite statement, risk tolerances and limits
- d) Apply Operational Risk Management tools cognizant to Risk Management Process: identify, assess, measure, control and monitor operational risk

## Expected Participants

President, Risk Management Committee –Director, President, Branch Managers, Risk Management Officer, Chief Compliance Officer, Head- I.T. Department and Head – Human Resource Management

## Course Outline

- A. BSP Circular 900 Policy Statement
- B. Scope and extent of Operational Risk and its management
- C. Duties and Responsibilities
  1. Board of Directors
  2. Management
  3. Business Line Managers
  4. Operational Risk Management Function
  5. Internal Audit
  6. Compliance Function
  7. Risk Management Unit
- D. Operational Risk Management Framework
  1. Risk Identification and Assessment
    - 1.a. Building Loss Event Categories and loss database
      - \*Internal fraud /External fraud
      - \*Clients, products and business practices
      - \*Employment practices and workplace safety,
      - \*Business disruption and system failures
    - 1.b. Introduction to ORM Tools
      - Results of internal/external audit and supervisory issues raised in the BSP Report of Examination (ROE)
      - Internal Loss Data Collection and Analysis
      - Risk Self Assessments (RSA)
      - Risk Control Self Assessments (RCSA)
      - Business Process Mappings
      - Risk and Performance Indicators
      - Scenario Analysis
      - Model Measurement Comparative Analysis
  2. Risk Control and Mitigation
  3. Risk Monitoring and Reporting
- E. Workshop on RCS
- F. Synthesis