

Operational Risk Management - Online

This course introduces the concept of Operational Risk and discusses events that trigger losses in firms due to operational loss events. It covers the Basel Committee on Banking Supervision's Working Paper on the Regulatory Treatment of Operational Risk and highlights various changes in the banking sector that have created operational risk scenarios. The course introduces operational risk aspects in insurance and emphasizes the need to have a well defined scope and process for identification of risk factors in operational risk management. Various methods of estimating potential loss data are illustrated. Forecasting models used in estimating the potential risk factors are described and the course deals with risk analysis as a part of operational risk management.

This course explains how loss prevention is more effective than loss reduction, examines various loss control measures and elaborates on the methods used in loss reduction and how risk avoidance is used as a risk mitigation method. The basics of risk financing and its advantages and disadvantages are presented and insight is given into how a framework enables the management to identify and classify risks and take appropriate action.

This is an online self study course that can be globally accessed 24/7 from any internet enabled computer. Access is for 91 days. Certificates with earned credits will be awarded upon successful completion. También, se ofrece este curso en Español. Llamada para más información.

Targeted Audience

Operations management staff, IT executives, Operational Risk Managers, Back-Office Managers, Settlement Officers, Internal Auditors, Risk Auditors

Advance Preparation

No advance preparation required.

Follow-Up Courses

Value at Risk - Online

Risk Management Using Derivatives - Online

Level: Intermediate

icb Credits: 27.75

icpas Credits: 10.5

Detailed Outline

Introduction to Operational Risk

This module introduces the concept of Operational Risk. It helps the user to have a broad understanding of:

- . Significance of operational risk
- . Operational risk management programs
- . Addressing operational risk
- . Measuring and modeling operational risk

Duration: 1 Hour

Basic concepts

This module discusses events that trigger losses in firms due to operational loss events: It helps the user understand:

- . Loss events
- . Risk factors, loss types and event/factor controllability
- . Dependencies between risk factors and events
- . Attribution of loss

Duration: 1 hour

Regulatory treatment of Operational Risk under Basel II

This module covers the Basel Committee on Banking Supervision's Working Paper on the Regulatory Treatment of Operational Risk. It helps the user understand:

- . Rationale for an operational risk charge
- . Basic indicator approach
- . Standardized approach
- . Advanced measurement approach
- . Analysis of quantitative impact survey result
- . Role of Pillars 2 and 3

Duration: 1.5 hours

Operational risk in various banking sectors

This module highlights various changes in the banking sector that have created operational risk scenarios. It helps the user understand:

- . Spectrum of risks in banking sector
- . Risk synergy in the context of retail banks
- . Structural risk management
- . Accounting policies, costing and pricing models

. Operational risk in private banking sector

duration: 1 hour

Operational risk in insurance

This module introduces operational risk aspects in insurance. It helps the user understand:

- . Risks exclusive to insurance
- . Regulatory issues and its impact
- . Alternative risk transfer and finite risk
- . Captive insurance companies

Duration: 1 hour

Developing objectives and identifying risks

This module emphasizes the need to have a well defined scope and process for identification of risk factors in operational risk management. It helps the user understand:

- . Risk management agenda and targets
- . Risk management organization and policies
- . Benchmarking internal processes and resources
- . Identifying process and resource risks
- . Identifying risk factors
- . Identifying and categorizing loss events

Duration: 1.5 hours

Estimating potential losses - Data

This module illustrates various methods of estimating potential loss data. It helps the user understand:

- . General measurement techniques
- . Historical analysis
- . Subjective risk assessment

Duration: 1 hour

Estimating potential losses - Loss distributions

This module describes various forecasting models used in estimating the potential risk factors. It helps the user understand:

- . Probability distributions
- . Building a distribution
- . Estimating risk factors

- . Choosing an event distribution
 - . Operational Risk database
- Duration: 1 hour
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Analyzing risks

This module deals with risk analysis as a part of operational risk management. It helps the user understand:

- . Risks aggregation
- . Monte Carlo loss simulation
- . Risk management alternatives
- . Analyzing loss events
- . Analyzing risky processes and resources
- . Analyzing risk factors

Duration: 1 hour

Loss prediction and prevention

This module explains how loss prevention is more effective than loss reduction. It helps the user understand aspects such as:

- . Loss prediction
- . Loss prevention
- . Process reengineering and work restructuring
- . Product redesign and automation
- . Human factors engineering
- . ERP and reliability maintenance

Duration: 1 hour

Loss control

This module examines various loss control measures. It helps the user understand:

- . Diagnostic controls and Inventory management
- . Redundant systems and boundary systems
- . Computer security and physical security management
- . Internal and external audit

Duration: 1 hour

Loss reduction and risk avoidance

This module elaborates on the methods used in loss reduction and how risk avoidance is used as a risk mitigation method. It helps the user understand the following concepts:

- . Legal risk reduction and loss isolation
- . Contingency planning
- . Redundant systems and boundary systems
- . Crisis management
- . Risk avoidance
- . Quality management phases
- . Organizational design, culture and relationship management

Duration: 1 hour

Risk financing

This module presents basics of risk financing and its advantages and disadvantages. It also helps the user understand the following approaches to risk financing:

- . Financial restructuring
- . Asset-Liability Management
- . Corporate diversification
- . Insurance
- . Self-Insurance
- . Hedging using derivatives
- . Contractual risk transfer

duration: 1 hour

Measurement framework

This module gives an insight into how a framework enables the management to identify and classify risks and take appropriate action. It helps the user understand:

- . ORM cycle
- . Framework criteria and assumptions
- . Current framework approaches
- . Measurement process for ORM
- . Delta and EVT methodologies

Duration: 1 hour

ORM in practice

This module analyzes the current operational risk management practices. It helps the user understand the following aspects in an ORM practice:

- . Learning and response loops
- . Guidelines for effective reporting
- . Event reports and Operational profiles
- . Risk reports
- . Evaluating and updating the risk model
- . Implementing bank-wide ORM

Duration: 1 hour

Enterprise - wide Risk Management (ERM)

This module is aimed at signifying the role and importance of an enterprise-wide risk information system. It helps the user understand:

- . Enterprise-wide risk information systems
- . Challenges to ERM
- . Project Management for an ERM system

Duration: 1 hour

Basic and causal models

This module discusses various models in operational risk management. It helps the user understand:

- . Top-down risk models
- . Bottom-up risk models
- . Selecting a risk model
- . Causal models

Duration: 1 hour

Legal risk and taxation rules

This module ascertains the impact of legal risk and taxation rules on an organization and methods of mitigating them. It helps the user understand aspects such as:

- . Issues in contract enforcement
- . Board of directors and shareholder activism
- . Management responsibility for legal risk
- . Transparency

Duration: 1 hour

E-banking

This module discusses the operational risk aspects of electronic banking. It helps the user understand:

- . Security risks in e-banking operations
- . Systems design, implementation, and maintenance flaws
- . Customer misuse of products and service

Duration: 1 hour

Systems and software

This module gives the user an idea of operational risk system and its components. It also helps to understand:

- . Operational risk software
- . Some of the software in the market

Duration: 1 hour

Case study - Barings

This module gives an insight into what led to the collapse of Barings. It helps the user understand:

- . Overview of the case
- . How the massive losses were incurred
- . Lessons to be drawn from the incident

Duration: 1 hour

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Language Options

También, se ofrece este curso en Español. Llamada para más información.

For more information regarding administrative policies such as complaints and refunds, please contact our offices at 212-641-6616.