

OPERATIONAL RISK MANAGEMENT for FINANCIAL INSTITUTIONS

2 Day Course

Sydney Thursday 14th & Friday 15th August 2008

This course, developed and proven over many years and delivered by one of the recognised leaders in the field, is offered directly by Protecht as a public course for the first time. The course provides a comprehensive insight into the leading practices in Operational Risk Management within financial institutions. It includes current Prudential Regulations to provide you with a comprehensive understanding and working knowledge of how to achieve best practice Operational Risk Management in your institution.



What you will get out of this course:

- An in-depth understanding of all aspects of Operational Risk Management (ORM) covering risk identification, assessment and quantification, evaluation, treatment, monitoring and reporting
- A working knowledge and understanding of the regulatory environment and external guidance including the Australian Prudential Standards APS 114 and APS 115, AS/NZS 4360, COSO and ASX Principle 7.
- The practical skills to make ORM work in your institution
- A practical understanding of the various techniques required for comprehensive Operational Risk Management including Risk and Control Self Assessment, Key Risk Indicators, Risk Incident Recording and Management, Compliance - External and Internal, Improvement Tracking and Risk/Capital Quantification and Allocation including the ICAAP process
- A comprehensive appreciation of the requirements of Operational Risk Management software and how to ensure it supports rather than hinders your risk management process
- Blueprints for an effective Operational Risk Reporting framework and proformas for each level of your institution
- An awareness of the pitfalls to successful Operational Risk Management and how to overcome them
- The knowledge to be able to benchmark your current practices against international best practice
- An understanding of the importance of the right operational risk and control culture and how to achieve it
- Access to internationally acclaimed expert on Operational Risk Management

CONDUCTED BY
DAVID TATTAM Protecht Advisory.



David Tattam David is a principal of Protecht Advisory. He is a specialist in all facets of risk management and in particular, operational risk and is recognised internationally as an authority on the discipline. Prior to setting up Protecht, he held roles as the Head of Operations and Risk Management at WestLB Bank and Industrial Bank of Japan in Australia and 7 years with PricewaterhouseCoopers. He currently consults to, and trains in, a range of industries in relation to setting up risk management functions and systems implementation using Protecht's WORMS™ Operational Risk Management and Compliance solution. David is an Associate of the Institute of Chartered Accountants in England and Wales, an Associate of the Institute of Chartered Accountants in Australia, and a Fellow of the Financial Services

Previous courses: This course has been developed over the past 8 years and has been presented in over 15 countries to over 2,500 participants. The course is currently being conducted in-house at a number of Australian Financial Institutions. The course has been continually developed as market practices change so that it is fully up to date with the latest guidance, regulations and practices. In addition, the presenter has been actively involved in the development and implementation of a comprehensive operational risk system into a range of financial institutions and corporates.



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2 Day Course

Course Profile

1: Current Status of Operational Risk Management

- Status of Operational Risk Management as a discipline
- Drivers of current ORM practice
- Objectives and milestones of ORM success

2: Understanding Operational Risk

- The nature and characteristics of risk
- Defining the Inherent Risks and Operational Risk
- Understanding Risk Causes, Events, Effects, Contributing Factors, Controls .
- A Risk categorisation framework

3: Framework For Managing Risk

- The Framework for managing Operational Risk
- The Risk Management Process: AS/NZS 4360, COSO, ISO 31000

4: The Regulatory Driver

- The Basel II requirements
- Meeting APRA's expectations

5: Setting up the structure

- Organisation structure
- Responsibilities for Operational Risk Management
- Policies and Procedures

6. An ORM Methodology

- Risk and Control Self Assessment
- Key Risk Indicators
- Risk Incidents
- External and Internal Compliance
- Improvement implementation and tracking
- Risk quantification and capital calculation

7. Risk and Control Self Assessment—RCSA

- Carrying out an RCSA
- Linking the RCSA with strategy and objectives
- Avoiding poor quality assessments

8. Key Risk Indicators

- What is a KRI and what are their purpose?
- Identifying, Collecting, Scoring , Weighting and Aggregating
- Reporting and using KRIs in the business
- Basle II Requirements for KRI's

9: Risk Incident Recording and Management

- What events and information should be captured?
- The Collection and Management Process
- External Data and how to use it
- Reporting and using the information
- Basel II Requirements for Loss Event Databases

10: Compliance (Internal and External)

- Integrating the compliance function
- The process for internal and external compliance

11: Risk Treatment

- Treatment Methods
- Evaluating the internal control system and controls
- An improvement tracking process

12. Integration of the parts

- Integration of all risk related functions and the ORM methodology
- What does integration mean?
- Benefits of integration

13: Risk Capital Calculation and Allocation

- Basel II requirements for Regulatory and Economic Capital
- The Basel II approaches to capital measurement
- Loss distribution approach, components and calculation
- Allocating and using economic capital in the business

14: Reporting

- Report format, content and process
- Towards a true dashboard report

15: The key to achieving ORM success

Enrolment

How to Register: Please complete the personal details below and fax to Protecht on 02 9299 4841. You will be emailed a confirmation and invoice within 5 business of days. If you do not receive confirmation within this period or have any questions relating to the course, please contact Andrew Tagg on 02 8823 6275 or David Tattam on 0412 350 095. We can provide accommodation suggestions if required, on your request.

Personal Information

Name and Title			
Email Address			
Organisation		Telephone	
Address		Signature	

Cost: The cost of the 2 day program is \$1,980 + GST. This fee includes all materials, lunch, morning and afternoon refreshment but excludes your travel, accommodation, breakfast and incidentals. A 5% reduction in the total cost is offered where 2 or more participants attend the same course from the same organisation.

Course Times: Registration commences at 8.30am. Each day the course commences at 9.00am and concludes at 5.00pm.

Terms and Conditions: Protecht reserves the right to cancel or postpone this program due to circumstances outside of their control. Where this occurs delegates will receive a full refund. For participant cancellations, a full refund less 15% will be made for any cancellation received no later than 2 weeks prior to course commencement. For cancellations received after this time, a 50% refund will be given. A replacement delegate is acceptable, however please notify us of the change as soon as possible.

