



FUNDAMENTALS OF OPERATIONAL RISK MANAGEMENT IN BANKING



Background

The frequent appearance of financial scandals in the Banking and financial service industry has intensified attention on operational risk. Although the risk of fraud and external events has been in existence since the beginning of banking, the possibility that operational risk might arise has increased due to recent technological advances.

Nepal Rastra Bank has seriously pointed out ineffective operational risk management as one of the major challenges for Nepalese banking industry. Therefore, effective management of operational risk is a key skill for any bank professional and this course is designed to give them the essential insights and skills to be able to identify, quantify and manage operational risk effectively .

Program Details

Date & Time: 10th December 2022 (9.30am-4.45pm)

Duration: 4 sessions/6hrs

Venue: NBI Hall, Naxal

Course Outline

Program Takeaways:

- Basic understanding of what operational risk is and how it arises in many real business cases.
- Basic understanding of Tools used for measurement, monitoring and management of operational risk

Target Audience:

Branch Managers, Operational In-charge, Province Head, Head of Department, Desk Head in Departments and Provinces .

Content:

Introduction to Operational Risk

- Definitions of Operational Risk
- Risk-Control Linkage
- Risk Management Taxonomy
- Operational Risk Management Framework
- 3 Lines of Defense
- Risk Culture
- ORM as a Marketing Tool
- Quiz

Risk Identification & Measurement

- Events and Losses
- Loss Event Reporting
- Risk Registers
- Risk Identification, Causes and Classifications
- Operational Risk Measurement
- Quiz

Risk and Control Self-Assessment

- Process Design and Mapping
- Assessment of Risk
- Assessment of Control
- Risk Threshold
- Risk Treatment
- Risk Management
- Operational Risk Heat Map
- *Exercise: Designing Effective Control System for your bank*
- Quiz

Operational Risk Monitoring, Management and Reporting

- Loss Data Reporting
- Key Risk Indicators (KRIs)
- Risk Threshold
- Effective Operational Risk Management Framework
- Operational Risk Reporting
- Quiz

Facilitators' Profile



Lumb Dhoj Mahat

Chartered Accountant, Financial Adviser & Risk Management Specialist

Mr. Mahat possesses 27 years of diverse experience across several sectors covering a wide spectrum of assurance, business advisory and taxation disciplines. He possesses Masters degree in risk management from New York University, Stern Business School, and has undergone executive education at Harvard Business School and In-sead Business School. He has also done Risk Modelling course from Wharton Business School.

Mr. Mahat was risk management specialist in several Asian Development Bank Funded projects. He has provided risk management advisory services in various Nepalese corporate sectors. He has worked on large projects jointly with big 4 international accounting firms ~ PwC, Deloittee, Ernst & Young and KPMG in the field of Assurance, Diagnostic Review, Capacity Building, e-Government Procurement, e-Governance, Special Review, Investment Climate, and IFRS Implementation. He was also responsible for establishing Risk-based Internal Audit in Himalayan Bank Limited. He has led internal audit of 5 commercial banks for over 25 years.

NATIONAL BANKING INSTITUTE LTD.

Central Plaza, 6th Floor, Narayanchour, Naxal, Kathmandu, Nepal.

T : 977-1-4415903/905, 4436001 • F: 977-1-4441351

info@nbi.com.np • www.nbi.com.np