



PRESENTS

OPERATIONAL RISK MANAGEMENT



Background	<p>As the size and complexity of financial institutions have increased, so too have the challenges of understanding and reducing operational risks down to truly manageable levels. Increased regulatory concern and scrutiny have also increased the cost of operational risk events in the shape of outright financial loss, regulatory fines and declining customer confidence.</p> <p>Operational Risk Management (ORM) is an effective tool for not only maintaining but increasing, bank profits, shareholder value, public perceptions and goodwill. Executed properly, improvements in ORM can lead to substantial financial, reputational and regulatory benefits – all this adds to increased profitability, greater financial stability and improved customer satisfaction.</p>
Level (Low/Mid/Senior/High)	Mid
Duration	One and half day.
Target Audience	Operation In-charge at Branch, Branch Managers
Program delivery	Combination of prepared lecture, examples, discussion/interaction, and case-studies
Date, Time & Venue	4th (3:00pm to 6:00pm) & 5th (9:30am to 5:00pm) August 2017, NBI Hall, Kathmandu


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Program Details

Program Takeaways	<p>After attending the session, the participant will:</p> <ul style="list-style-type: none"> * understand Operational risk in all its facets; * understand what the Basel Accords say about operational risk, its management/ mitigation, and computation of operational risk capital; * have a clear understanding of operational risk techniques for assessing, monitoring, and mitigating operational risk; * be able to link ORM theory with practice; and * be able to design a road-map on how to implement an ORM structure in practice in a banking organization.
Contents	<ul style="list-style-type: none"> ◆ Various risks relevant in BFIs ◆ Operational risk definition , characteristics, and presence in all functions ◆ Principles for the Sound Management of Operational Risk ◆ Risk Management Environment: Operational Risk Management Process ◆ Operational Risk Capital Calculations as per BASEL – II ◆ Three Line of Defense to manage Operational Risk ◆ Operations Risks Management in different functions in a Branch ◆ People risk management ◆ Case Studies – Domestic and International
Facilitator/s	<p style="text-align: center;">Details of Facilitator/s</p> <div style="text-align: center;">  </div> <p>Sudeep Khanal is a senior Chartered Accountant (ICAI), and Certified Information System Auditor (CISA, USA) by profession, and also holds the Masters Degree in Business Administration (E-MBA) from KU. He has post qualification experience of 13 years comprising of one year in heading Internal Audit Function of Soaltee Group, 1 year in Rastriya Banijya Bank (during the financial reform period of the Bank) as Deputy Head of Internal Audit Department, 1 year in Rastriya Banijya Bank (during the financial reform period of the Bank) as Compliance Officer and Head of Internal Audit Department, and 10 years in Nepal SBI Bank as Head of Internal Audit and Compliance Department, Branch Manager and currently as Regional Manager. Thus, he has 12 years of experience in management of risks and operations of Banking industry. Risk Focused Internal Audit was introduced in Nepal SBI Bank under his leadership.</p>

Course Outline

Time	Details
<p>Day 1 3:00pm to 6:00pm (Friday)</p>	<ul style="list-style-type: none"> ◆ Various risks relevant in BFIs <ul style="list-style-type: none"> ⇒ Credit Risk ⇒ Operational Risk ⇒ Market Risk ◆ Operational Risk <ul style="list-style-type: none"> ⇒ Definition ⇒ Characteristics ⇒ Presence in all Functions ◆ Principles for the Sound Management of Operational Risk <ul style="list-style-type: none"> ⇒ Governance ⇒ Risk Management Environment ⇒ Role of Disclosure
<p>Day 2 9:30am to 5:00pm (Saturday)</p>	<ul style="list-style-type: none"> ◆ Risk Management Environment: Operational Risk Management Process <ul style="list-style-type: none"> ⇒ Identification, Assessment -(RCSA, Event Types) ⇒ Measurement -(Loss Data – Internal, external, near miss data) ⇒ Monitoring -(KRIs) ⇒ Reporting - (Dashboard) ⇒ Control and Mitigating- (internal controls, systems, process) ⇒ Business resiliency and continuity -(BCP, DRP) ◆ Operational Risk Capital Calculations as per BASEL – II (BIA, TSA, AMA) ◆ Three Line of Defense to manage Operational Risk- Operational Risk Management Structure - Branch Manager / Operations In-charge, Credit In-charge - First line Defense - Roles & Responsibilities ◆ Operations Risks Management in different functions in a Branch <ul style="list-style-type: none"> ⇒ Business Lines <ul style="list-style-type: none"> * Deposits (KYC-AML, Accounts Maintenance) * Services (Remittance, Good for Payment, Clearing) * Cash Management * Security Lockers * Foreign Exchange Business * Letters of Credit and Bank Guarantees * Trade bills ⇒ Alternate Channels <ul style="list-style-type: none"> * ATM * Internet Banking * Mobile banking * POS ⇒ Back Office Operations ⇒ Protective Arrangements ⇒ Branch Documents ◆ People risk management <ul style="list-style-type: none"> ⇒ Job description, Segregation of duty ⇒ Maker and Checker ⇒ Audit ⇒ Proper Hiring practices ⇒ Leave planning/Force leave ⇒ Job rotation ⇒ Training ◆ Case Studies – Domestic and International