



PRESENTS

# OPERATIONAL RISK MANAGEMENT



Operational Risk has been increasing day by day in the Nepalese Financial Sector and large risks events are taking place one after another. INR Draft events taken place in Kathmandu, good for payment incident happened at one of the development banks and remittance fund embezzlement case incurred at one of the large commercial banks are the examples of a few incidents.

It is always difficult to assess that when, how and what intensity the operational risk events occurs. But, the losses stemming from operational risks may erode the capital of a BFI with such a magnitude and intensity that the BFI may be left with no room for escaping from the impact, which could precipitate up to a situation of collapse. Therefore, a clear understanding on operational risk and its control has been always a challenge to the management.


In order to manage Operational risk, Banks and Financial Institutions (BFIs) formulate Operational Risks Management Policy, which is supported by a Standard Operation Manual/ Guideline and generally rely heavily on the internal audit function for the assurance that the Policy and guidelines have been duly complied with.

Internal Audit and / or External Auditor may not always be able to capture the actual picture as they submit their report based on the sample audit and it is basically post events. One of the critical components in the operational risk management is human assets (people). People do involve in managing all risks like Credit Risks, Market Risks, Reputational Risks, etc. Unless human assets are strengthened with required skills for managing all types of risks and cultured with good corporate governance, managing operational risks will not be possible. Operational risks can be mitigated and managed by the combine effort of all Staffs and Board of Directors.

All the respective staffs can therefore play instrumental role in implementing the Operational Risk Management Policy and manual/guidelines thereon, identifying the Early Warning Signals (EWSs), Defining Key Risk Indicators (KRIs), Re-reporting the Risk Events for further analyzing, assessing and mitigating risk proactively.

Having regard to above one day training on Operational Risk Management has been designed aiming to educate the branch staffs of banks and financial institutions for managing operational risks proactively and effectively so that such risk events could be averted/ mitigated.

Expert trainers have been identified from the central Bank and commercial Bank in order to have the best blending of theory, regulations and practical.

Duration (in Days)	1 day
Target Audience	Up to Officer Level
Program delivery	Power point, Audio Visual demonstration, Interaction, Case studies, discussions
Date, Venue & Time	3rd February 2018, 7:00 am to 1:30 pm at Hotel Royal Century, Narayanghat
Program takeaway:	<ul style="list-style-type: none"> <li>· Thorough Understanding of Operational Risks</li> <li>· Understanding Operational Risks Management Framework</li> <li>· Having Risks Mitigating Measures</li> </ul>
Program Content:	<ol style="list-style-type: none"> <li>1. Operational Risk Management</li> <li>2. Risks in Branch Operations <ul style="list-style-type: none"> <li>· Cash Management Risks &amp; Mitigants</li> <li>· Remittance Operations Risk &amp; Mitigants</li> <li>· Payment Instruments Risk &amp; Mitigants</li> </ul> </li> <li>3. Bank Frauds and Prevention</li> <li>4. Role of Bank staffs in Operation Risk Management</li> </ol>
Facilitator/s	 <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>

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