

## Operational Risk Management

Level (Low/Mid/Senior/High)	Mid/Senior
Duration (in Days)	4 sessions (1.5 hours each session)
Target Audience	Senior Assistants(with minimum 3 years of experience), Supervisor and Officer
Program delivery	Lecture, Discussion/Interaction, Case-Studies
Date & Time	4th to 6th Dec, 2014 Thursday & Friday 4th & 5th Dec, 2014 (7:30am to 9:00am) followed by Breakfast Saturday, 6th Dec, 2014 ( 10:00am to 1:15pm) followed by Lunch
Venue	NBI Training Hall, Narayanchour, Naxal, Kathmandu
Facilitator/s	<b>Mr. Dirgha Rawal</b> Asst. Director, NRB  <b>Mr. Narayan Bhuj</b> IT Head, Kumari Bank Ltd.

### Introduction

Operational Risk has been increasing day by day in the Nepalese Financial Sector attracting great threats. It is always difficult to assess that when and how the operational risk events take place. 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.

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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), Reporting the Risk Events for further analyzing, assessing and mitigating risk proactively. This full day Workshop on Operational Risk Management has been planned aiming to mobilize the staffs of banks and financial institutions for managing operational risks proactively and effectively as far as possible.

## Learning Objectives

To provide the knowledge to the participants in:

- Understanding various Risks, Operational Risk and Types thereon
- Making aware with Sources of Operational Risk
- Managing Operational Risk
- Reporting Risk Events
- Developing Operational Risk Awareness Culture

## Program Itinerary

Session	Details	Trainer
<b>Session 1 &amp; 2</b>	<ul style="list-style-type: none"> <li>• Banking Risk, Operational Risk in Banking, Identifying Operational Risk, Measuring Operational Risk, Operational Risk Management (ORM)</li> <li>• NRB Regulations on Operational Risk Management, Capital Requirements for Operational Risk &amp; International Best Practices.</li> </ul>	<b>Mr. Dirgha Rawal</b>
<b>Session 3 &amp; 4</b>	<p>Managing IT Operations Risk and Data Breaches</p> <ol style="list-style-type: none"> <li>1. Classification of IT Risk</li> <li>2. Impact of IT Risk</li> <li>3. Assessment of IT Risk</li> <li>4. IT Risk management               <ol style="list-style-type: none"> <li>a. Framework</li> <li>b. Core Discipline</li> <li>c. Best practices tools and procedures</li> </ol> </li> <li>5. Data Breaches               <ol style="list-style-type: none"> <li>a. How do data breaches occur</li> <li>b. Who is behind data breaches</li> <li>c. How to stop data breaches</li> </ol> </li> </ol>	<b>Mr. Narayan Bhujju</b>

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