

Operational Risk Management

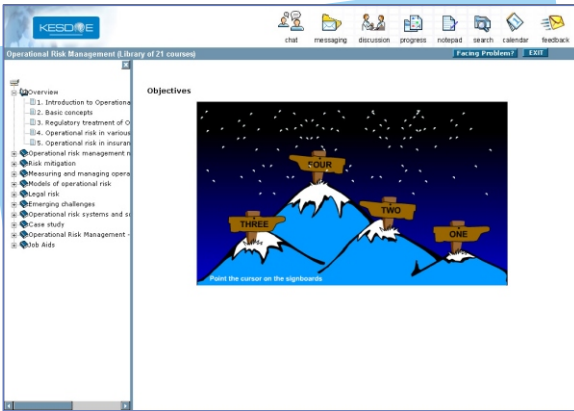
A comprehensive e-learning product covering sound
Operational Risk Management Framework, Methodologies and Practices

After completing this course, you will be conversant with:

- A framework and methodology for measuring and modeling Operational Risk
- How to identify, analyze, measure and manage risks by employing models and methodologies
- Various softwares offered by vendors for Operation Risk Management



Operational Risk Management



Course Level & Number of Courses

Intermediate Level
Library of 21 Courses

Instructional Method

Dynamic, Interactive e-learning

Recommended Background

Familiarity with basic financial concepts

Overview

Changes in markets, techniques, technologies, and products have altered the landscape of Operations and fueled the explosive development of Operational Risk management. The regulators of financial and public companies are demanding a far greater level of disclosure and awareness by directors about the risks they manage and the effectiveness of the controls they have in place to reduce or mitigate these risks. There is also a greater realization that a major source of earnings volatility can be attributed to the way a firm operates and not “financial risk”. All these changes have triggered the need for an efficient Operational Risk Management system in Organizations.

Target Audience

Every professional involved in the global financial services industry (as a provider, user, regulator or advisor of product/services, marketplace/exchange) would benefit from KESDEE's innovative solutions.

- Supervisory Agencies
- Central Banks
- Financial Institutions
- Commercial Banks
- Investment Banks
- Housing Societies/Thriffs
- Mutual Funds
- Brokerage Houses
- Stock Exchanges
- Derivatives Exchanges
- Insurance Companies
- Multinational Corporations
- Accountancy Firms
- Consultancy Firms
- Law Firms
- Rating Agencies
- Multi-lateral Financial Institutions
- Others

The themes of this product are:

- Proposes the development of Operational Risk Management in financial institutions as a distinct function with its own process, structure, tools and measures

Operational Risk Management

Library of 21 Courses

Time taken to complete each Course: Two - Three hours

1. Introduction to Operational Risk

- Objectives
- Defining operational risk
- Significance of operational risk
- Operational risk management programs
- Addressing operational risk
- Measuring and modeling operational risk

2. Basic Concepts

- Objectives
- Loss events
- Risk Factors, loss types and event/factor controllability
- Dependencies between Risk Factors and Events
- Attribution of Loss

3. Regulatory Treatment of Operational Risk under Basel-II

- Objectives
- Introduction, Definitions and data issues
- Measurement Methodologies
- Role of Pillars 2 and 3
- Sound Practices

4. Operational Risk in Various Banking Sectors

- Objectives
- Introduction and Spectrum of Risks
- Accounting policies, costing and pricing models
- Private banking sector

5. Operational Risk in insurance

- Objectives
- Introduction
- Risks exclusive to insurance and Regulatory Issues
- Alternative Risk Transfer and Finite Risk Captives
- Captives

6. Developing objectives and identifying risks

- Objectives
- Risk Management Agenda
- Risk Management Targets
- Risk Management Organization and Policies
- Benchmarking Internal Processes and Resources
- Identifying Process and Resource Risks
- Identifying Risk Factors
- Identifying and Categorizing Loss Events

7. Estimating potential losses – Data

- Objectives
- Challenges to Operational Risk analysis
- General measurement techniques
- Historical analysis
- Subjective risk assessment

8. Estimating potential losses – Loss distributions

- Objectives
- Overview of probability distributions
- Building a distribution
- Probability distributions
- Estimating risk factors
- Choosing an event distribution
- Operational Risk database

9. Analyzing risks

- Objectives
- Aggregating risks
- Monte Carlo loss simulation
- Risk management alternatives
- Analyzing loss events
- Analyzing risky processes and resources
- Analyzing risk factors

10. Loss prediction and prevention

- Objectives
- Loss prediction
- Loss prevention
- Process reengineering and work restructuring
- Product redesign and automation
- Human factors engineering
- ERP and reliability maintenance

11. Loss control

- Objectives
- Introduction
- Diagnostic controls and Inventory management
- Redundant systems and boundary systems
- Computer security and physical security management
- Internal and external audit

12. Loss reduction and risk avoidance

- Objectives
- Legal risk reduction and loss isolation
- Contingency Planning
- Crisis Management
- Risk avoidance
- Quality management
- Human resources management
- Organizational design, Culture and relationship management

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13. Risk financing

- Objectives
- Introduction
- Financial restructuring
- Asset-Liability Management
- Corporate diversification
- Insurance
- Self-Insurance
- Hedging using derivatives
- Contractual risk transfer

14. Measurement framework

- Objectives
- ORM cycle
- Framework criteria and assumptions
- Current framework approaches
- Measurement process for ORM
- Delta and EVT methodologies

15. ORM in practice

- Objectives
- Learning and response loops
- Guidelines for effective reporting
- Event reports and Operational profiles
- Risk reports
- Evaluating and updating the risk model
- Implementing bank-wide ORM

16. Enterprise-wide Risk Management (ERM)

- Objectives
- Role of technology
- Enterprise-wide risk information systems
- Challenges to ERM
- Project Management for an ERM system

17. Basic and causal models

- Objectives
- Operational Risk Management (ORM) model
- Top-down risk models
- Bottom-up risk models
- Selecting a risk model
- Causal models

18. Legal risk and taxation rules

- Objectives
- Introduction
- Contract enforcement
- Board of directors and shareholder activism
- Management responsibility for legal risk
- Transparency and collateral
- Shifting ground in international taxation

19. E-banking

- Objectives
- Introduction
- Operational risks associated with Electronic Banking
- Security risk
- Systems design, implementation, and maintenance flaws
- Customer misuse of products and services

20. Systems and software

- Objectives
- Introduction
- Framework/Components of an operational risk system
- Operational risk software
- AMELIA
- MICROBANK
- Relex software
- ALGORITHMICS

21. Case study Barings

- Objectives
- Overview
- How the massive losses were incurred
- Lessons to be drawn from the incident

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- Measurement Tools
- Disclosures
- Global Best Practices
- Policy Templates

Calculators in Market Risk: Basic Level

1. Probability Distributions
2. Capital Charge Under the Basic Indicator Approach
3. Capital Charge Under the Standardized Approach
4. Internal Measurement Approach

KESDEE's Off-the-Shelf e-Learning Course Libraries

Product Name	No. of Courses
1. Asset Liability Management	Library of 28 Courses
2. Liquidity Management and Contingency Funding Plan	Library of 14 Courses
3. Financial Institution Analysis - CAMELS Approach	Library of 08 Courses
4. Financial Mathematics	Library of 07 Courses
5. Global Banking Supervision	Library of 15 Courses
6. Capital Adequacy Planning (Basel I)	Library of 07 Courses
7. Basel-II-University	Library of 63 Courses
8. Operational Risk Management – Basel II	Library of 09 Courses
9. Futures and Forwards	Library of 07 Courses
10. Swaps	Library of 07 Courses
11. Options	Library of 10 Courses
12. Market Risk - Basic	Library of 08 Courses
13. Market Risk - Intermediate	Library of 08 Courses
14. Market Risk - Advanced	Library of 04 Courses
15. Value at Risk	Library of 16 Courses
16. Credit Analysis	Library of 13 Courses
17. Credit Ratings	Library of 03 Courses
18. Counter party Credit Risk	Library of 09 Courses
19. Credit Risk Modeling	Library of 06 Courses
20. Credit Derivatives	Library of 23 Courses
21. Operational Risk Management	Library of 21 Courses
22. Asset Securitization	Library of 28 Courses
23. Asset Liability Management for Insurance Companies	Library of 29 Courses
24. Anti-Money Laundering	Library of 06 Courses
25. Financial Privacy	Library of 06 Courses
26. Corporate Governance	Library of 09 Courses
27. Sarbanes-Oxley Act	Library of 12 Courses
28. Governance, Risk and Compliance	Library of 07 Courses
29. Money Markets	Library of 09 Courses
30. Fixed Income Markets	Library of 17 Courses
31. Equity Markets	Library of 10 Courses
32. Foreign Exchange Markets	Library of 09 Courses
33. Commodity and Energy Markets	Library of 03 Courses
34. CTM - Foreign Exchange Management	Library of 07 Courses
35. CTM - Treasury Analytics	Library of 05 Courses
36. CTM - Interest Rate Risk Management	Library of 04 Courses
37. CTM - Funding and Investments	Library of 05 Courses
38. CTM - Implementation	Library of 04 Courses
39. CTM - Case Studies	Library of 05 Courses
40. Understanding Financial Statements	Library of 02 Courses
41. Budgeting	Library of 05 Courses
42. Management Accounting	Library of 07 Courses
43. Financial Accounting	Library of 09 Courses
44. Mutual Funds	Library of 10 Courses
45. Financial Planning	Library of 09 Courses
46. UCP600	Library of 07 Courses
47. International Trade Services	Library of 09 Courses
48. BBM - Deposits	Library of 04 Courses
49. BBM - Advances	Library of 07 Courses
50. BBM - Marketing	Library of 03 Courses

Available Products

KESDEE's Off-the-Shelf e-Learning Course Libraries

Product Name	No. of Courses
51. BBM - Payment and Settlement System	Library of 02 Courses
52. BBM - Foreign Exchange Operations	Library of 03 Courses
53. BBM - Trade Finance	Library of 02 Courses
54. BBM - Book Keeping and accounting	Library of 03 Courses
55. BBM - Ancillary Services	Library of 02 Courses
56. BBM - Risk Management	Library of 03 Courses
57. BBM - Technology and Security	Library of 02 Courses
58. BBM - HRM and CSR	Library of 02 Courses
59. BBM - Retail Banking	Library of 03 Courses
60. Introduction to Bank Lending Environment	Library of 07 Courses
61. Basics of Banking	Library of 10 Courses
62. Flotation	Library of 04 Courses
63. Project Valuation	Library of 03 Courses
64. Trading Operation Controls	Library of 04 Courses
65. Economics	Library of 16 Courses
66. Estate Planning	Library of 04 Courses
67. Global Economic Crisis - Liquidity Management	Library of 07 Courses
68. Brokerage Operations	Library of 01 Course
69. Risk Analysis	Library of 05 Courses

* CTM: Corporate Treasury Management

* BBM: Bank Branch Management

Certification Tutorials

1. ePRM Coach	Library of 68 Courses
2. Associate ePRM Coach	Library of 36 Courses
3. eFRM Coach for FRM Part I Exam	Library of 37 Courses
4. eCoach for the CFA® Level I Program	Library of 76 Courses

Upcoming Products


KESDEE has the required technology platform to respond to clients training requirements in the banking and financial services industry. We offer several solutions, each developed with the guidance of creditable experts. Given below are few of the forthcoming products:

- Agricultural Finance



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