

Basel II – Operational Risk Overview

A 3 day introductory course into the Basel II Operational Risk Requirements

Why you should attend

Who Should Attend

The course has been specifically designed for the following banking industry professionals:

- Senior Bank Executives Responsible for Basel II & Capital Allocation Projects
- Financial Controllers
- Operational Risk Managers
- Risk Managers
- Operations Managers
- Senior Operations Staff
- Auditors and Compliance Officers
- Regulators/Inspectors
- Staff Training Managers

The operational risk requirements of Basel II place an important emphasis on the identification, assessment, monitoring and control of operational risk. The ultimate requirement for reserving capital against operational losses are closely linked to the actions that a bank needs to take to manage these risks.



This fast-paced intensive course covers all aspects relating to operational risk in the context of the Basel II requirements and sets out what needs to be done to effectively implement the operational risk aspects of this important international standard.

Citadel Advantage offer an intensive 3 day introductory course taught by experienced practitioners with extensive domestic payments experience. The course curriculum provides information in a neutral and unbiased manner covering a variety of critical retail payments & risk topics.

This intensive two-day course helps you navigate through the complex world of the Basel II requirements. It provides a detailed overview of assessing and managing risks in and lets you develop an effective risk management regimen in the area of bank operations.

What is the curriculum focus?

What the course covers

This course provides an introduction to the Basel II Operations Risk requirements. This entails;

- Operations Risk Definition and Examples - Understanding the Basel II requirements for operational risk.
- Key elements in managing Operations Risk Developing risk strategies, overseeing these by the banks board



of directors, operational risk culture, internal control culture, internal reporting and contingency planning.

- Managing Operations Risk - BIS definitions. How the BIS defines operations risk, the risk mitigation standards currently in use and current best practice.
- Developing an Appropriate Risk Management Environment. Key components include Policy & Structure, Implementation, Risk management function in the areas of identifying, assessing and mitigating operational risk.

- The course demonstrates the principles of Basel II by applying a practical overview of assessing and managing risks in specific bank operations areas covering core and distributed operations, standalone microcomputers, environmental & technology controls. These areas are:
- *Operations Risk*: The course covers critical issues around security concerns, security controls, secure operations and the key risk areas (reputation, strategic, credit, liquidity, legal & operations) as well as
- *Payments Systems*: - RTGS, Large Value Transfer Systems, Cash management products, Securities & Collateral, Interbank messaging systems, Cheque payments, EFTPOS and CLS.
- *Payment Instruments*: Cheques, Electronic Payments, Cards, ATMs, Internet

The course includes a number of case studies and interactive participant sessions.

For further details please contact

Citadel Advantage

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If you live outside one of these three regions, please call the region located closest to you.

What is the course program?

Day 1

Basel II Operations Risk Overview

- Operations Risk Definition and Examples
- Key elements in managing operational risk
- Managing Operational Risk - BIS definitions
- Developing an Appropriate Risk Management
- Environment

Basel II Operations Risk Mitigation

- Operations Risk Identification, Assessment,
- Monitoring, and Mitigation/Control
- Identifying and assessing the operational risk

Basel II Operations Risk Mitigation

- Controlling and/or mitigating material operational risks
- Contingency and business continuity plans

Day 2

Basel II Operations Risk Mitigation

- Controlling and/or mitigating material operational Risks
- Contingency and business continuity plans

Basel II Operations Risk - Assessing & Managing Specific Risk Areas

- Introduction
- Operations Risk
- Systems & Operations

Day 3

Basel II Operations Risk - Assessing & Managing Specific Risk Areas (continued)

- Operations
 - Distributed operations
 - Standalone microcomputers
- Support functions
 - Controls
 - Environmental
 - Technology (preventive maintenance,
 - security, database management, personnel control, internal procedures change



- management)
 - Storage & backup
- Payments systems and instruments
 - RTGS
 - Large Value Transfer Systems
 - Cash management products
 - Securities & Collateral
 - Interbank messaging systems
 - Cheque payments
 - Electronic Funds Transfer/Point of Sale
 - CLS