

# Taming the Electronic Tiger

## Managing Risk in Electronic Banking

### Why you should attend

#### Who Should Attend

This 2-day course is a must for every Risk Manager as well as all who are involved in all aspects of Electronic Banking Services including:

- Banking Product Designers
- National Banking Supervisors
- Operations Risk Managers
- Bank Operation Managers
- Bank Retail & Corporate Customer Managers and Liaison Staff
- Corporate Treasurers & Associated Accounting Staff
- Internal & External Auditors

Rapid technological changes in recent years have revolutionized the way banking services and products are delivered to Corporates and Consumers alike, so much so that keeping up with these changes is like trying to tame a tiger. We are all familiar with how the Internet, the cell-phone, Smartcards and even ATMs have changed our lives. These changes have dramatically modified and in some cases increased some of the traditional risks associated with banking activities, in particular strategic, operational, legal and reputational risks. In turn this has influenced the overall risk profile of banking.

Electronic banking carries its own unique characteristics, which increases and modifies some of the traditional risks associated with banking activities. These characteristics include:

- Extraordinary speed of change related to technological and customer service innovation
- Universal and global nature of open electronic networks
- Integration of electronic banking applications with legacy computer systems, and
- Increasing dependence of banks on third parties that provide the necessary information technology on which electronic banking depends.

According to all relevant regulatory bodies, it is incumbent upon the Boards of Directors and banks' senior management to take steps to ensure that their institutions have reviewed and modified where necessary their existing risk management policies and processes to cover their current or planned electronic banking activities.



This 2-day course offered by **Citadel Advantage** examines how the traditional risk profile has shifted and focuses on these changes and what needs to be done to effectively implement an efficient operational risk regime that includes all the required controls. In essence, we examine how to tame this tiger known as electronic banking.

# What is the curriculum focus?

## What the course covers

The course comprises the following sub modules:

### ***The Nature of electronic banking***

- What is electronic banking and how does it work? We cover the following critical areas:
- Definition of Electronic Banking
- Informational Websites
- Transactional Websites
- Electronic Banking Components
- Electronic Banking Support Services
- Weblinking
- Account Aggregation
- Electronic Authentication
- Website Hosting
- Payments for e-Commerce
- Wireless electronic banking

### ***Risk Management Principles for Electronic Banking***

Aimed at assisting banks to expand their existing risk oversight policies and processes to cover their Electronic Banking activities they focus on the critical issues of:

- Board and Management Oversight
- Security Controls
- Legal and Reputational Risk Management.
- Security Control Practices for electronic banking
- Managing Outsourced Electronic Banking Systems and Services
- Authorization Practices for Electronic Banking Applications
- Audit Trail Practices
- Maintaining the Privacy of Customer Electronic Banking Information
- Business Continuity and Contingency Planning Practices for Electronic Banking.

### ***Electronic Banking Risks***

We examine the special nature of the risks associated with Electronic Banking, including their effects on:

- Transaction/Operations Risk
- Credit Risk
- Liquidity, Interest Rate, Price/Market Risks
- Compliance/Legal Risk
- Strategic Risk
- Reputation Risk



### ***Taming the Electronic Tiger - Managing the Risk in Electronic Banking***

- Board and Management Oversight
- Electronic Banking Strategy
- Cost-Benefit Analysis and Risk Assessment
- Monitoring, Accountability and Audit
- Managing Outsourcing Relationships
- Due Diligence for Outsourcing Solutions
- Contracts for Third-Party Services
- Oversight and Monitoring of Third Parties
- Information Security Program
- Security Guidelines

For further details please contact

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