

# Operational Risk Management for Financial Institutions

Implementing a Basel III and COSO Compliant Program for OSFI Regulations

September 21 - 22, 2016 • Toronto

## *Course Objectives*

Participants will gain a detailed understanding of the following topics:

- How to develop a comprehensive operational risk management program designed for banks and other financial services companies such securities brokers, asset management companies and insurers, and compliant with major standards and regulations.
- How to develop an effective risk and control self-assessment process to identify, assess and mitigate key operational risks, a loss event database to collect, analyze and report operational risk incidents and a key risk indicator program to track objective information on risk exposure and control effectiveness.
- How to analyze scenarios involving extreme events and to estimate the probability of occurrence and potential impact of these events.
- How to review and assess emerging risks, new products and new initiatives such as major systems development projects, and the risks associated with third party providers and outsourcing partners.
- How to track the resolution of control deficiencies until they are fully remediated.
- How to calculate the capital required for operational risk.

## *Course Leader*



Mario Mosse has 40 years of experience in enterprise risk management, internal audit and regulatory compliance at financial services companies. He is the president of MMosse Consulting, LLC, where he provides risk management advice and training to the financial services industry. Previously, he was the head of Operational Risk Management at Prudential Financial, Inc. Prior to joining Prudential, Mosse was with The Chase Manhattan Bank, where he held several senior positions in Internal Audit and Risk Management, including South America Regional Audit Executive and Head of Risk Management for the Corporate Finance Sector.

# *Course Agenda*

## **Program – September 21**

### **Operational Risk**

- Background
- History
- Governance Principles
- Current Environment

### **The Bank for International Settlements (BIS)**

- Basel Committee on Bank Supervision
- Basel Capital Accords
- Principles for the Sound Management of Operational Risk

### **Operational Risk Management (ORM) Framework**

- ORM within the Enterprise Risk Management Framework
- The COSO Frameworks
- ORM Program Components
- ORM Policies
- Risk Governance
- Risk Management Organization

### **Risk Capacity, Tolerance and Appetite**

- Risk Appetite Framework
- Risk Policy Statement
- Risk Resources and Capacity
- Risk Preferences, Tolerance and Appetite
- Risk Appetite Statement
- Risk Reporting

### **Risk and Control Taxonomy**

- Event Categories
- Risk Types and Classifications
- Control Types and Classifications
- Issue Types and Classifications

### **Risk and Control Self-Assessment**

- Objective Setting
- Assessment Types

- Inherent Risk Identification and Assessment
- Control Assessment
- Residual Risk Assessment
- Issue Identification and Assessment
- Action Plan Development, Tracking and Implementation

### **Key Risk Indicators (KRIs)**

- Identifying Drivers of Operational Risk
- Selecting Key Risk Indicators
- Accuracy, Timeliness and Relevance
- KRI Reporting
- KRI Analysis and Action Planning

## **Program – September 22**

### **Loss Event Data Collection and Analysis**

- Expected and Unexpected Losses
- Loss Event Identification
- Loss Event Classification
- Reputational Losses
- Loss Event Reporting

### **Scenario Analysis**

- Why Scenario Analysis?
- Objectives and expected benefits
- Methodology for selecting, analyzing, quantifying and reporting operational risk scenarios
- Understanding secondary and tertiary impacts
- Understanding impact to reputation
- Scenario Analysis as a component of the operational risk capital requirement calculations
- Risk Response (avoidance, reduction, sharing and acceptance)
- Reporting results to the Board of Directors and external stakeholders

### **Emerging Risks/New Products/New Initiatives**

- The New Product Development Lifecycle
- New Product Development Process
- Risk Assessment Protocol
- New Product Review and Approval Implementation

-Post Implementation Review

### **Third Party Providers/Outsourcing**

- Vendor Risk
- Risk Management Lifecycle
- Planning
- Due Diligence and Selection
- Contract Negotiations
- Ongoing Monitoring
- Termination
- Oversight and Accountability
- Independent Reviews

### **Issue Tracking and Resolution**

- Creating a Central Repository of Issues and Action Plans
- Action Plan Tracking and Reporting

### **Operational Risk Capital and Regulatory Frameworks**

- Basel II and III Operational Risk Capital
- Comprehensive Capital Analysis and Review and Stress Testing
- Other Capital Frameworks
- Other Regulatory Requirements

**This two day course runs from 9:00 a.m. – 4:30 p.m. each day including lunch as well as morning and afternoon breaks.**



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Reserve your place **now!** Fax us this pre-registration form by **August 2, 2016** and we will invoice you later.

### Registration Fees

Registration Options	Before July 22, 2016	Before August 2, 2016	After August 2, 2016
Operational Risk Management	\$1,999.00 + HST	\$2,049.00 + HST	\$2,299.00 + HST

Pre-registration fees include all documentation, continental breakfasts, lunches and refreshments. Parking and accommodation are not included. Please make all cheques payable to **Acumen Information Services**.

I cannot attend but please keep me informed of future events

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- Register Now!** ☎ Fax your completed registration form to **(416) 504-6978**; or  
 ✉ Mail your completed registration form to **Acumen Information Services, Suite 1100, 151 Yonge Street, Toronto, Ontario, M5C 2W7**; or  
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#### Location and Timing

The conference will be held at a convenient location in downtown Toronto. Venue information and special conference pricing details will be provided upon confirmation of the venue.

Delegates can register at the Acumen service desk beginning at 8:00 a.m. on the morning of the first day of the conference.

Registration fees do not include hotel accommodation.

#### The Acumen Guarantee

If you find that this event does not meet the high quality standards you expect from Acumen, we will issue you a letter of credit equal to the value of your fees. The individual delegate or any member of his or her company may use this letter of credit for two years from date of issue. Write us a letter describing why you were dissatisfied and direct it to the General Manager.

#### Cancellations

**Substitutions may be made at any time.** If you are unable to attend, please make cancellations in writing and fax to (416) 504-6978 **prior to 5 p.m. on September 6, 2016**. A credit voucher will be issued to you for the full amount, redeemable against any other Acumen conference. You may request a refund of fees paid less an administration fee of \$250.00.

Registrants who cancel after the above date will not be eligible to receive any credits or refunds and are liable for the entire registration fees.