

Operational Risk – Assurance & Improvement (8 CPE)

Date: 26 - 27 November 2020 (2 days)

Time: 09:30 – 13:30 am

Virtual Training

Language: English

Instructor – Ariane CHAPELLE

Introduction

Operational risk is perhaps the most significant risk organizations face. Virtually, every major loss that has taken place during the past 30 years, from Enron, Worldcom and Baring's Bank to the unauthorized trading incident at Société Générale and the subprime credit crisis, has been driven by operational failures.

Many financial institutions have spent millions of dollars trying to develop a robust framework for measuring and managing operational risk. Yet, in spite of this huge investment, for many firms developing a viable operational risk management (ORM) program remains an elusive goal.

Taught by an international expert in operational risk also former internal auditor certified by the IIA and a skilled trainer for the Professional Risk Managers' International Association, this course is a one of its kind. It focuses on the key elements to look for when auditing and reviewing operational risk framework, documentation and practice. It presents some maturity criteria and reviews good signs and red flags in operational risk management and measurement.

Delegates will leave the course equipped with key concept and example, practical guidance to apply in their day to day mission and an open line for further questions with the trainer, Ariane Chapelle.

Who should attend?

Internal auditors, Heads of internal audit, regulators, compliance officers, operational risk managers, heads of operational risks, heads of operations, external auditors.

Operational Risk – Assurance & Improvement Agenda

DAY 1 – 26 NOVEMBER 2020

SESSION 1: RISK APPETITE & CONSISTENCY OF AN OPERATIONAL RISK FRAMEWORK

- ✓ What to learn from general ERM frameworks (ISO, COSO)
- ✓ Fundamentals of a risk management framework: taxonomy and risk appetite
- ✓ Taxonomy: Causes – Risks – Impacts – Controls: organising the risk register
- ✓ Risk Appetite: driving the rest of the framework
- ✓ Structure and features of actionable risk appetite
- ✓ Governance and operating model

Workshop: roundtable and comparisons of practice

SESSION 2: MATURITY CRITERIA IN OPERATIONAL RISK MANAGEMENT

- ✓ Key signs of maturity – or lack thereof – regarding
- ✓ Governance and Three Lines Model
- ✓ Relationship between the lines
- ✓ Risk identification
- ✓ Risk assessments
- ✓ Risk indicators and reporting
- ✓ Culture
- ✓ Benchmarking tool

Benchmarking Exercise: Rate the operational risk practice of the firm(s) you know

DAY 2 – 27 NOVEMBER 2020

SESSION 3: KEY RISK INDICATORS, INCIDENT ANALYSIS AND CONTROL DESIGN

- ✓ Typology and causes of human errors
- ✓ Effective vs. Illusory controls
- ✓ Root cause analysis: identifying patterns of failures

- ✓ Bow-tie: a most effective tool to define
- ✓ Preventive and corrective controls
- ✓ Leading KRIs
- ✓ Risk likelihood and expected impact
- ✓ Six steps to define and design preventive KRIs

Take away exercise: apply the bow-tie to one of your incident

SESSION 4: DOCUMENTATION VS CULTURE

- ✓ What can you read from the documentation of a risk function?
- ✓ What to ask for and what to look for
- ✓ Does the documentation reflects the culture: true signs and red flags
- ✓ Signs of a good risk culture: timeliness, event sharing.. and simplicity
- ✓ Other signs of good risk culture
- ✓ Ways to review and asses a risk function

Roundtable: case studies

Concluding remarks

Learning Objectives:

Upon completion you will be able to:

- Rules for a consistent ORM and ERM framework
- Actionable risk appetite
- Good practice in Risk assessment
- Tools for Incident analysis
- Method to define leading KRIs
- Essential elements to review and audit
- Maturity criteria for each element of the framework
- What documentation can and can't tell

Instructor Bio:



Ms. Ariane Chapelle, PhD, is an internationally recognized trainer and consultant in Operational Risk. Dr. Chapelle is Associate Professor at University College London for the course 'Operational Risk Measurement for Financial Institutions' and is a Fellow of the Institute of Operational Risk and a trainer for the Professional Risk Managers' International Association (PRMIA), for whom she designed the Certificate of Learning and Practice in Advanced Operational Risk Management.

Dr. Chapelle runs Chapelle Consulting, a training and consulting practice in risk management serving Tier 1 to Tier 3 financial organisations and international institutions, including central banks and UN agencies. She has designed, managed and run risk management training programmes for several international banks and insurance companies and facilitated hundreds of training sessions on operational risk across every continents. She is a specialist of key risks indicators and scenario analysis methods and regularly publishes on topical issues in operational risk management and assessment. In 2019, Chapelle Consulting received the *Risk.net* Award for 'Outstanding Achievement in the Year in Operational Risk'.

Dr. Chapelle is a former holder of the Chair of International Finance at the University of Brussels with backgrounds in internal audit, credit risk and investment risk. She has been active in operational risk management since 2000 and was formerly head of operational risk management at ING Group and Lloyds Banking Group.

Her latest textbook *Operational Risk Management: Best Practices in the Financial Services Industry*, published by Wiley Finance Series in December 2018, rapidly became the No.1 best seller in its field.

IMPORTANT FINANCIAL DATA

Cost per participant: **AIIA Members 190 € (VAT included)**
 Non-members 210 € (VAT included)

Price includes course attendance and educational material.

Payment* can be made by bank transfer or direct deposit by using the following account info:

Account Holder: **Albanian Institute of Internal Auditors**

Account No: **0010039700**

Swift: **SGSBALTX**

IBAN: **AL43 2021 1123 0000 0000 1003 9700**

Raiffeisen Bank Albania

Contact details: info@aiia.al

** **Important:** The transferred amount **must include** the entire amount as stated above. No shortfalls due to exchange fee/or other administration charges may arise. Albanian Institute of Internal Auditors has to receive the amount that is stated in your invoice.*

REGISTRATION FORM

for

Operational Risk – Assurance and Improvement

26 – 27 November 2020

Full name			
Position			
Company name		VAT nr	
Contact Tel		Email	
Address			

Cancellation Policy:

Places on AIIA Training courses are limited so we therefore operate a cancellation policy regarding refund.

1. *In case of cancellation of a training event by AIIA or related partner, we will endeavor to inform all participants 10 days before the course is due to take place, although please be aware that this is not always possible. All course fees paid will be reimbursed in full, but we are unable to reimburse any other costs that may have been incurred, including flights, accommodation etc.*
2. *No refund will be made for*
 - a. *Bookings cancelled less than two weeks before the event, except in exceptional circumstances and then only at the discretion of Albanian Institute of Internal Auditors.*
 - b. *Non-attendance on the course.*
3. *For bookings cancelled two or more weeks before a course is due to start, 100% per cent of course fees paid will be refunded to the applicant.*

Rr. "Ali Visha" I confirm all the data I provided is true and accurate.

Pall. 69, Shk.1 I confirm that I read the training program and I agree to have such content delivered during the course.

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Date, location