

#### COURSE FEES

\$2,700 (Two Thousand, Seven Hundred Dollars) or Naira equivalent

#### CONCESSION

**Early registration:** Before March 20 (10% Discount)

**Multiple Registration:** 5% Discount for second and additional nomination(s)

Closing date for registration: April 15, 2010

#### ABOUT Global Association of Risk Professionals (GARP)

Founded in 1996, the Global Association of Risk Professional (GARP) serves close to 200,000 risk management practitioners and researchers representing banks, investment management firms, government agencies, academic institutions and corporations from more than 167 countries worldwide.

GARP's mission is to be the leading professional association for risk managers, managed and for its members, dedicated to the advancement of the risk profession through education, training and the promotion of best practices globally. Through its publications, website and events, GARP aims to encourage and enhance the communications between risk professionals, practitioners and regulars worldwide.

#### HOW TO REGISTER

- Nigeria Telephone: Michael Stevens Consulting on 234-1-7910465, 7742512, 7915257 or send an email to [msconsultingnigeria@yahoo.com](mailto:msconsultingnigeria@yahoo.com) or [msconsultinghana@yahoo.com](mailto:msconsultinghana@yahoo.com)
- Ghana and Rest of West Africa: Call 233-21-234103-5, Mobile: 275051728 or email: [msconsultinghana@yahoo.com](mailto:msconsultinghana@yahoo.com)
- Send in your letter of acceptance indicating your intention/acceptance to nominate delegates to the programme, with name(s) and designation(s) of participant(s) from your organisation, with cheque in favour of Michael Stevens Consulting.
- Report to course venue on starting date with: Cheque or Cash, Letter from your organisation nominating you to attend the programme with cheque for course fees.

#### ABOUT MICHAEL STEVENS CONSULTING

Michael Steven Consulting is an international multi-disiplinary and training organisation with Head Office in Lagos and branch office in Accra, Ghana.

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INTERNATIONAL BANKERS PROGRAMME

## OPERATIONAL RISK MEASUREMENT AND MANAGEMENT

April 26 - 28, 2010 ◀▶ Federal Palace Hotel, Lagos, Nigeria

## Operational Risk Measurement and Management

### Introduction

The aim of this seminar is to introduce participants to operational risk, its major features, measurement and management under the Basel II Accord.

### Key features include:

- explanation of operational risk and how its importance has changed with the introduction of new risk-based regulation
- identification of the ten key types of operational risk and best practice techniques for their management
- explanation of the Basel II measurement, supervisory and disclosure requirements and the approaches banks are using to ensure compliance
- detailed review of the simple and advanced methods for calculating operational risk capital

### Pre-requisites

No prior experience of risk-based management, of the Basel II Accord, or of operational risk is required as this seminar first covers the basics before moving on to more advanced topics. However it is assumed that all delegates are familiar with common financial terms and have a basic understanding of banking and the functions of a financial institution.

### Objectives

At the end of this seminar participants will have a basic understanding of:

- the Basel II Accord and its operational risk requirements
- operational risk and key terminology
- the main types of operational risk
- the different approaches to measuring operational risk
- techniques and frameworks for managing operational risk
- the reasons and techniques for mitigating, monitoring of operational risk
- supervision and disclosure

### Who should attend this seminar?

This seminar is intended those either new to risk management, operational risk management, or who wish to gain an understanding of risk-based regulation and how they are applied to operational risk. It will be of use to:

- risk managers and analysts who are new to operational risk or international regulations
- operational risk managers are new to operational risk or international risk-based regulations
- internal and external auditors
- it and operations professionals
- regulators and supervisory professionals
- suppliers and consultants to banks and the risk management industry
- business managers and team leaders who have responsibility for ensuring the business function complies with their organisations operational risk policies
- individuals who are responsible for operational risk monitoring or reporting.

## PROGRAMME CONTENT

### Day 1 - Understanding operational risk and operational risk management

#### Defining operational risk

- The Basel II Accord
- What is operational risk?
- What is excluded from the Basel definition other risks
  - Reputational risk
  - Business risk
  - Strategic risk
- Key terms
- Types of losses
- Why has operational risk been included in the Accord
- Trends in operational risk
- Case Study

#### Types of operational risk

- Internal Fraud.
- External Fraud.
- Employment Practices & Workplace Safety.
- Clients, Products & Business Practices.
- Damage to Physical Assets.
- Business Disruption & System Failures.
- Execution, Delivery & Process Management.
- Case study

#### Operational risk management

- Operational risk frameworks
- Implementing an operational risk framework
- Sound practices for the management and supervision of operational risk
- The role of management in operational risk
- Operational risk management activities
  - Identification
  - Assessment

- Measurement
- Mitigation and control
- Monitoring and reporting
- Example/case study

### Day 2 Mitigation and monitoring of risk calculating operational risk capital

#### Mitigation, monitoring and reporting

- What is operational risk mitigation?
- Mitigation techniques
  - People
  - Technology
  - Processes
- Business continuity planning
- Monitoring operational risk
- Event Management
- Event reporting and monitoring
- Reporting process
- Example/case study

#### Operational risk measurement under Basel II

- What is operational risk measurement
- Management versus mitigation versus measurement
- Risk appetite
- Risk logs/registers
- The risk exposure indicator
- Expected and unexpected losses
- Basel II measurement approaches
- Basic criteria for using the measurement approaches

The simple Basel II methods for measuring operational risk

- Basic Indicator Approach
- Examples
- The Standardised Approach
- The Business lines
- Examples

### Day 3 The advanced approach to measuring operational risk, supervision and disclosure

#### The advanced approach for measuring operational risk

- The Advanced Measurement Approach
- Loss distribution approach
- Other methods
- Basel requirements for using the advanced approaches
- Measuring expected losses
- Extreme events
- Scenario testing
- Use of insurance

#### Data and the Advanced Measurement Approach

- Data requirements
- Internal data
- External data
- Data issues
- Examples

#### Basel II compliance using standards from other industries

- Basel II limitations and why banks adopt standards and frameworks from other industries to ensure compliance
- Some commonly adopted standards

#### Operational risk under pillars 2 and 3

- What is supervision and disclosure
- Home/host supervisory co-operation
- Operational risk under Pillar 2
- Supervision of operational risk and other risks
- Pillar 3 and the external reporting requirements for operational risk