Operational Risk Management in Financial Institutions Training Course



Ref: #GRC5182

Course Introduction / Overview:

Operational risk represents one of the most significant and complex challenges facing modern financial institutions. This comprehensive training course is designed to provide a deep and practical understanding of the frameworks, tools, and strategies required for effective operational risk management (ORM). Moving beyond mere theory, this program delves into the real-world application of risk management principles, drawing on insights from leading academics like Philippa X. Girling and foundational texts such as "Operational Risk Management". Participants will explore the complete lifecycle of operational risk, from identification and assessment using tools like Risk and Control Self-Assessment (RCSA) to mitigation, monitoring with Key Risk Indicators (KRIs), and reporting. The curriculum is meticulously structured to address both traditional and emerging threats, including cyber risk, third-party dependencies, and the challenges posed by fintech innovation. At BIG BEN Training Center, we are committed to empowering professionals with the skills to build and maintain a robust operational resilience framework, ensuring their organizations can not only withstand but also adapt to an ever-changing regulatory and threat landscape. This course will equip you to foster a strong risk culture and make strategic decisions that protect institutional assets and reputation.

Target Audience / This training course is suitable for:

- Risk Management Professionals.
- Operational Risk Managers and Analysts.
- Compliance Officers and Managers.
- Internal and External Auditors.
- Operations Department Managers and Staff.
- IT and Information Security Professionals.
- Finance and Treasury Professionals.
- Legal and Regulatory Affairs Staff.
- Business Continuity Planners.
- Senior Managers and Executive Leadership.

Target Sectors and Industries:

- Commercial and Retail Banking.
- Investment Banking and Capital Markets.
- Insurance and Reinsurance Companies.
- Asset Management and Investment Funds.
- Private Equity and Venture Capital Firms.
- Financial Technology (Fintech) and Payment Services.
- Credit Unions and Cooperative Banks.
- Government Financial Regulatory Bodies and Central Banks.
- Wealth Management and Private Banking.
- Brokerage and Securities Firms.

Target Organizations Departments:

- Risk Management.
- Compliance and Regulatory Affairs.
- Internal Audit.
- Operations.
- Information Technology (IT) and Cybersecurity.
- Finance and Accounting.
- Legal.
- Business Continuity Management.
- Treasury.
- Corporate Governance.

Course Offerings:

By the end of this course, the participants will have able to:

- Develop and implement a comprehensive operational risk management framework aligned with Basel III/IV standards.
- Master the application of core ORM tools, including RCSA, KRIs, and loss data management.
- Conduct effective scenario analysis and stress testing for operational risk exposures.
- Identify, assess, and mitigate key emerging risks such as cyber, third-party, and technology risks.
- Enhance the organization's operational resilience and business continuity planning.
- Foster a proactive and embedded risk culture across all business units.
- Prepare and present insightful operational risk reports for senior management and regulatory bodies.
- Integrate operational risk considerations into strategic planning and decision-making processes.
- Evaluate the effectiveness of internal controls and risk mitigation strategies.
- Navigate the complex regulatory landscape governing operational risk in the financial sector.

Course Methodology:

The training methodology at BIG BEN Training Center is designed to be immersive, interactive, and highly practical, ensuring that participants can immediately apply their learning in their professional roles. We move beyond traditional lectures to create a dynamic learning environment that fosters deep understanding and skill development. The course heavily utilizes real-world case studies of major operational risk failures and successes within the financial industry, allowing for critical analysis and discussion. Participants will engage in hands-on workshops and group exercises, such as developing Key Risk Indicators (KRIs) for a hypothetical business unit or conducting a mock Risk and Control Self-Assessment (RCSA). Interactive sessions, expert-led discussions, and peer-to-peer knowledge sharing are central to our approach. This collaborative environment encourages participants to share their own experiences and challenges, enriching the learning for all. Continuous feedback is provided by the instructor to guide participants in mastering the concepts of operational risk management, operational resilience, and regulatory compliance, ensuring a tangible return on their training investment.

Course Agenda (Course Units):

Unit One: Foundations of Operational Risk Management

- Defining Operational Risk and its Scope.
- The Evolution of Operational Risk Management in Finance.
- Overview of the Basel Accords (II, III, and IV) and their Impact.
- Key Concepts: Risk Events, Causes, and Impacts.
- The Three Lines of Defense Model in Practice.
- Establishing a Strong Risk Culture and Governance Structure.
- The Role of the Board and Senior Management in ORM.

Unit Two: The Operational Risk Management Framework (ORMF)

- Core Components of an Effective ORMF.
- Developing a Comprehensive Operational Risk Policy.
- Establishing a Risk Appetite Statement and Tolerance Levels.
- The Importance of the Risk Taxonomy and Classification.
- Implementing a Robust Governance, Risk, and Compliance (GRC) System.
- Integrating ORM with Enterprise Risk Management (ERM).
- Aligning the ORMF with Business Strategy and Objectives.

Unit Three: Core Tools for Risk Identification and Assessment

- Mastering Risk and Control Self-Assessment (RCSA) Methodologies.
- Developing and Implementing Meaningful Key Risk Indicators (KRIs).
- Techniques for Internal and External Loss Data Collection and Analysis.
- Conducting Scenario Analysis and Stress Testing for Plausible Events.
- Business Process Mapping for Risk Identification.
- Root Cause Analysis Techniques for Operational Failures.
- Vendor and Third-Party Risk Assessment.

Unit Four: Managing Critical and Emerging Operational Risks

- Cybersecurity Risk Management and Threat Intelligence.
- Third-Party and Supply Chain Risk Management (TPRM).
- Compliance and Regulatory Risk Management Strategies.
- Fraud Risk Management and Internal Controls.
- Model Risk Management and Validation.
- Managing Risks Associated with Digital Transformation and Fintech.
- Conduct Risk and its Impact on Institutional Reputation.

Unit Five: Resilience, Reporting, and Future Trends

- Building and Testing for Operational Resilience.
- Business Continuity and Disaster Recovery Planning.
- Advanced Measurement Approaches (AMA) for Capital Calculation.
- Developing Effective Operational Risk Reporting for Stakeholders.
- The Role of Internal Audit in Validating the ORMF.
- Future Trends in Operational Risk: AI, Machine Learning, and Data Analytics.
- Preparing for Evolving Regulatory Expectations and Supervision.

FAQ:

Qualifications required for registering to this course?

There are no requirements.

How long is each daily session, and what is the total number of training hours for the course?

This training course spans five days, with daily sessions ranging between 4 to 5 hours, including breaks and interactive activities, bringing the total duration to 20 - 25 training hours.

Something to think about:

How can financial institutions effectively balance the drive for digital innovation and efficiency with the escalating complexities of operational and cyber risks inherent in new technologies?

What unique qualities does this course offer compared to other courses?

This course distinguishes itself by moving beyond theoretical frameworks to provide a deeply practical and forward-looking perspective on operational risk management. While many programs focus solely on established Basel guidelines, our curriculum places significant emphasis on the most pressing contemporary challenges, including the nuanced risks introduced by fintech, artificial intelligence, and widespread digitalization. We dedicate substantial time to mastering the practical application of tools like RCSA and KRI development through interactive workshops, not just lectures. A key differentiator is our focus on building operational resilience as a strategic capability, rather than a simple compliance exercise. The course content is designed to foster a proactive risk management mindset, empowering participants to anticipate and mitigate emerging threats before they materialize. By integrating case studies of both failures and successes, we provide a balanced and critical view, enabling participants to learn from real-world events and apply those lessons directly to enhance their own organization's risk posture and strategic decision-making.