

Risk Management in Difficult Times

Course duration: 2 days

Course module

1		WHAT IS RISK?	
	i	Definition	
	ii	Micro (tree) and macro (forest) risk perspective	
	iii	Characteristics of risk: Surprise, likelihood, impact, business opportunity, inherent vs residual risk	
	iv	Difference between managing risk and avoiding risk	
	v	5 ways to treat risk---A STRAP	
2		SIMPLE FUNDAMENTALS IN RISK MANAGEMENT	
	i	Benefits or objectives of having risks managed for individuals, organisations, society, community, nation	
	ii	Tools to manage risks: Control, Mitigant	
	iii	Forms of controls....caps, threshold, guidelines, monitoring, VAR, stress testing, scenario planning	
	iv	Forms of mitigant....internal and external	
3		THE 6 DOMAINS OF RISK IN ORGANSIATION	
	i	Strategic / business risk: SWOT, mission/vision, short/medium/long term planning	
	ii	Credit risk: default payment, concentration, timing-difference	
	iii	Market/Treasury risk: LICCES	
	iv	Operational risk: people, process, system, environment/event	
	v	Systems (IT / IS) risk: virus, downtime, under/over capacity, data integrity	
	vi	Other risk groups	
4		THE 7 CORNERSTONES OF RISK MANAGEMENT	
	i	Risk mgt philosophy & policy	
	ii	Risk mgt framework: identification and assessment, evaluation and measurement, treatment and control, report/monitor/follow-up	
	iii	Risk mgt roles: all levels	

	iv	Risk mgt awareness, culture, training	
	v	Risk mgt resources, people, infrastructure	
	vi	Risk mgt system, report	
	vii	Risk mgt review: bench mark, peer-review, continuous improvement	
5		HOW TO EVALUATE AND ANALYSE RISK?	
	i	Implement ISO 31000 Risk management fundamentals	
	ii	5.2: Mandate and commitment	
	iii	5.3: Design the framework	
	iv	5.4: Implement risk management...Risk mgt process (Clause 6)	
	v	5.5: Monitor and review the framework	
	vi	5.6: Continual improvement of the framework	
6		WHAT IS RISK MAPPING?	
	i	The process of risk mapping: risk-scoping	
	ii	What do you want to protect/safeguard: Your organisation's PROXY, assessing the risk landscape of your organisation	
	iii	Inherent and residual risk: assess risk likelihood, risk impact, risk control/mitigant	
	iv	Establishing risk heat maps, KRIs, your top 10 or main risks	
	v	Establishing your Risk Log or Risk Register	
7		HOW TO MANAGE AND PREPARE PLAN TO REDUCE RISK?	
	i	Establishing your Risk Heat Map: Risk likelihood, Risk impact, Risk control and Risk mitigant	
	ii	Establish risk dashboard: establishing your KRIs: 'SMART' key risk indicators for each of the risk-owners	
	iii	Design Risk Heat Map: high, medium, low risks	
	iv	Produce top 10 risks report for mgt and board	
8		UNDERSTANDING STRATEGIC RISK	
	i	Mission, vision	
	ii	Your organisation's S W O T, PEST	
	iii	Short term, medium term, long term plan/strategy	
	iv	Impacts and consequences of decisions, judgement-calls of senior mgt and board	
9		MANAGING STRATEGIC RISK IN DIFFICULT TIMES	

	i	What is now your organisation's focus?	
	ii	Downsizing, expanding, maintain current capacity	
	iii	Re look at your products/services, network/delivery channel, products/services	
10		WHAT IS FINANCIAL RISK?	
	i	Identifying financial risks	
	ii	Understanding and managing financial risk: cash flow, funds flow, income & expenditure, revenue and expenditure	
	iii	Managing assets and liabilities...linked to market/Treasury risks	
	iv	Investments and rates of investment returns	
	v	Opportunity loss, analysis of notional loss/gain	
	vi	Contingent liabilities, unclaimed guarantees...off-balance sheet items	
	vii	Non-financial risk like reputation, image, brand-name, goodwill, trade-mark, IPRs	
11		UNDERSTANDING TREASURY / MARKET RISK	
	i	Liquidity risk	
	ii	Interest rate risk	
	iii	The other risk issues: LICCES	
12		MANAGING FINANCIAL, TREASURY/MARKET RISK IN DIFFICULT TIME	
	i	First focus: maximizing revenue potentials, earnings, investments	
	ii	Compliance: more focus on compliance with accounting treatments, investment portfolios, revenue/cost recognitions, etc	
	iii	Tell every one in the organisation: cash is 'king'	
13		UNDERSTANDING OPERATIONAL RISK	
	i	Human resources risk	
	ii	Environment risk: outsourced suppliers, location, safety, security OHS Act or guidelines	
	iii	Legal risk	
	iv	The other risk issue: people risk, skill, succession planning, integrity, fraud	
	v	The other risk issue: process, procedures, SOPs, archaic, obsolete, red-tapes	
	vi	The other risk issue: BCP/BCM, crisis and disaster mgt, business continuity, resilience and survival	

14		MANAGING OPERATIONAL RISK IN DIFFICULT TIMES	
	i	Keep closer eye on fraud, wastages, idle resources and facilities	
	ii	Cost trimming: Re-engineer processes, systems with the view to cut operational cost, but maintain good controls, efficiency, effectiveness, economies (the 3Es) and quality	
	iii	Close or merge ‘duplicating’ or non critical back office support services/activities	
15		CREDIT RISK	
	i	Default payment	
	ii	Timing difference	
	iii	Concentration	
	iv	Measuring credit risks: PDs, LGD, ED, expected loss, unexpected loss, economic capital, reserves	
	v	How investors, lenders and creditors assess and evaluate credit values, strengths, capacities, or other credit worthiness of their customers/debtors	
	vi	Invoking the 7 Cs or 9Ms of lending, CAMPARI	
16		MANAGING CREDIT RISK IN DIFFICULT TIMES	
	i	Where and how can credit risks originate, and of what magnitude?	
	ii	Identify your ‘high’ risk credit products/services	
	iii	Various types of risk can emanate in these 6 stages of credit activity and operation: (i) processing and marketing stage, (ii) approving stage, (iii) conveyancing stage, (iv) disbursement and administration stage, (v) collection/monitoring and follow-up stage, (vi) litigation and write-off stage.	
	iv	3 rd party risk: risks from your key suppliers and service providers---conveyancing lawyer panel, litigation lawyer panel, valuation panel, auditors/accountant services, outsourced marketers/sales agents	
	v	Culture: One of the building blocks of good credit risk management	
	vi	Mitigants: minimizing, reducing and to cushion the negative risk impacts	
	vii	Techniques: credit ratings, stress-testing, scenario planning, What-Ifs	
	viii	Re-look at saleability/volume (quantity) vs collectivity (quality)	
	ix	Review production/stocks, operations costs vs revised or current sales volume	

17		SYSTEMS (IT / IS) RISK	
	i	Capacity : over or under, inadequacy, wastage, outdated	
	ii	Authorisation and access	
	iii	Data integrity, virus, hackers	
	iv	Down time, bad DRP/BCP	
18		MANAGING SYSTEMS RISK IN DIFFICUTL TIMES	
	i	Review red-tapes, nice to have vs must have: Focus on better, faster processes, cutting unnecessary steps	
	ii	Superfluous data/reports: Cut reports that are not very 'critical'	
	iii	Risk of unutilized resource: Sell skills, space, systems that are in excess or idle/redundant	
19		MANAGING OTHER RISK GROUP IN DIFFICULT TIMES	
	i	Reputation, goodwill, brand name, IPRs	
	ii	Be more wary of litigation, legal suits and recourse from 3 rd parties, customers, suppliers, fines/penalties by regulators	
	iii	Protect your brand name, goodwill, copyrights, IPRs, etc at all costs	
	iv	Beef up your legal immunity/strength: wary of legal suits, litigations and 'unusual' claims from all possible parties	

Complimentary copy of book:

All participants will get a complimentary copy of the book written by Dr J.E.Ruin titled “**Managing Tomorrow’s Organisation**”.

The facilitator:

Dr) Joseph Eby Ruin @ (Dr) Josef.

FCCA(UK); CA(M’sia); Hon DBA-Mgt Phi(Kursk).

Joseph Eby Ruin graduated in ACCA(UK) in 1976, was an Associate Member in 1979, and elevated to Fellow Member in 1984. He was admitted as a member of The Malaysian Institute of Accountants in 1983. For his many publications of management books, newspaper articles, and conference/seminar/workshop papers, he was conferred an honorary degree of Doctor of Business Administration (Mgt Philosophy) by Kursk State Technical University

Russia. He was elected the Regional Director for the Malaysian Chapter of PRMIA (Professional Risk Mgrs' International Association) in November 2007. He is currently the Hon. Treasurer of FAAM (Fulbright scholars Alumni Association of Malaysia).

Executive/managerial experience:

Joseph's executive and managerial career spanned the past 3 decades. Throughout this 30 years, he worked in 6 different banks as Branch Manager and later holding various posts at the corporate head office. He also worked in 5 non-banking organizations where he held various executive/ managerial capacities, as Head of Internal Audit/Chief Auditor and Secretary to the Board's Audit Committee. His last job before he retired in April 2007 was as the Chief Risk Officer/Head of Risk Management Division of a large Malaysian commercial bank. He is now the Principal/Proprietor of RiskFirst Consultancy & Training Services.

Sabbatical work:

He was awarded the US-sponsored Fulbright Professional Exchange Program in 1995/96. For this sabbatical in the US he was attached to the Institute of Internal Auditors Inc Head Office at Altamonte Springs Florida; where he participated in an advanced auditing & corporate governance review workshops in Orlando Florida, Pheonix Arizona, Dallas Texas, and in Washington DC. In May 2004 he participated in the intensive workshop/seminar on risk management at INSEAD Paris France.

Speaker:

Joseph is a regular speaker/facilitator/panel chairman for public and inhouse forums / workshops and conferences. He has accepted invitations to deliver his papers in **Kuala Lumpur**, Mekong Institute Khon Kaen University Thailand, **Melbourne** Australia, Fontainbleu **Paris** France, **Nairobi** Kenya, **Shanghai** China, **Sydney** Australia, **Bangkok** Thailand, **Mumbai** India, **Singapore**, **Phnom Phen** Cambodia, **Orlando** Florida, **Hong Kong**, **Brunei**, **Mauritius**, **Ho Chee Min City** and **Hanoi** Vietnam, **Beijing** China, **Manila** Philippines, **Seoul** Korea, **Bali** and **Jakarta** Indonesia.

Newspaper and journal articles:

Since 1996 Joseph has contributed articles focusing on his areas of work. These articles are published in the local Malaysian newspapers (the NST) regularly, as well as in Malaysian business-magazines and professional newsletters/journals.

Management books:

Joseph has authored 19 management-books titled (1) Enterprise-wide Risk Management Made Easy, 2nd edition, (2) Managing Operational Risks in Organisations, 3rd edition (3)) Managing Crisis in Organisation, 2nd edition, (4) Managing Tomorrow's Organisations, 2nd edition, (5) Guide to Effective Management of Business Organisation, 2nd edition, (6) Guide to the Management of Anti-Money Laundering and Counter-Financing of Terrorism, (7) Business Planning and Report Writing, 2nd edition, (8) Getting One Step Ahead of the Pack, 2nd edition, (9) Managing People and Business, (10) Managing Effective Teams in Organisations, (11) Managing Service, Finance, Credit and Debts, (12) Essentials of Managing Yourself, 2nd edition, (13) The Art & Soul of Project Management, 2nd edition, (14) Banking and Finance in Malaysia, (15) Guide to Import and Export Trade in Malaysia, 2nd edition, and (16) Guide to Obtaining Bank Financing, (17) Internal Auditing, and two books

for The Malaysian Institute of Corporate Governance, namely (18) Audit Committee....Going Forward Towards Corporate Governance and (19) The Essentials of Corporate Management.

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