

2-day workshop seminar on: “ Effective Operational Risk Management in Turbulent Times”

Objective of this seminar:

This seminar aims to rationalise and identify that operational risks do not crop up just by themselves; but because there are inadequate or failed internal processes, systems, people as well as the state of affairs of the internal and external events that influence the organisation’s business and non-business operating environment. Among the many risk areas that were poorly or inadequately managed in business and non-business organisations is operational risk. This has caused many organisational and corporate failures. Issues of concerns in operational risks would be frauds, errors and omissions, non-compliance with regulatory and legal requirements, systems failure or inadequacies, people, non-quality product and services, inadequacies in operations recovery programmes, and the inability to manage crisis/disaster. The shortcomings in preserving operations and business survival as well as poor organisational resilience will engender operational risk. The ability to apply effective BCP or business continuity planning initiatives can mitigate such shortcomings. This Course aims to address such areas.

Participants attending this seminar will learn and achieve the above objectives of identifying and managing operational risks and training in their organisations. They will learn how to measure/quantify the various operational risks in their business, products and services. They will also understand better the drivers of operational risks which largely centre on people, systems, processes and the operating environment.

How does one manages operational risks in one’s organisation, especially during abnormal and turbulent times? Attending this course will enable participants to grasp the fundamentals in ORM, as well as what extra diligence to be performed when time and economy are bad.

		Topic	
1		WHAT OPERATIONAL RISK MANAGEMENT IS ALL ABOUT	
	i	Operational risk management is both art and science	

	ii	Why operational risk management exist?	
	iii	Operational risk management set up of old versus today's set up	
2		FUNDAMENTALS IN OPERATIONAL RISK MANAGEMENT	
	i	The sine qua non for operational risk management	
	ii	The cornerstones of operational risk management	
	iii	Operational risk management philosophy	
	iv	Operational risk management policy	
	v	Operational risk management framework, guide, procedures, processes	
3		QUANTIFYING OPERATIONAL RISKS	Day 1
	i	You cannot manage what you can't measure	
	ii	Quantitative and qualitative model and concept	
	iii	Using the "ERiC" model to measure and categorise or grade your operational risk	
	iv	Know your proxy	
	v	Linking proxy with risk loss tolerance limits, risk philosophy and risk policy	
4		MAP, SCOPE, PROFILE, GRADE AND REPORT YOUR OPERATIONAL RISK	Day 1
	i	Grading your operational risk to high, medium, low risk categories	
	ii	Mapping your operational risk heat map or operational risk dashboard	
	iii	Reporting your operational risk	
	iv	Using your operational risk heat map or risk dashboard as your management tool	
	v	Reporting hierarchy.	
5		THE BUILDING BLOCKS FOR AN EFFECTIVE ORM PROGRAMME IN YOUR ORGANISATION	Day 1
	i	Operational risk mgt philosophy & policy	
	ii	Operational risk culture, awareness, training	
	iii	Operational risk framework	
	iv	Roles of various levels in organisations	
	v	Resources, people, infrastructure	
	vi	Systems, and reporting	
	vii	Monitoring, follow-up, review, improvement/enhancement and change-management	

6		THE 4 DRIVERS OF OR THE INFLUENCES THAT SHAPE OPERATIONAL RISK	
	i	Failure or inadequate/lack of internal control	
	ii	Failure or inadequate/lack of systems	
	iii	Failure or inadequate/lack of effective processes	
	iv	The dynamics of people as a driver of operational risk	
7		OPERATIONAL RISK IMPACTS	Day 1
	i	Meaning or significance of operational risk on its own	
	ii	Operational risk impact is the critical part	
	iii	What inherent operational risk is?	
	iv	Manage your inherent operational risk	
	v	What residual operational risk is?	
	vi	Treat or address your residual operational risk	
8		MANAGE ALSO THE INTER-RELATED RISK GROUPS OR DOMAINS OTHER THAN OPERATIONAL RISK	Day 1
	i	The concept of today's EWRM or enterprise-wide risk management	
	ii	The six risk groupings	
	iii	Strategic risk management	
	iv	Credit risk management	
	v	Market & treasury risk management	
	vi	IT/IS or systems risk management	
	vii	Operational risk management	
	viii	Other domains	
9		OPERATIONAL RISK MITIGANTS	Day 1
	i	What operational risk mitigant is	
	ii	Are operational risk mitigant and control one and the same?	
	iii	Mitigants for operational risk	
10		WHAT TOOLS TO HAVE TO MANAGE OPERATIONAL RISKS	Day 1
	i	Management controls as a way to address and mitigate operational risk	
	ii	Addressing financial losses	
	iii	Proactive operational risk management	
	iv	Operational risk heat-maps, trends, and operational risk dashboards	

	v	Managing people to mitigate operational risk	
	vi	Key risk indicators and near-misses reports.	
11		ORM & TODAY'S HYPE IN CORPORATE MANAGEMENT	Day 1
	i	Directors role	
	ii	Expectation of senior management	
	iii	The welfare, resilience and continuity of organization	
	iv	Collapse of many MNCs due to inadequate or weak operational risk mgt prompted regulator's harsh stand	
	iv	Corporate governance starts with people governance	
	v	Bottom line is organizational chaos if operational risk not adequately managed	
12		IS OPERATIONAL RISK MANAGEMENT NEW?	Day 1
	i	Operational risk management function has been around since business era	
	ii	More hype today for operational risk because of past corporate failures	
	iii	Differences in conducting yesterday's and today's business versus tomorrow's	
13		MANAGING A MAJOR ORM ISSUE: NON-COMPLIANCE WITH REGULATORY REQUIREMENTS	DAY 1
14		HOW COMPLICATED IS OPERATIONAL RISK MANAGEMENT (ORM)?	Day 2
	i	Operational risk mgt or ORM is a function of management	
	ii	ORM is a process in any business/non-business, and operational activities	
	iii	Ensuring quality and right product or service	
	iv	Doing things right (efficiency) as well as doing the 'right thing' (effectiveness)	
16		8 AGENDAS IN YOUR TYPICAL OPERATIONAL RISK MANAGEMENT FRAMEWORK DOCUMENTATION	Day 2
	i	Operational risk policy	
	ii	Operational risk awareness and identification	
	iii	Operational risk assessment or evaluation	
	iv	Operational risk measurement or quantification	

	v	Operational risk treatment and control	
	vi	Operational risk monitoring and compliance	
	vii	Operation risk follow up and reporting	
	viii	Operational risk review and re-assessment of operational risk mgt policy and ORM framework	
17		WHAT HAPPENED WHEN YOUR OPERATIONAL RISK MANAGEMENT STRUCTURE FAILED?	Day 2
	i	Inadequate or poor corporate governance	
	ii	Financial losses	
	iii	Non-financial losses	
	iv	Regulatory sanction	
	v	Emergence of 7 loss events that will negatively hit your operations	
18		SPECIFIC ISSUES IN ORM	Day 2
	i	Financial and non financial losses	
	ii	Inadequate or failed internal controls and processes	
	iii	People risk	
	iv	Systems risk	
	vi	Business continuity (BCP)	
	vii	Terrorist threat and money laundering operations	
	viii	Crisis and disaster management, organisational resilience	
	ix	IT / IS risk issues.	
19		RISK-PROFILING: HOW TO CONDUCT RISK-MAPPING OR RISK-SCOPING FOR AN ORGANISATION	
	i	ISO 31000 risk management framework or step-approach	
	ii	The 'ERIC' operational risk-scoping matrices	
	iii	Developing your operational risk Log or operational risk register	
	iv	Putting label/grade for the organisation's operational risks into 'high, medium, and low' risk categories	
	v	Document the operational risk heat map	
	vi	Generating the key risk indicators (KRIs) for your various departments/operations' high and medium risk	
	vii	Board and management report for your Top 10 or Top 20 operational risks.	

Method of teaching/presentation:

1. Materials:

Notes, Bullet point presentation.

2. Delivery:

Power Point.. Flipchart. Group discussions.

3. Two risk management books:

Free distribution of management book to each participant. These 2 books were written by Dr J E Ruin.

Title of the books are “*Managing Operational Risks in organizations, 3rd edition*”; and “*Guide to Effective Management of Business Organisations, 2nd edition*”. These books are on sale in many local bookshops throughout Malaysia.

A knowledgeable and specialized practitioner in operational risk management:

Dr Joseph Eby Ruin.

He has 30 years of executive and managerial experience in 12 organisations (6 banks and 6 non-banking institutions). Dr J. E. Ruin had held the post of Head of Internal Audit Division/ Secretary of board’s Audit Committee in the few corporations he joined in addition to his career in banking.

His last post was the Executive Vice President or CRO (Chief Risk Officer) and Head of Risk Management Division of a Malaysian commercial bank.

Before his post as the CRO of that commercial bank, he was the General Manager and Head of Operational Risk Management Dept as well as the AML/ATF (anti-money laundering/anti-terrorism financing) Compliance Officer of another leading Malaysian commercial bank.

He retired from full-time employment in April 2007 upon reaching the working retirement age of 55 years.

He is now the Principal and Proprietor of RiskFirst Consultancy & Training Services.

Since 1996, Dr Ruin has been invited by event or conference organisers to speak and deliver his various corporate governance/audit and risk management papers at public conferences in Malaysia, as well as outside Malaysia like in Mumbai India, Sydney Australia, Beijing and Shanghai China, Bali and Jakarta Indonesia, Seoul Korea, Bangkok and Khon Kaen Thailand, Mauritius, Brunei, Melbourne and Sydney



Australia, Phnom Penh Cambodia, Manila Philippines, Kursk Russia, and in Kuala Lumpur Malaysia and Singapore.

He has written 19 management books that are on sale at local Malaysian bookshops; focusing mainly on audit, banking/finance, corporate governance, controls, people and customer services, and risk management.

He was elected the Regional Director of PRMIA, KL Malaysia Chapter in November 2007.

For details of these past local and overseas seminars/conferences, please refer to the website at www.riskfirstconsult.com

Who need to attend:

- Any employee, including senior management and Board-members of firms, companies and organizations.
- Especially useful for the front-line senior staff, supervisors, and officers/managers at branches and regions; as well as at Head Office of the following:
 1. business(profit-based) and non-business (non-profit) organisations, manufacturing companies,
 2. service industry companies,
 3. facility management corporations,
 4. retail and wholesale industries, oil and gas companies,
 5. shipping organisations,
 6. ports/harbours and airport management,
 7. railways and roads or public transport companies,
 8. hotels and resorts,
 9. casinos,
 10. restaurants,
 11. finance companies,
 12. unit trusts, fund managers,
 13. investment / holding companies,
 14. banking institutions,
 15. insurances,
 16. utility management like water,
 17. power/electricity supply,
 18. telecommunications, insurances,
 19. natural resources and planning management,
 20. forestry and mining departments,
 21. school and college/university management,
 22. government agencies,
 23. government departments, and



24. statutory bodies.

- Academicians, college and university staff and lecturers, and post-graduate scholars researching on risk management studies.

Duration of course:

9am to 5pm.

2 full days.

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