

## Introduction to Risk

### A. Aim of Subject:

To provide an introduction to the key risk, business resilience, internal audit, legal and regulatory issues facing banking professionals.

### B. Subject Specific Learning Outcomes

#### Outcome 1

Demonstrate an understanding of risk assessment.

#### Knowledge, Understanding and Skills

- Risk and risk management
- Operational risk
- The risk management lifecycle
- Risk identification
- Risk assessment
- Risk mitigation
- Risk monitoring and control

#### Outcome 2

Describe the nature and importance of third party risk policies.

#### Knowledge, Understanding and Skills

- Third parties and their benefits
- Need for a third party policy
- Roles and responsibilities
- Types of third party engagements
- Outsourcing business critical and high value initiatives
- Regulatory requirements
- The risk management template
- A supplier management framework
- Supplier risk management
- Third party relationship management

#### Outcome 3

Understand the concept of model risk policy.

#### Knowledge, Understanding and Skills

- What is a model and how is it used?
- A typical model risk policy
- Model approval
- Ongoing validation
- Reporting
- Roles, responsibilities and authorities

#### **Outcome 4**

Demonstrate an understanding of business resilience.

##### **Knowledge, Understanding and Skills**

- Business continuity
- Business continuity documentation
- Business continuity management process
- Roles and responsibilities within business continuity
- Regulatory issues around business continuity

#### **Outcome 5**

Demonstrate an understanding of the Internal Audit Function.

##### **Knowledge, Understanding and Skills**

- Audit committee
- An audit charter
- Annual audit plan
- Business units
- Internal audit methodology

#### **Outcome 6**

Understand the relevant legal and regulatory frameworks.

##### **Knowledge, Understanding and Skills**

- Role of a legal department
- Law of contract
- Corporate governance
- The regulatory landscape
- The Basel Committee
- International Organisation of Securities Commissions (IOCU-IOSCO)
- Financial Services Authority (FSA)
- British Bankers' Association (BBA)
- Banking Code Standards Board (BCSB)
- Money Laundering Regulations
- The Banking Codes
- The Data Protection Act 1998