

# ENHANCED OPERATIONAL RISK MANAGEMENT

CODE P190508HFP

VALIDITY PERIOD 2 Jun 2019 - 1 Jun 2021

## TRAINING FOCUS

Regulatory/Compliance Training (1 hr)  
Functional Competencies (2 hrs)

The complexity of today's environment is exposing organizations to operational risks that could lead to substantial financial losses and reputational damages. Designed for professionals responsible for operational risk management (ORM), this programme focuses on the practical considerations in the design, adoption and implementation of systems and processes for optimal enterprise wide risk management, covering both operational risk and associated cyber risk.

Participants will engage in exercises involving the setting of policy and loss data standard framework, and designing templates for RCSA, KRI inventory and reporting. They will take away useful references for workplace applications.

½ DAY | 3 CPD HOURS

RECOMMENDED FOR  
**PRIVATE BANKING &  
WEALTH MANAGEMENT**  
AND  
**CORPORATE BANKING &  
GLOBAL MARKETS**

## WHO SHOULD ATTEND

- Operational Risk
- Risk management
- Compliance and internal audit and
- Other middle/back office functions

## COURSE OBJECTIVES

- Understand emerging trends and developments impacting ORM
- Develop comprehensive ORM framework
- Identify practical considerations and approaches incl. a lifecycle approach with root-cause analysis
- Develop templates for RCSA, KRI inventory and reporting
- Apply relevant tools to enhance effectiveness

## COURSE OUTLINE

### Overview of the Operational Risk Framework

- Foundation cornerstones
- Four data building blocks
- Key outputs

### Operational Risk Governance

- Sound governance practices
- Three lines of defense
- Governance structures & approaches
  - Exercise & Case Studies: Design & implement
- OpRisk management policy
- OpRisk loss data standard framework (in relation to BCBS239 and data privacy standards like GDPR)
- Cause, effect & consequence view of OpRisk:
  - Root Causes Analysis – The Fishbone Tail / Bow-Tie
  - Root cause analysis: Tools and methodologies
  - Benefits of root cause analysis: Tracking the common failures and systematic patterns
  - Treating causes over symptoms
  - Fishbone / Bow-tie : A most effective tool to define
  - Preventive and corrective controls
  - Incorporating leading KRIs
  - Risk likelihood and expected impact

### Culture & Awareness

- Integrated components
- “Use Test” to test embeddedness
- Effective activities for successful adoption

### Policies & Procedures

- Policy best practices
- Essential elements of OpRisk policy

### Internal Loss Data

- OpRisk event data collection
- Risk event categories
- Minimum loss data standards

### External Loss Data

- External OpRisk event data
- Benefits & challenges of consortium database
  - Exercise & Case Studies: Design & implement
- RCSA & input templates
- Reporting & support loss database

## ABOUT OUR TRAINER

## DR KHOO GUAN SENG PHD IN COMPUTATIONAL PHYSICS (NUS)

GS Khoo has over 30 years of AI, data-mining, management and startup work-experience, focusing on risk and hedge fund analytics. He joined CAI in Feb 2016, after relocating back from Canada, where he was the Head of ERM with one of the largest Canadian pension fund managers, AIMCo, which he joined in 2011.

Prior to AIMCo, He was with Temasek Holdings, which he joined in 2009 from Standard Chartered Bank, where he was the Global Head/MD, Group Risk Analytics, heading the global team performing all global risk models validation for Basel & BIPRU compliance, and liaised with all the financial regulators in Europe, Asia, Africa and the Middle East, including the FSA (UK), the FSS (Korea), CBRC, HKMA and MAS (Singapore). At Temasek Holdings, he focused on developing novel investment performance and portfolio risk management metrics, applicable across the whole spectrum of investment asset classes and horizons.

In his other previous roles, he designed and managed an algorithmic hedge fund at Man Investment Products (Man Group plc.) in the 90s, was Head of Innovation (Strategy & Business Devt.) at the Singapore Exchange, was Group Chief Risk Officer at a SE Asian conglomerate (RHB Capital, Malaysia) and was based in Chicago and Denver in 2001- 02 at American Bourses Corp (ABC, spun off from the Man Group), providing AI-based investment and trading analytics to clients trading on the ECNs in N America and in the Asia-Pacific. At ABC, he managed the launch and production of the financial portals of SPH, asiaonemarkets.com and zaobaofinance.com in 2000. He also provided advisory services to the regulators, family offices, research institutes, global and Asian banks in the Asia-Pacific region on data-mining, ERM, Basel 2 and 3. In addition, he has also advised startup and IT companies in Spore, Silicon Valley and Vancouver, B.C in BigData, FinTech, and Energy Farming. He has a PhD in Physics, and has done post-doctoral work at Nagoya University, MSI's (Molecular Simulations Inc.) research centers at Caltech (Pasadena, California), Boston and at Teijin-MSI in Tokyo, Japan on computer-aided drug design. In academia, he published over 30 journal papers on financial engineering, artificial intelligence (AI) applications in financial markets and materials science.

He has also published chapters on sovereign investing in “Sovereign Investments” (Riskbooks/IncisiveMedia, 2013), enterprise risk management for financial institutions in “Operational Risk 2.0”, (Riskbooks/IncisiveMedia, 2007), investment management in “Sovereign Asset Management for a post-crisis World”, (Riskbooks, 2011). Other publications included articles in Investment & Pensions Asia (IPA) magazine (Sept/Oct issue, 2010) where he demonstrated a deficient frontier outcome (instead of efficient frontier), entitled, “Rethinking Investment Decision-making post-GFC (Global Financial Crisis)” as well as on “Strategic Risk Allocation” in IPA Magazine (Sept/Oct 2011 issue). He has also been a speaker on ICAAP, Stress Testing, Model Validation and Economic Capital at RISKMINDS (Geneva, 2008) and RISKCAPITAL (Brussels, 2009), panelist on “Investing Beyond BRICS” at the 2013 Taft-Hartley Pension Fund Forum in Los Angeles, “Long-term Investing” & “Hedge Fund Investing” at the Asia & Middle East Govt. Funds Roundtable, (Institutional Investors, 2012-2015) and on “Emerging Markets and FX Risks” at the Asian Pension Funds Roundtables (Pacific Pension Institute, 2010-2015). He has also presented a paper on “Valuation & Risk Issues in Illiquid Investments”, in Seoul, S. Korea for Korea’s pension fund association in 2012.

**FTS**

## FINANCIAL TRAINING SCHEME (FTS)

**This programme is recognised under the Financial Training Scheme (FTS) and is eligible for FTS claims subject to all eligibility criteria being met.**

Please note that in no way does this represent an endorsement of the quality of the training provider and programme. Participants are advised to assess the suitability of the programme and its relevance to participants' business activities or job roles.

The FTS is available to eligible entities based on the prevalent funding eligibility, quantum and caps. FTS claims may only be made for recognised programmes with specified validity period. Please refer to [www.ibf.org.sg](http://www.ibf.org.sg) for more information.

**CPD**

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The Salmon Thrust CPD Series is aimed at raising the competencies of the Covered Persons and satisfying their CPD hours in the most fruitful and entertaining way. Our trainers wastes no time on academic principles but dives straight into the practical applications of the subject.

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## ABOUT SALMON THRUST

Founded in 2004, Salmon Thrust is committed to delivering real-world banking and financial training to professionals working in banks, corporates, government agencies, and other financial institutions.

Based in Singapore, we offer our clients in the region a broad range of up-to-date financial topics, delivered via classroom training and e-learning. Our courses range from foundational programmes for new entrants, right through to the most complex and current topics in the industry.

At Salmon Thrust, we are attentive to our clients' diverse learning needs. We identify relevant courses to bridge the learning and skill gaps, empowering our clients to make better decisions and bring real value to both their customers and organisations.