



# Operational Risk Management in Financial Institutions

## Training Course & Certification

### Why a certification in Operational Risk

Operational risk management for the financial services industry has evolved into a well-recognized, highly demanded discipline over the past 20 years. The Basel Committee on Banking Supervision (BCBS) established mandatory capital requirements for operational risk in 2001, and the discipline has progressed and developed enormously since then. Besides holding capital, regulated entities need to adopt sound practices for the management of operational risk. These practices have become more sophisticated and detailed between their first publication in 2003 and the most recent update in March 2021.

The financial services industry now needs recognized standards and objective qualifications criteria to select operational risk managers who can uphold sound operational risk management principles and measure their impact.

### Why should you attend?

Designed and delivered by leading experts in the field, the ORM Certification course provides the knowledge and references that professionals need to enter, manage and lead the operational risk discipline in financial services. The qualified trainers, course content and related exams help professionals acquire and demonstrate the skills and ability to execute their function effectively and gain professional recognition in the field.

Upon completion of the training course, you can take the relevant exam and apply to be 'PECB Certified Operational Risk Manager'. You can choose one of three exams. Candidates can select the coverage and examination required to obtain the certification at ORM Foundation (2-day course), Operational Risk Manager (3-day course) and Operational Risk Lead Manager levels (5-day course).

These qualifications will give you exceptional knowledge and increase your professional standing in the market.



## Who should attend?

- Chief risk officers
- Heads of operational risk
- Risk directors, risk managers, risk officers and risk analysts
- Business line managers in charge of managing their risks
- Senior managers and managers who seek guidance on operational risk management
- Compliance officers
- Internal auditors
- Regulators
- Consultants
- Students and professionals interested in advancing their careers in operational risk management

## Learning objectives

- Understand the regulatory requirements and best practices of operational risk management in the financial services
- Learn how to establish and operate an operational risk management framework in the context of a financial organization
- Understand the approaches, methods, and tools to identify, assess, mitigate, and monitor operational risk in the financial services industry
- Understand core components of the course curriculum, including: ORM framework, regulatory context, risk appetite, risk assessment, incident data collection, key risk indicators, risk culture, scenario analysis, capital assessment, and reputation risk.

## Educational approach

- The body of knowledge has been developed by a team chosen for their expertise and their contribution in the field of operational risk.
- The training course is based on theory and best practices in operational risk management and assessment in the financial services.
- Lecture sessions are illustrated with practical examples.
- The participants are encouraged to communicate and engage in discussions and exercises.
- The exercises are similar in structure with the certification exam questions.



## Body of Knowledge

The course curriculum is comprised of ten blocks. Each block describes the learning objectives, the knowledge delivered, and the skills that will be tested for each certification.

The progression within each block flows from general definitions and concepts, to more specific subjects.

Each block is segmented into components and topics. For example:

### **Block 02:** Framework and Policies

#### **Component 1:** Operational Risk Management Framework

**Topic:** Elements and structure of an operational risk management framework

#### **Learning outcomes:**

- Understand the definitions and main elements of a risk management framework
- Competence to distinguish the variations between an operational risk and an enterprise risk management framework

The detailed body of knowledge is available [here](#).



## Prerequisites

- A fundamental understanding and interest in the basis of risk management

## Course agenda

### ORM Foundation (2 days)

#### **DAY 1**

- Block 01: Regulatory Context and Risk Governance
- Block 02: Framework and Policies
- Block 03: Risk Appetite

#### **DAY 2**

- Block 04: Incident Data Collection
- Block 05: Risk and Control Self-Assessment

### ORM Risk Manager (3 days)

#### **DAY 1**

- Block 01: Regulatory Context and Risk Governance
- Block 02: Framework and Policies
- Block 03: Risk Appetite

#### **DAY 2**

- Block 04: Incident Data Collection
- Block 05: Risk and Control Self-Assessment

#### **DAY 3**

- Block 06: Risk Culture
- Block 07: Key Risk Indicators

### ORM Risk Lead Manager (5 days)

#### **DAY 1**

- Block 01: Regulatory Context and Risk Governance
- Block 02: Framework and Policies
- Block 03: Risk Appetite

#### **DAY 2**

- Block 04: Incident Data Collection
- Block 05: Risk and Control Self-Assessment

#### **DAY 3**

- Block 06: Risk Culture
- Block 07: Key Risk Indicators

#### **DAY 4**

- Block 08: Operational Risk disclosures and Reputation
- Block 09: Scenario Analysis

#### **DAY 5**

- Block 10: Capital Modeling



## Certification

After successfully passing the exam, you can apply for one of the credentials shown below. You will receive the certificate once you comply with all the requirements related to the selected credential. For more information about ORM certifications and the PECB certification process, please refer to the **Certification Rules and Policies**.

Credential	Exam	Professional experience	ORM experience	Other requirements
<b>PECB Certified Operational Risk Management Foundation</b>	PECB Certified ORM Foundation Exam	None	None	Signing the PECB Code of Ethics
<b>PECB Certified Provisional Operational Risk Manager</b>	PECB Certified Operational Risk Manager Exam	None	None	Signing the PECB Code of Ethics
<b>PECB Certified Operational Risk Manager</b>	PECB Certified Operational Risk Manager Exam	Two years: one year of work experience in Operational Risk Management	Operational Risk Management activities: a total of 200 hours	Signing the PECB Code of Ethics
<b>PECB Certified Operational Risk Lead Manager</b>	PECB Certified Operational Risk Lead Manager Exam	Five years: two years of work experience in Operational Risk Management	Operational Risk Management activities: a total of 300 hours	Signing the PECB Code of Ethics
<b>PECB Certified Operational Risk Senior Lead Manager</b>	PECB Certified Operational Risk Lead Manager Exam	Ten years: seven years of work experience in Operational Risk Management	Operational Risk Management activities: a total of 1000 hours	Signing the PECB Code of Ethics