

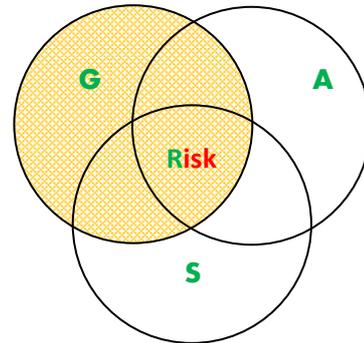
GOVERNANCE





Governance Component

The Governance component is meant to ensure that the Board and the Senior Management, as well as the central Risk function have a clear picture of the practical implications of establishing a professional ORM standard. The strategic choices with respect to ORM have many implications for the level of control banks can exercise over their operational risks. As an example, the decision to adopt the Basic Indicator Approach (BIA), the Standardised Approach (TSA), or the Advanced Measurement Approach (AMA) in the future has many consequences for the set up of the ORM programme.



At the tactical level, once the strategic decisions for ORM have been made, there are many choices to be made:

- ✓ Which Assessment techniques should be adopted ?
- ✓ How should the internal Loss Data be gathered ?
- ✓ What is the place of KRIs ?
- ✓ What are the concrete roles of the ORM department, the Business departments and the Audit department ?

The modules are aimed at transferring practical experiences of implementing an ORM structure. We have successfully implemented this in many institutions ranging from national banks with 200 employees and a limited product range, to multi national banks with over 100.000 employees and a wide range of products and services. Using these modules, you will avoid unnecessary investments and implementation disappointments.

The two modules below focus on Strategy and Tactics:

Name	Audience	Purpose
STRATEGY	Board members and Senior Management	To help set out an ORM strategy, enabling the participants to make clear strategic choices for the introduction of ORM.
TACTICS	ORM Departments	To provide an overview of the practicalities of introducing an ORM programme. We expect the ORM department to be well versed in the theoretical concepts. Therefore, we focus on the pitfalls of introducing ORM and we share our practical experience so that the ORM department can step up the implementation and avoid unnecessary and costly experiments.