



Training Course
ORM Masterclass

A. Course overview

From risk environment to risk culture, the course covers in breadth and depth the most topical elements of operational risk management and its challenges for the financial services industry. Taught by a world leading expert in the field, the course is a must-have for all the operational risk practitioners wishing to benchmark their practice and discuss best practices. It is also a fantastic opportunity for newcomers to gain a comprehensive overview what modern operational risk managers need to know.

B. Course outline

a. Day 1: Emerging Risks, Risk Appetite, Risk and Control Assessment, KRIs

Session 1: Operational Risk Trends, Emerging Risk and Regulatory Context Operational Risk trends and emerging risks

- Recent market developments in operational risk
- Regulatory context
- Tools and techniques for risk identification
- Addressing Emerging risks: types and tools
- Operational risk framework: building blocks and consistency

Workshop and discussion: common trends and challenges in operational risk and non financial risk management

Session 2: Risk Appetite Definition, Design and Taxonomy

- Industry guidance on Risk Appetite
- Definition and Governance: Communicating Risk Appetite
- Risk Appetite Statements: Features, Templates and Examples
- The importance of taxonomy
- Risk connectivity: network of risks

Class Exercise: express risk appetite, tolerance and limits for two of your top risks

Session 3: Risk & Control Self-Assessment

- Definition and rules for RCSAs
- Impact scales and risks ratings
- Usage and choice when defining RCSAs
- Control Types and Assessment
- Essentials of control testing
- Alignment with risk appetite

Class Exercise: Apply an RCSA to your top risks

Session 4: Bow-tie tool and KRI definition

- Essential features of preventive KRIs
- KRI, KPI, KCIs: concepts, overlaps and examples
- Classifying KRIs: Environmental, Stress, Causal and Failure
- Bow-tie : identifying patterns of failures and leading KRIs
- KRI design and threshold definition
- Aggregating, reporting and validating KRIs

Exercise: apply the bow-tie to one of your incidents; define relevant KRIs

b. Day 2: Scenario Analysis and ICAAP, Risk Governance and reporting, risk culture

Session 5: Scenario Analysis for Operational Risk and Resilience

- Brainstorming and workshop techniques to identify scenario
- Scenario assessment: structure and method to mitigate behavioural biases
- Assessing rare events: Examples of scenario assessment
- Using scenarios to evaluate operational risk capital needs under pillar 2
- Stress testing for operational risk
- Operational risk resilience
- ICAAP Case studies

Class Exercise: Applied scenario structuring

Session 6: Incident data collection and risk reporting

- The role of incident data collection
- Data features: core losses and tail risks
- Three golden rules of reporting
- Content of risk reporting pack
- Aggregating and escalating risk data

Class interaction: best practice and sharing of experience

Session 7: Risk Governance, 3 lines and Risk Culture

- Roles and responsibilities in risk management
- 3 lines of defense, 3 lines of accountability
- Hybrid risk functions
- Defining risk culture: acting on key behaviours
- Influencing risk culture: a method

Class discussion: Current and target culture at the firm

Session 8: Resilience and new topics in non financial risk management

- Operational Resilience
- Climate Risk
- AI for operational risk
- What's next for operational risk?

Concluding remarks : Positive Risk Management

C. Practical info

- Location: London, UK (exact location to be confirmed soon)
- When? March 1 - 2, 2023, from 9 am - 5 pm
- Included: a signed copy of Ariane Chapelle's most recent textbook
- Price £2,000 or €2300 (+ applicable VAT)
 - Early bird (until January 10): £1700 or €2000 (+ applicable VAT)
- Contact us for bookings of 4 people or more

D. Course Leader: Dr. Ariane Chapelle

Dr. Chapelle is an internationally recognised speaker, writer and advisor in Operational Risk Management, active in the field since 2000. She founded and ran her advisory and training practice, Chapelle Consulting, that became BDO Chapelle in October 2022.

Dr. Chapelle holds a PhD in Economics, Masters degrees in Business and Econometrics and she is a Associate Professor at University College London for the course 'Operational Risk Measurement for Financial Institutions'. She has published extensively on the topic (5 books and tens of articles).



Her recent textbook Operational Risk Management: Best Practices in the Financial Services Industry, published by Wiley Finance Series in December 2018, rapidly became the No.1 best seller in its field. It has been translated in French by Pearson in 2020 and received the "Book of the Year 2020" operational risk in 2020.