

Risk Management and Audit > Risk Monitoring and Reporting

Title	Develop risk monitoring system
Code	106689L5
Range	Development of bank-wide risk monitoring system. This applies to different types of risks facing by the bank.
Level	5
Credit	4 (for reference only)
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> 1. Evaluate different approaches in risk measurement <p>Be able to:</p> <ul style="list-style-type: none"> • Evaluate different methods or models for risk measurement and assessments (e.g. value-at-risk approaches, risk mapping process, etc.) in order to develop a suitable approach for the bank • Evaluate the nature, scale, complexity of the bank’s business activities for developing an effective management information system 2. Develop risk measurement plan <p>Be able to:</p> <ul style="list-style-type: none"> • Identify risk factors that have significant effects on the bank and include them in the risks management plan • Develop key risk indicators for each risk (including setting trigger level) and specify the monitoring frequency and methodology • Develop reporting procedures and template for timely escalation and management of potential risk breakout or unanticipated risks 3. Develop maintenance process of the system <p>Be able to:</p> <ul style="list-style-type: none"> • Specify clearly the responsibilities of individuals involved in the process to ensure relevant risks in the bank’s business activities are properly measured and controlled • Review and update the risk measurement models / methods periodically in order to reflect the changing market conditions • Verify the actual results against risk measurement models / methods by conducting back-testing to ensure the reliability of the models / methods
Assessment Criteria	<p>The integral outcome requirements of this UoC are:</p> <ul style="list-style-type: none"> • Development of risk monitoring system and its operation and maintenance processes to track the risk level in different areas. These should be developed based on the evaluation of different approaches against the unique situation of the bank.
Remark	