

Risk Management and Audit > Fraud Risk Management

Title	Develop policies in combating internal and external fraud risk
Code	106707L6
Range	Development of bank-wide policies to combat financial crime and internal operational deficiencies. This applies to different kinds of financial crime.
Level	6
Credit	5 (for reference only)
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> <li>1. Conduct research on the trends in financial crime                             <p>Be able to:</p> <ul style="list-style-type: none"> <li>• Conduct research to evaluate the causes and impacts of different types of financial crimes in order to formulate measures to protect the bank's interests</li> <li>• Conduct research on the banking environment and businesses in order to identify possible trends in financial crimes</li> <li>• Demonstrate specialized knowledge across different disciplines in banking businesses / services in order to evaluate bank's exposure to different types of financial crime</li> </ul> </li> <li>2. Define scope of the policies                             <p>Be able to:</p> <ul style="list-style-type: none"> <li>• Identify business activities that are susceptible to financial crime and define the acceptable conducts regarding the process in order to standardize the procedure</li> <li>• Assess the impacts brought by different financial crimes in order to determine the suitable types of control systems or measures</li> <li>• Conduct benchmarking studies to identify industry good practices and select an approach which is aligned with the nature, scale and complexity level of the bank's activities</li> <li>• Conduct research on relevant regulatory requirements and identify the implications on the bank's policies and procedures in combating financial crimes</li> </ul> </li> <li>3. Enforce the implementation of policies                             <p>Be able to:</p> <ul style="list-style-type: none"> <li>• Analyze the implications of control measures developed and provide relevant resources (e.g. training) to facilitate compliance with the policies</li> <li>• Identify competence requirements and assign roles and responsibilities to different parties for monitoring the compliance with the good business practices</li> <li>• Monitor the development trends in financial crimes and update the respective policies when necessary</li> <li>• Conduct regular review on effectiveness of control measures developed and adjust accordingly</li> </ul> </li> </ol>
Assessment Criteria	<p>The integral outcome requirements of this UoC are:</p> <ul style="list-style-type: none"> <li>• Development of policies to specify the stance of banks in combating financial crime. This should be based on consolidated findings across different research on banking environment, regulatory requirements, trends in financial crimes and unique situation of the bank.</li> <li>• Overseeing and monitoring implementation of the policies by analyzing resources requirements, competence requirements for different roles, development trends in financial crime and effectiveness of control measures, etc.</li> </ul>
Remark	