

Chartered Banker

Leading financial professionalism

OPERATIONAL RISK MANAGEMENT

Assignment

The Chartered Institute of Bankers in Scotland, Drumsheugh House, 38b Drumsheugh Gardens, Edinburgh, EH3 7SW

Telephone: 0131 473 7777

Email: info@ciobs.org.uk

Web: www.charteredbanker.com

Charitable Body: The Chartered Institute of Bankers in Scotland (CIOBS) – Reg No.: SC013927



Important Assignment Information

ASSIGNMENT LENGTH

For assignments submitted on or after **1st September 2008**, there is a **maximum** word count of **2,500 words**.

From that date, if you fail to adhere to the maximum word count, a deduction will be made to your final assignment mark. Specifically, if you exceed the 2,500 limit, you will be deducted **1%** for every **100 words** or **part of 100 words** over the limit.

For example, if you write a total of **2,614** words, a **2%** deduction will be made to your mark. For clarification, the word count includes all references and attached appendices.

PASS COMPENSATION AWARD

In recognition of the importance attached to the assignments, an award of **Pass Compensation** will be made to you if you score between 45% and 54% in the final exam and if you complete the required assignment(s) under the following conditions:

1. The assignment mark must be 60% or above – where two assignments are required, then the average mark must be 60% or above **and**
2. Assignments must be in the hands of the Tutor **at least** one month prior to the **chosen examination date for each subject**.

For example, if you enrol to sit a **full** credit subject examination on **15th December**, you must have sent **both** assignments to your tutor by **15th November**.

Similarly, if you enrol to sit a **half** credit subject examination on **2nd March**, you must have sent the **sole** assignment to the tutor by **2nd February**.

Please also note the following:

- (a) Where an assignment is marked at less than 60%, this may show up as **'Fail'** in the web-based student record – this is purely with reference to the Pass Compensation award and does not necessarily mean it is a sub-standard submission
- (b) You are **not** permitted to **re-submit** an assignment in order to gain a higher mark
- (c) In the event that you fail an exam and have not completed the required assignment(s), you can subsequently complete the required assignment(s) – these will then count towards any re-sit examination undertaken. Submission dates for these assignments must comply with the relevant timescales as stated in **2** above.

Question 1

Develop a short business case as to why an operational risk function is a necessary and important part of the overall corporate governance process.

(TOTAL 15 MARKS)

Question 2

Identify the main types of operational risk that your organisation faces.

(TOTAL 25 MARKS)

Question 3

“The Basel 2 Capital Accord is designed to improve the quality of operational risk management across the financial sector.”

Fully evaluate the above statement.

(TOTAL 40 MARKS)

Question 4

Business continuity management has gained much prominence over recent years.

- (a) Describe four reasons for this.
- (b) Describe what the objectives of Business Impact Analysis are.
- (c) What are the business continuity issues you would want to consider when entering an agreement to outsource a key banking process?

(TOTAL 20 MARKS)

TOTAL ASSIGNMENT MARKS – 100