

OPERATIONAL RISK

Operational Risk is one of 15 technical units available as part of the Investment Operations Certificate (IOC) which has more than 12,000 exams taken annually worldwide. The Unit offers an introduction to the nature of operational risk, its causes, consequences and impact and the arising of operational risk in the trade cycle and other major risks.

Who should study for Global Securities Operations

This unit is aimed at operations and administration staff who need knowledge of Operational Risk and how it relates to their job role.

Entry Requirements & Recommended Study Hours

There are no entry requirements set by the awarding body.

We recommend 80 hours of study time for the unit.

Assessment

A one-hour, 50 multiple-choice question exam .

Syllabus

The Causes, consequences and Impact of Operational Risk

- The root causes and consequences of operational risk events
- The impact of operational risk
- Near miss identification and reporting

Operational Risk Arising in the Trade Cycle

- Set-up
- Execution
- Pre-settlement phase
- Settlement phase
- Post-settlement phase

The Support and Control Functions

- The independent risk function
- The Middle/Back office functions
- The compliance function
- The financial and regulatory reporting function
- The HR, legal, IT and internal audit functions
- The product development and marketing function
- The project management and change management function

Operational Risk in the Regulatory Environment

- Achieving common standards and protection
- Regulatory capital requirements