

Risk Based Auditing In Banks

Sharpen your skills for advanced auditing techniques. Carry out value added audits with focus on operational risks

A two day Seminar extensively focused on the methods of risk based audit in banks, including bank branch risk profiling technique, risk based internal audit policy, planning and execution. The program also includes familiarization with the basics of Risk Based Supervision Approach, Risk Management System in Banks and essential aspects of the New Basel II Capital Accord .

This intensive program is designed to give you a comprehensive grounding, along with strong practical frameworks, for risk based audit of bank branches, integrated treasuries, corporate level audits. The program emphasizes on active participation from delegates and includes exercises and case studies.

Lead Seminar Faculty:

Mr. Amalendu Ghosh, is former Chief General Manager of the Reserve Bank of India and also the former Head of Project Implementation Group for Risk Based Supervision Project of Reserve Bank of India. Mr. Ghosh has more than 35 years of experience in banking and risk management. He is currently working as a consultant to a public sector bank on risk management and risk based internal audit. He is also the Lead Consultant with MVLCO for risk management and risk based supervision projects and has recently concluded the Risk Based Supervision Sensitization Project of MVLCO for Central Bank of Nigeria and Nigeria Deposit Insurance Corporation

Mr. M. V. Lonkar, B. Com, FCA, Grad. CWA, CISA, CFE, has more than 19 years of experience in bank audits, integrated treasury audits, management audits, information systems audits and risk based internal audits in banks. He also provides domain knowledge consulting services to banks and software companies on New Basel II Capital Accord.

All our training programs are also available in-house. To arrange an in-house program please contact us on :
+91-20-25466154 or
email info@mvlco.com

Dates:

Location:

Seminar Coverage:

- **New Basel II Capital Accord**
 - Essential features
 - Implementation issues
 - Implications for balance sheet management
- **Risk Based Supervision Approach**
 - Concept and methodology
 - Supervisory Objectives
 - Supervision Process
- **Risk Management in Banks : Overview of**
 - Credit Risk
 - Market Risk
 - Operational Risk
- **Business Line Approach**
- **Risk Based Internal Audit in Banks —**
 - Concept and methodology
 - Risk profiling technique
 - Audit policy, audit priorities and planning
- **Role of Information Systems Audit in Banks**

Why should you attend:

The agenda offers a mix of strategic and operational issues to enhance the knowledge on risk management, risk control practices and risk based internal audit in Banks. It also offers familiarization with the conceptual and implementation issues relating to RBS, risk management systems and New Basel II Capital Accord

In future, the bank audits will move to risk based auditing, making it necessary for the auditors to acquire the relevant skills and expertise.

Risk Based Internal Audit

Risk management and risk control techniques have assumed paramount importance in banking business. The bank internal audit is going to assume more significant role and responsibilities in that it is expected to serve as an independent evaluation authority of integrity and efficacy of a banks' risk management and risk control systems and procedures.

Under Risk Based Supervision (RBS) approach, the supervisor would leverage upon the risk based internal audit reports of banks. The external auditor of banks would also have to re-orient the auditing scope and methodology from transactions testing to assessment of risk management and risk control systems at all levels of the organization. The implications of new Basel II Capital Accord and the related disclosures in the Financial Statements of banks have thrown up more challenges, both for banks and the external auditors. In this context, the acquisition of knowledge and relevant skills of New Basel II Capital Accord, RBS Approach, risk management in banks and risk based internal audit skills by the bank internal inspection and audit staff and by professional auditors, chartered accountants has assumed enormous significance.

The Reserve Bank of India and many other countries (including USA and UK) have introduced RBS approach. The auditing profession is expected to play a major role under Risk Based Supervision approach. Today's challenges to auditors in banks is to understand the relevant risks, product and financial implications of entering into each transaction as well as the basic objectives of traders and users, in order to determine and establish effective controls.

New Basel II Accord is based on Credit Risk, Market Risk and Operational Risk. The seminar would provide the participants with an in-sight to the complexities of capital assessment methodology under the New Basel II Capital Accord and linkages between risk based internal audit and RBS approach. The seminar also includes case studies. Participants are also expected to make presentations.

Who should attend:

Any executive involved in bank auditing including :

- Bank Supervisors and Bank Auditors
- Professional Certified Public Accountants / Chartered Accountants

Seminar Fees:

Standard Delegate Fee : **excluding service tax**
Foreign delegates : US Dollars

Fees include all the tuition, full course documentation, lunches and refreshments for the duration of the program. Incidental expenses: MVL Consulting is **NOT** responsible for covering airfare or other travel costs incurred by registrants. Delegates will be responsible for their travel, transportation and accommodation/board.

Limited Seats:

The number of seats are limited.

Disclaimer:

MVL Consulting reserves the right to change or cancel any part of its published program or teaching faculty due to unforeseen circumstances. For detailed terms and conditions, please refer Registration Form.

Seminar Day 1

Risk Based Supervision Approach

- Concept and Methodology
- Risk Based Supervision
- Bank Risk Profiling Template
- Use of Audit as Supervisory Resource
- Linkages with LFAR
- Role of IS Audit in RBS Approach

Risk Management

- What is Risk
- Banking Risks - Concepts
- Business Risks and Control Risks
- Integrated Approach to Risk Management
- *Exercise : Classification of Banking Risks*
- *Case Study : Barings Bank*
- *Case Study : Long Term Capital Management*

Introduction to Basel II Capital Accord

- Structure and Objectives of New Accord
- Comparison of the Old and New Accords
- Introduction to Pillars I, II and III
- Concept of Regulatory Capital and Economic Capital
- Disclosures under New Accord

Introduction to Risk Based Internal Audit

- What is RBIA
- Comparison of RBIA with traditional audit
- Need for RBIA
- Advantages of RBIA
- RBI's Guidance Note on RBIA
- Corporate Governance and Clause 49
- Changing Role of Internal Auditor

Essentials of Risk Based Internal Audit

- Design, Scope and Methodology
- Selective Transaction Testing

Seminar Day 2

Risk Based Audit Process

- Risk Profiling and Branch Classification
- Impact Threshold
- Assessing Risk and Developing a Risk Based Audit Plan
- Deciding Audit Priorities
- Understanding Risk Matrix
- Identification of Risk Direction
- *Exercise : Classification of Branches*

Evaluation and Enhancement of Internal Controls

- Importance of Internal Controls in RBIA
- COSO Framework of Internal Control
- Basel Committee's Guidance on Internal Control
- Internal Control Effectiveness
- *Exercise : Advising Senior Management on Risk involved in New Business Lines and need to improve controls*

Conducting RBIA at Branch/Treasury

- Risk Based Audit Coverage
- Risk Based Audit Report Formats
- Risk Severity and Risk Frequency
- Auditing Business Risks including Credit Risk, Market Risk and Operational Risk
- Auditing Compliance Risk
- Preparation of Audit Report
- Suggestions and recommendations
- *Exercise : Conducting RBIA at Branch*
- *Exercise : Conducting RBIA at Treasury Back Office/Settlement Desk*

Conducting RBIA at Corporate Level

- Understanding Management Goals
- Auditing Policies and Procedures
- Evaluation of Risk Management Policy, Credit Policy, Investment Policy, Asset Liability Management Policy, Operational Risk Management Framework
- Other Important Issues

Methodology:

Using real case studies, group exercises and interactive teaching, participants will learn the key techniques of conducting RBIA. In two days intensive learning, the participants will obtain a very good understanding of some of the most important issues relating to risk management, risk control, risk based audit and risk based supervision. and how to apply them to their own real business situations.

About us:

MVL Consulting Private Limited (MVLCO) is a group of banking and finance professionals having accumulated expertise of more than 1000 man years. As a professional consulting firm, MVLCO has been operating since 1996. We bring to bear a wealth of practical experience of directly operating in and regulating financial markets, and of providing relevant training. We, our consultants and trainers have gained this experience in senior positions in Central Banks, large commercial banks, merchant banks, fund management companies, stock exchange and its leading members. Our clients include supervisory agencies, large commercial banks in India and abroad, manufacturing companies and software companies.

We have trained bankers and auditors in India, other Asian and African countries on Risk Based Supervision, Risk Management in Banks and Risk Based Internal Audits in Banks.

Our Other Training Programs:

- Implementation of Risk Based Supervision
- Introduction to Basel II Accord and Risk Management
- Basel II—Advanced Program
- Basel II and Information Technology
- How to Design and Implement Internal Rating Based System
- Risk Based Internal Audits and Risk Based Information Systems Audits
- Credit Risk and Fraud Management
- Basics of Information Security
- Implementing BS 7799/ISO 17799
- Information Systems Audit of Data Centre
- Network and Router Audits
- Strategic Management and Balanced Score Cards
- Corporate Risk Management

Program Nominations:

Please send your nominations along with the Common Program Booking Form attached herewith. Full payment is necessary with the nomination. The nomination may be sent by Fax, Email or letter addressed to our Pune Office at:

**#17, Laxman Villa Condominium, Paud Road,
Near Jog Hospital, Pune 411 038.**

At Mumbai, you may also contact Mr. Manoj Kale (Cellphone No.) or Ms. Suvidya Walawalkar (Cellphone No.) for further details.

MVL Consulting Private Limited

**#17, Laxman Villa Condominium, Paud Road,
Near Jog Hospital, Pune 411 038, India.**

Telefax: +91-20-25466154, +91-20-25411455, +91-20-25422874

Email: info@mvlco.com , Website: www.mvlco.com