

# Specification of Competency Standards for the Retail Banking

## Unit of Competency

### Compliance and Risk Management > 4.3 Risk Control

Title	Establish overall risk management policies and governance structure
Code	107403L6
Range	Establish risk management policies for the whole bank. This covers risks of any kinds and operations in different areas (e.g. credit risk, operational risk, legal risk, market risk, reputation risk, product risk, etc.)
Level	6
Credit	4
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> <li>1. Conduct research on needs in risks management           <p>Be able to:</p> <ul style="list-style-type: none"> <li>• Review adequacy of existing risk management practices and policies to evaluate whether they can catch up with the changing environment</li> <li>• Anticipate the future trends and development in the business environment to identify possible risks which the bank is exposed to</li> <li>• Develop a comprehensive understanding of the bank to know its key business, functions, strategies, products and services so as to identify possible risk areas</li> </ul> </li> <li>2. Establish risk control policies and governance structure           <p>Be able to:</p> <ul style="list-style-type: none"> <li>• Liaise with management and related parties to formulate policies to identify, assess, monitor and report on risks (e.g. credit risk, interest rate risk, market risk, liquidity risk, operational risk, reputation risk, legal risk, strategic risk, etc.)</li> <li>• Develop management information system to report and record risk levels of key activities</li> <li>• Establish a governance structure to support the risk management policies</li> </ul> </li> <li>3. Exhibit professionalism in risk management policies formulation           <p>Be able to:</p> <ul style="list-style-type: none"> <li>• Review and update risk management policies regularly with an aim to strive for excellence</li> </ul> </li> </ol>
Assessment Criteria	<p>The integral outcome requirements of this UoC are:</p> <ul style="list-style-type: none"> <li>• Risk management policies and governance structure are developed and installed within the bank. These policies are formulated according to critical analyses of different information including the bank's business, operations and future trends in the business environment. They also illustrate an accurate assessment of risks faced by the bank</li> </ul>
Remark	