

# Specification of Competency Standards for the Retail Banking

## Unit of Competency

### Compliance and Risk Management > 4.3 Risk Control

Title	Establish and implement risk management plan
Code	107404L6
Range	Establish risk management plan to monitor risk level for a particular business area. The plan should cover measurement on different kinds of risk (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. Analyse needs in risk management Be able to: <ul style="list-style-type: none"> <li>• Analyse different operations of the bank to identify significant activities (e.g. assets management, treasury activities, etc.) which warrants risk management and controls</li> </ul> </li> <li>2. Develop risk management plan based on the results of risks analysis Be able to: <ul style="list-style-type: none"> <li>• Develop specific risk management tactics according to types of products, customer segments or geographical locations and etc. and be consistent with the bank's business strategies and risk appetites</li> <li>• Set up risk limits in key activities of the bank after identifying and categorizing possible risks</li> <li>• Develop risk management plan to identify, assess, monitor and report on risks exposed to the bank</li> <li>• Develop relevant infrastructure to support the management plan</li> <li>• Design monitoring measures to ensure implementation of the risk management plan</li> </ul> </li> <li>3. Design tools in risk management Be able to: <ul style="list-style-type: none"> <li>• Develop different assessment tools or measurement methods after considering particular needs (e.g. nature, business need, staff expertise, etc.) of the plan</li> <li>• Design measures to monitor limit utilization and ensure risk level are within preset criteria</li> </ul> </li> <li>4. Implement risk management plan Be able to: <ul style="list-style-type: none"> <li>• Put the strategic plan of managing identified threats and exploiting opportunities into action after sufficient resource acquisition and coordination</li> <li>• Conduct periodic evaluation and review of the risks, update issues and risks individually when necessary</li> <li>• Evaluate if the plan provides feasible and effective risk mitigation to responsible parties for their successful implementation</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 risk management plan and tools to monitor risk levels and identify risk exceptions based on analysis on the bank's operations and needs in risks management policies</li> <li>• Implement risk management plan and review periodically to ensure effective mitigation measures are available</li> </ul>
Remark	