

Specification of Competency Standards
for the Banking Industry
Unit of Competency

Functional Area - 4. Risk Management
(Key Function – 4.2 Risk Monitoring and Reporting)

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| Title | Conduct risk monitoring internal procedure review |
| Code | 109302L5 |
| Range | Conducting onsite review to monitor the risk of non-compliance to different internal operational processes. This applies to different kinds of checking methods and different business / operation areas of the bank. |
| Level | 5 |
| Credit | 4 (For Reference Only) |
| Competency | <p>Performance Requirements</p> <p>1. Knowledge in the Subject Area</p> <p>Be able to:</p> <ul style="list-style-type: none"> • Demonstrate comprehensive and specialized knowledge in risk management in order to conduct internal procedure review; • Understand different approaches and common practices of conducting internal procedure review and apply them to customize the exercise according to the unique situation of the bank; • Master technical knowledge regarding the processes to be examined in order to make accurate judgment. <p>2. Applications</p> <p>Be able to:</p> <ul style="list-style-type: none"> • Develop the purpose / objectives of the internal procedure review in order to define the scope of activities to be examined; • Evaluate relevant regulations and bank's requirements in order to outline specific areas which warrant examination; • Inform relevant parties regarding the internal procedure review and specify the preparation (e.g. prepare documentation) and assistance required from them; • Develop operational plan for the internal procedure review, such as timing, frequency, staffing, etc. in order to minimize the disruption to normal processes; • Develop suitable tools (e.g. protocol, checklist, questionnaires) to facilitate the examination. <p>3. Professional Behaviour and Attitude</p> <p>Be able to:</p> <ul style="list-style-type: none"> • Oversee the execution of internal procedure review to ensure integrity of the processes and essential data for analysis is obtained; • Consult with other stakeholders and review internal procedure review results with proposed plan / changes for improvement in implementation of risk management processes / policies (e.g. risk identification, monitoring); • Verify the information obtained to ensure accuracy and integrity, consolidate and organize the information into a systematic framework to facilitate analysis and understanding. |
| Assessment Criteria | <p>The integral outcome requirements of this UoC are:</p> <ul style="list-style-type: none"> • Completion of internal procedural review which can collect useful information for non-compliance risk assessment; • Design of the detailed examination method and operational plan with justification; |

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| | <ul style="list-style-type: none">• Reporting review findings with recommendations for improvement. |
| Remark | |