

Specification of Competency Standards
for the Banking Industry
Unit of Competency

Functional Area - 4. Risk Management
(Key Function – 4.3 Risk Control and Mitigation)

Title	Develop risk governance structure of the bank
Code	109306L6
Range	Development of bank-wide risk governance structure. This applies to risk governance in different business / operations areas of the bank.
Level	6
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 expertise knowledge in risk management by integrating different risks faced by the bank into the governance structure; • Understand the business and operation of the bank in order to identify high risk areas which warrant special attention; • Possess knowledge in the risk exposure of the bank and its policies on risk management and apply them to design a suitable structure for risk governance. <p>2. Applications</p> <p>Be able to:</p> <ul style="list-style-type: none"> • Establish an organization and management structure with proper segregation of duties to ensure sound corporate governance; • Define the accountabilities and line of authority of each involved party (e.g. board of directors, specialized committees, risk management unit, individual business unit) in a clear manner; • Develop a system for measuring performance of different business units on a risk-adjusted basis so as to compare the performance of individual business unit. <p>3. Professional Behaviour and Attitude</p> <p>Be able to:</p> <ul style="list-style-type: none"> • Develop appropriate talent management policies (e.g. recruitment, training and development) to ensure staff responsible for different risk management functions are competent; • Conduct review on necessary infrastructure, systems and internal controls are in place and properly maintained; • Make effort to ensure the risk governance structure is coherent and supportive to the bank's vision, value, strategic plan and business needs.
Assessment Criteria	<p>The integral outcome requirements of this UoC are:</p> <ul style="list-style-type: none"> • Development of risk governance structure with clear specification on the roles and responsibilities of different parties in risk management; • Development of risk governance structure based on an evaluation of the risk exposure of the bank and its business operation.
Remark	