

**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	Evaluate the effectiveness of risk management framework, policies and control measures
Code	109308L5
Range	Conducting evaluation on risk management strategies, policies and control measures by employing different methods. This applies to different types of risks and business / operations processes 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"> <li>• Demonstrate comprehensive and professional knowledge in risk management in order to adopt an appropriate approach in conducting the evaluation;</li> <li>• Demonstrate proficient knowledge in operations, products and services in enterprise banking and utilize it to evaluate the effectiveness of current risk management practices applied on them.</li> </ul> <p>2. Applications</p> <p>Be able to:</p> <ul style="list-style-type: none"> <li>• Conduct review on the macro-economic environment to determine whether assumptions of the risk measurement and management plans are still valid;</li> <li>• Evaluate and compare actual results of risk management measures against the projected results in order to evaluate the accuracy of the risk measurement models;</li> <li>• Review the risk profile to evaluate the impacts on business activities of different risk management measures;</li> <li>• Analyse existing or potential risk concentrations and recommend different alternatives of risk management measures to address the issues.</li> </ul> <p>3. Professional Behaviour and Attitude</p> <p>Be able to:</p> <ul style="list-style-type: none"> <li>• Evaluate practical and conceptual limitations of risk management methods and models for identifying measures to improve the current risk management practices;</li> <li>• Conduct review to ensure risk management measures aligned with regulatory requirements;</li> <li>• Conduct risk re-assessment to periodically review risk management plans and make necessary amendments in response to the changing environment.</li> </ul>
Assessment Criteria	<p>The integral outcome requirements of this UoC are:</p> <ul style="list-style-type: none"> <li>• Evaluation on different risk management measures to specify results obtained and areas of improvement based on an analysis on changes in risk profiles and / or other indicators.</li> </ul>
Remark	