



# INTENSIVE RISK APPETITE FRAMEWORK DEVELOPMENT & IMPLEMENTATION

**2 DAY TRAINING PROGRAM**

## **CORPORATE OVERVIEW**

Know Your Risk (KYR) Training & Learning Solutions is a boutique international specialist risk management training organization catering to the training requirements for corporate and institutional clients in the field of risk management.

All training programs are tailored and designed by sourcing information and knowledge from global best practices in risk management. Programs being delivered by KYR Training & Learning solutions include two, three, four and five day programs that are delivered either as onsite or via remote learning.

Programs on various risk management topics involved Operational Risk, Fraud Risk & Conduct Risk have been successfully delivered by KYR Training & Learning Solutions to international banking and financial services clients onsite in Dubai, Singapore, Australia and Muscat with further international trainings planned for delivery internationally across multiple locations.

## INTRODUCTION

The setting of an organisation's risk 'appetite' is a critical component of a robust risk management framework. This risk management intensive training course discusses the purpose and balance of risk appetite and risk tolerance in an organisation. The course is delivered over 2 days and provides a framework for defining the specific categories of risk for an organisation and determining the ideal level of risk to engage in.

As regulatory environments grow harsher in many countries, risk appetite and tolerance become increasingly important business tools. The course addresses this and explains how to implement an effective risk appetite framework in your organisation.



## COURSE HIGHLIGHTS & LEARNING OUTCOMES

- An in-depth understanding of Risk Appetite and tolerance as it relates to a range of different risk types
- An appreciation of the external requirements and guidelines about Risk Appetite setting
- An understanding of who is responsible for developing, setting and owning the Risk Appetite
- An understanding of how Risk Appetite can be articulated for a range of risk types
- The ability to determine a Risk Appetite for each key risk category
- The ability to set meaningful likelihood and impact scales for risk assessment which reflect the risk Appetite set by the board
- How to document the Risk Appetite in the Risk Appetite statement
- Understand the nature of a Risk Appetite Framework and how it should be integrated into the overall risk management framework
- How to cascade, operationalise and embed the Risk Appetite including key risk indicators
- How to use Risk Appetite as a basis for Board risk reporting

## PRACTICAL LEARNINGS

- Case studies and exercises are used throughout the course to reinforce concepts covered
- Participants will develop a draft risk appetite statement to take away

## SUITABILITY - WHO SHOULD ATTEND?

This intensive 2 days risk management training course is ideal for professionals wishing to explore the dynamic between risk appetite and tolerance and the potential impacts on an organisation. The course will help professionals design and implement an effective risk appetite framework in their organisation.

### DAY 1- FUNDAMENTALS OF A RISK MANAGEMENT FRAMEWORK

#### MORNING SESSION

1. What is 'Risk Appetite'?
2. What is a Risk Appetite Framework?
3. Generic process for setting a Risk Appetite Framework
4. Principles for an effective Risk Appetite Framework
5. Core elements of a risk appetite framework
6. Concept of 'Risk Capacity'
7. Risk 'tolerances' and risk 'limits'
8. Risk profile
9. Ideal reporting structure for risk limits and risk tolerances - workshop/team discussion
10. Role of risk 'owners'.

#### AFTERNOON SESSION

11. Sources of Risk for financial institutions in the context of developing an effective Risk Appetite Framework
12. Defining the 'The Risk Appetite Statement' with examples
13. Key stakeholders in the Risk Appetite Statement
14. Characteristics of a good Risk Appetite Statement
15. Overall design considerations of a Risk Appetite Statement
16. Format of the Risk Appetite Statement
17. Unit of measurement considerations in the context of a Risk Appetite Framework.
18. Considerations in setting Risk Tolerances with example statements
19. Attributes of Effective Risk limits
20. Monitoring and breach management of Risk Appetite.

### DAY 2- BRINGING RISK APPETITE INTO PRACTICE

#### MORNING SESSION

1. Developing a baseline in the formation of a RAS
2. Process for defining and maintaining a RAS
3. Benefits of embedding a RAS
4. Illustrative example of Risk Capacity, Risk appetite, tolerance limits and tolerance triggers in practice.

#### AFTERNOON SESSION

5. Managing risk profile limits - An illustrated example
6. Alignment between strategy and risk profile of an Organisation
7. Achieving the right balance between strategy and appropriate risk appetite statements
8. Group Activity - Formulating Risk Appetite statements for your organisation
9. Final remarks - Conclusion - Training Evaluation

**CORPORATE HEADOFFICE**  
**MELBOURNE, POINT COOK, VICTORIA AUSTRALIA**  
**Email: [msk@kyrconsulting.com](mailto:msk@kyrconsulting.com)**