

Risk Management Policy Review

The Assignment

The client, a commercial bank in Nigeria, was required to update its various risk management policies of the bank to better align them with the bank's business as well as the regulatory guidelines of the country's central bank.

Our Solution

We undertook a comprehensive review of the following risk management policies the bank had in place:

- Enterprise-wide Risk Management Policy
- Credit Risk Management Policy
- Operational Risk Management Policy
- Liquidity Risk Management Policy
- Strategic Risk Management Framework
- Market Risk Policy
- Asset and Liability Management Policy
- Reputation Risk Management Policy
- Legal Risk Management Policy

While reviewing each of these policies our motive was to determine:

- if a policy was still needed or if it should be combined with another policy;
- whether the purpose and goal of the policy was still being met in a changed risk environment from the time of the policy's inception
- if changes were required to improve the effectiveness or clarity of the policy and procedures and
- if appropriate monitoring and ongoing review of the policy was occurring

Takeaways for the Client

Our independent review of the risk management policies provided the bank with a fresh perspective on the efficacy of its risk function and challenged prevailing practices. The bank was able to determine if the current policies allowed risks to be

- Efficiently and effectively identified and appropriately assessed,
- Considered in the context of the bank's objectives and other business processes
- Adequately treated and controlled where relevant, with residual exposures understood
- Effectively and regularly monitored and reviewed by management, executives and the board.

ASSIGNMENT DETAILS

- ▲ SECTOR
BANKING
- ▲ DOMAIN
RISK MANAGEMENT
- ▲ GEOGRAPHY
AFRICA
- ▲ PROJECT DURATION
3 Months