In today’s highly regulated financial services environment, organizations must comply with multiple regulations, policies, and standards as well as evaluate and manage all other risks. Although the concept of operational risk is far from new, the challenge associated with managing an increasing number of internal and external risk categories has become as great as ever. Changes in the people employed by the firm and lack of consistency makes the likelihood of loss a constant threat. As the number and scope of regulatory compliance requirements grow, almost exponentially for large and multi-jurisdictional firms, the absence of a unified, consistent, and holistic approach increases an organization’s risk of noncompliance. Finally, organizations must address these challenges in an environment involving fewer people and one in which costs are carefully scrutinized. Discover how you can achieve more with less.

Provide Insight Across the Enterprise

Oracle Financial Services Operational Risk provides an in-depth level of insight across the enterprise to effectively identify, monitor, and manage risks and controls across lines of business and across processes within a comprehensive governance, risk, and compliance (GRC) framework. This level of insight gives senior management and additional stakeholders the confidence that the business is performing in line with stated business objectives—concerning not only profitability but also reputation.

Oracle Financial Services Operational Risk lets an organization verify/confirm that:

- Corporate governance and local regulatory rules are followed
- Employees understand corporate objectives
- Potential organizational noncompliance and underperformance issues are identified and rectified
- Risks and controls are identified, regularly tested and then assessed
- Operational risk exposures are in step with corporate risk appetite

Institutions are forever changing – their people, processes, systems and the way they are organized. Oracle Financial Services Operational Risk provides a comprehensive repository of knowledge as a basis for confirming good governance, strong risk mitigation and effective control.

Finally, Oracle Financial Services Operational Risk helps you determine the amount of capital needed for operational risk and then how you might manage these exposures to ultimately reduce this sum.

Assess Risks and Controls

- Oracle Financial Services Operational Risk is designed to assess every type of risk qualitatively and quantitatively across the entire organization.
**KEY BENEFITS**

- Work with an enterprise-wide view of all operational risk data to ensure a single and consistent view.
- Eliminate redundant efforts and inconsistent results through a common, pre-built operational risk application.
- Identify, measure and mitigate risks including business continuity, legal, documentation, product and all types of operational risks across the entire business.
- Confirm that the enterprise is optimally insured and identify cost saving opportunities through over-insured risks.
- Establish and maintain controls to keep operational risk levels aligned with your financial risk appetite.
- Demonstrate improvement in control effectiveness to key stakeholders.
- Reduce your cost of ownership and improve efficiencies with configurable user interface, workflows and reporting.
- Avoid “risk fatigue” by testing controls independent of your RCSA process.
- Comply with BIS Principles for Effective Risk Data Aggregation and Risk Reporting.
- Use causal analysis to understand why loss events have occurred and through this knowledge, take action accordingly.
- Make risk assessments thorough and defensible by considering the scale of both internal and external losses against them.
- Create your own questionnaire scorecards for optional use in determining risk and control scores.
- Make use of central libraries for standard risks and controls, and for holding other risk details about products and IT systems for use in the RCSA methodology.
- Consider the risk of potential damage to the firm’s reputation when evaluating risks.
- Use a controls-based approach in which controls can mitigate more than one risk. Assess the design and effectiveness of controls independently of risks. Automatically pick up latest control scores when assessing risks.
- Insurance: Map insurance policies to risks to determine whether the organization is over-insured or underinsured. Create a claims history knowledgebase for determining whether adjusting policy deductibles can save money and for negotiating better deals for insurance coverage.
- Risk and control re-assessments should happen whenever any event occurs. Any loss, near miss, compliance breach, customer complaint, or overstepping of a KRI threshold should trigger a check that the risk has been identified, its extent has been accurately assessed, and any failed controls have been identified and an action plan initiated to improve the control; this can all be accomplished using integrated workflows.

All the components of a Risk and Control Self-Assessment (RCSA), together with loss and compliance events, KRIs, and action plans are linked in one tightly integrated application, giving users a holistic view for checking that risk assessments do not exceed the risk appetite of the firm.

**Scenario Analysis**

The provision for scenario analysis of top risks with links to individual risks and assessments helps the institution consider potential outlier risks, perhaps using a workshop analysis approach, and is a key input to capital modeling. Scenario analysis is a forward-looking methodology and, as such, is used to evaluate the impact and likelihood of extreme but plausible risk events across the whole firm.

**Business Unit Risk Profile**

Business managers can proactively evaluate a complete risk profile for each business unit across the firm, with detailed information on risks, controls, KRIs, regulations and obligations, and changes being made as a result of projects and from outstanding action plans.

They can monitor trends through KRIs and other factors as changes to systems, improvements to controls or in processes, or other external events that could impact the level of future losses, and thereby operational risk capital. From this complete 360° view, managers are able to plan ahead and pro-actively manage all risks and protect reputation and capital accordingly.

This application gives a ‘bird’s eye’ view of everything a business manager or other senior level person needs to know about each business unit in the organization.

**Assessment Planning and Scoping**

Oracle Financial Services Operational Risk gives institutions the ability to drive assessments of risks and/or controls on a quarterly or half-yearly basis through auto-generated workflow requests to assessors. These can be based on preset dates eliminating human interventions for all planned assessment cycles. Using a custom frequency also allows choice to consider...
The Oracle Financial Services Software Analytical Applications for the financial services industry improve the consistency and accuracy of data, increase business performance, strengthen competitive advantage, and reduce the overall cost of regulatory compliance.

Financial Crime and Compliance Management
- Oracle Financial Services Anti Money Laundering
- Oracle Financial Services Broker Compliance
- Oracle Financial Services Fraud
- Oracle Financial Services Trading Compliance
- Oracle Financial Services Know Your Customer
- Oracle Financial Services Governance & Compliance Management
- Oracle Financial Services Operational Risk Analytics

Oracle Financial Services Enterprise Risk Management
- Oracle Financial Services Basel II
- Oracle Financial Services Corporate Credit Risk
- Oracle Financial Services Economic Capital Advanced
- Oracle Financial Services Market Risk
- Oracle Financial Services Retail Credit Risk
- Oracle Financial Services ICAAP Analytics
- Oracle Financial Services Customer Insight Analytics
- Oracle Financial Services Channel Analytics
- Oracle Financial Services Retail Customer Analytics
- Oracle Financial Services Retail Performance Analytics
- Oracle Financial Services Institutional Performance Analytics

Attestation and Certification
To comply with and meet the regulatory requirements of a particular country or region (such as SOX in the U.S.), Oracle Financial Services Operational Risk helps institutions capture all the elements required for attestation and certification. The application establishes the need for accountability of officers—particularly the chief financial officer—who must attest to and certify the efficacy of their risk management.

Realize Your GRC and Business Objectives
Oracle Financial Services Operational Risk enables organizations to effectively realize their overall GRC and business objectives in a cost-effective manner through:

- **Configurability:** Customize the solution to meet your requirements. Discover tools that will help this process.
- **Workflow:** A powerful workflow methodology is integrated with the solution. Workflows determine who should be notified of what, and when, and by what means. Many such basic and advanced threshold and action based workflows come pre-packaged. The solution provides you with the ability to modify them for your own organization and tailor workflows for each line of business as required.
- **Reporting:** Oracle Financial Services Operational Risk comes with an extensive library of pre-defined dashboards and reports as well as the necessary tools for creating custom reports. Reports can be saved in and exported from formats such as Microsoft Excel and PDF.

- **Advanced Analytics:** Oracle Financial Services Operational Risk operates within a framework that provides access to advanced analytics and Monte Carlo simulations and the ability to export data into your own models. This framework provides for capital calculations, whether the enterprise is operating under the advanced measurement approach (AMA) or determining capital by an internal risk-adjusted return on capital (RAROC) performance measurement.

Oracle Financial Services Operational Risk helps enterprises to:

- Promote a strong culture of risks and controls for every type of risk
- Examine processes for points of weakness
• Create detailed issues and corrective action plans and monitor their implementation
• Create alerts that effectively indicate potential threats (and execute any preemptive actions)
• Improve systems and processes to improve efficiencies across the organization
• Reduce instances of potential fraud (both internal and external)

About Oracle Financial Services Analytical Applications
Oracle Financial Services Operational Risk is part of the Oracle Financial Services Analytical Applications family of solutions for the global financial services industry.
Oracle Financial Services Analytical Applications are built upon a commonly available analytical infrastructure consisting of a unified financial services data model, analytical computations and the industry-leading Oracle Business Intelligence platform.
Oracle Financial Services Analytical Applications include award-winning solutions for Enterprise Risk Management; Governance, Risk, and Compliance (GRC); Enterprise Performance Management (EPM); and Customer Insight for financial services.