



**AIF**

ASIAN INSTITUTE OF FINANCE

# Risk Mitigation & Control - A Case Studies Approach

Lanai Kijang,  
Bank Negara Malaysia

*Programme Facilitator: Yogaretnam Kanagandram*

This programme is SIDC CPE-Approved for 10 CPE Points



# Risk Mitigation & Control - A Case Studies Approach

## Overview

Risk is the unwanted side-effect in the pursuit of returns. "No risk, No gain" is the order of life.

**"All of life is the management of risk, not its elimination"**

**Walter Wriston, former Chairman of Citicorp**

The failures of major corporations provide a treasure trove of risk information. These cases if properly analysed will provide a rich source of risk principles and red flags from which we could learn and ensure that these expensive mistakes are not repeated in the organizations under our care.

Actual cases are dissected to establish:

- The driving forces or motivation that led to the losses
- The circumstances that facilitated the damaging actions
- The techniques employed to perpetuate the fault

Many say that Risk Management is a difficult subject to master as it requires great quantitative skills. True, and high failure rates is testimony of this.

## Approach

Though it is widely acknowledged that risk management is a difficult subject to master as it requires great quantitative skills, AIF has taken a practical approach. Learn risk management by listening to stories, participating in fun quizzes and the occasional but inevitable mathematics. This 2-day talk is designed to provide participants with the practical knowledge of risk management sufficient for the discharge of risk management duties at the strategic level.

All you need is to bring along some common sense and an alert mind. Now everyone can manage risk!

## Objectives

Upon completion of the programme, participants will be able to:

- Explain the quantitative and qualitative reasons why corporations (as highlighted in the cases) incurred losses
- Identify the risk red flags on a timely basis
- Implement remedial measures to overcome highly risky situations

## Your Facilitator



### Yogaretnam Kanagandram CA(M), FRM

Association of Chartered Certified Accountants, Member of Malaysian Institute of Accountants Financial Markets Association of Malaysia (Distinction & Prizewinner), Certified Financial Risk Manager (GARP)

Yogaretnam is the General Manager of the Risk Management Centre at the Asian Institute of Finance. He brings with him more than 16 years of banking practice. His experience ranges from accounting to auditing to regulation to risk management. He served on the board of a listed company and was the chairman of the audit committee. He is a Chartered Accountant and a GARP Financial Risk Manager.

He gives talks and conducts training workshops for bankers, fund managers, stockbrokers, regulators, consultants, lecturers and Government Auditors in the areas of Capital Markets, Risk Management, Foreign Exchange, Derivatives, Accounting and

Retirement Planning. Among the organizations which have engaged Yogaretnam as a speaker are Bank Negara Malaysia, Malaysian Institute of Accountants, Malaysian Institute of Certified Public Accountants, Institute of Bankers Malaysia, Employees Provident Fund and Permodalan Nasional Berhad.

## Guest Speaker

### P.Kanason JSM, CFIIA, CFE

Kanason is a seasoned and enjoyable speaker with more than 33 years of auditing experience in the Auditor General's Office. He optionally retired as the Assistant Auditor General and was appointed as Advisor to Malayan Railways in 1992. He served as the Financial Director/Group Internal Audit Director with the Railways till 1998. In the course of his long career in the Auditor General's Office his responsibilities included the audit of all Federal Ministries and Departments and Federal and State Statutory Bodies, including such institutions such as the Central Bank, Employees Provident Fund, National Electricity Board, Telecommunications, all Universities, all Ports, Federal Land Development Authorities and all State Economic Development Corporations.

Kanason is also an internationally recognized Certified Fraud Examiner {CFE}. He has conducted numerous Public and In-House seminars on Managerial Accountability, Fraud Detection and Investigation, Internal Auditing, Audit on Contracts, Risk Based Auditing, Internal Controls, Operational Controls, Operational Auditing and Procurement for many leading corporations, Government Ministries and Statutory Bodies all over the country.

Kanason blends his vast auditing and management experience with numerous case studies and practical examples for a true learning experience.

## COURSE SCHEDULE

Time	Contents
<b>Day 1</b>	
8.30am – 9.00am 9.00am - 10.30am	<p><b>Light Breakfast and Networking</b></p> <p><b>Getting the Big Picture</b></p> <ul style="list-style-type: none"> <li>• Perception of Risk</li> <li>• Free Lunches</li> <li>• Returns from Treasury – Good or Bad?</li> <li>• Capturing risks comprehensively</li> <li>• To manage or not to manage risk</li> <li>• How much to hedge?</li> <li>• Importance of getting the big picture</li> </ul> <p><i>Case Studies featured - Procter &amp; Gamble, Lufthansa, Orange County, Metallgesellschaft</i></p>
10.30am - 10.45am	<b>MORNING TEA BREAK</b>
10.45am - 1.00pm	<p><b>Accounting Tricks</b></p> <ul style="list-style-type: none"> <li>• Trusting Audited a/cs</li> <li>• Standard Accounting Tricks</li> <li>• Reliance on 3rd party due diligence</li> </ul> <p><i>Case Studies featured - A Local Listed Company, Refco Case, Enron, WorldCom, Rolls Royce, Olympus</i></p>
1.00pm – 2.00pm	<b>L U N C H</b>
2.00pm – 3.30pm	<p><b>Hedging, Speculation, Leverage &amp; Market Forces</b></p> <ul style="list-style-type: none"> <li>• The fine line between hedging and speculation</li> <li>• Power of leverage</li> <li>• Impact of market forces</li> </ul> <p><i>Case Studies featured - Air Asia, Long Term Capital Management, MF Global</i></p>
3.30 pm – 3.45 pm	<b>AFTERNOON TEA BREAK</b>
3.45pm – 4.30pm	<p><b>Trusting the Trader</b></p> <ul style="list-style-type: none"> <li>• Risk implications in the perceptions of a Trader</li> <li>• Inherent weakness in decision-making</li> <li>• The “Star Trader”</li> </ul> <p><i>Case Study featured – Kidder Peabody, Bankers Trust</i></p>
<b>Day 2</b>	
8.30am – 9.00am 9.00am - 10.30am	<p><b>Light Breakfast and Networking</b></p> <p><b>Trusting the Trader (cont)</b></p> <ul style="list-style-type: none"> <li>• Moral Hazard</li> <li>• Compatibility of Functions</li> <li>• Trader Psyche</li> <li>• Rewarding a Trader</li> </ul> <p><i>Case Studies featured - Barings, Daiwa</i></p>
10.30am - 10.45am	<b>MORNING TEA BREAK</b>
10.45am - 1.00pm	<p><b>Credit Concerns, Market Manipulations &amp; Public Sector Contracts</b></p> <ul style="list-style-type: none"> <li>• Deception of Research Reports</li> <li>• High Yield Temptations</li> <li>• Exposures to Large Overnight Credits</li> <li>• Market Manipulations</li> <li>• Illustrative Contract Cases in the Public Sector - External Speaker</li> </ul> <p><i>Case Studies featured - Drexel Burnham Lambert, Herstatt Bank, Sumitomo</i></p>
1.00pm – 2.00pm	<b>L U N C H</b>
2.00pm – 3.30pm	<p><b>Escaping Detection, Corporate Culture &amp; Model Risk</b></p> <ul style="list-style-type: none"> <li>• Report Manipulation</li> <li>• Corporate Culture in the Risk equation</li> <li>• Model Risk</li> </ul> <p><i>Case Studies featured - Allied Irish Bank, National Australian Bank, Merrill Lynch</i></p>
3.30 pm – 3.45 pm	<b>AFTERNOON TEA BREAK</b>
3.45pm – 4.30pm	<p><b>Round-up &amp; Conclusion</b></p> <ul style="list-style-type: none"> <li>• Rogue Traders Reminisce – The Aftermath</li> <li>• Summary of Risk Management Principles</li> </ul>

# Risk Mitigation & Control - A Case Studies Approach

Participant 1  Mr.  Ms.  Mrs. \_\_\_\_\_

Name (To Appear on Tag) \_\_\_\_\_

Job Title \_\_\_\_\_ Email \_\_\_\_\_

Participant 2  Mr.  Ms.  Mrs. \_\_\_\_\_

Name (To Appear on Tag) \_\_\_\_\_

Job Title \_\_\_\_\_ Email \_\_\_\_\_

Participant 3  Mr.  Ms.  Mrs. \_\_\_\_\_

Name (To Appear on Tag) \_\_\_\_\_

Job Title \_\_\_\_\_ Email \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

State \_\_\_\_\_ Postcode \_\_\_\_\_ Country \_\_\_\_\_

Telephone \_\_\_\_\_ Fax \_\_\_\_\_

*Payment must be made before commencement of programme.*

## Programme fee:

- \* RM3,100 per pax
- \* **RM2,799 per pax** (First 10 to register)
- \* **RM2,499 per pax** (Group registration of 3 or more)
- \* **RM2,600** (For Government and Public Sector)

## Payment:

Booking should be made on the booking form above. Following receipt of the booking form, an invoice will be issued and the booking will be confirmed on receipt of full payment of the fee. Payment should be made by bankdrafts made payable to "Asian Institute of Finance Berhad". Telegraphic Transfer can also be arranged upon request.

A 50% cancellation fee is payable for cancellation more than 2 weeks before the programme commences. The total fee is retained in the event of cancellation less than 2 weeks before the commencement date.

*Kindly forward or fax the Booking Form to:*

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