

# The Institute of Operational Risk

## Members' Handbook and

## Code of Conduct

Established in January 2004, the Institute of Operational Risk (hereafter the Institute) is a professional body dedicated to the promotion of skills and standards associated with Operational Risk Management.

The stated mission of the Institute is to promote the development and discipline of Operational Risk Management, to foster and maintain research into the best means and methods of developing and applying the discipline and to encourage, increase, disseminate and promote knowledge, education and training and the exchange of information and ideas.

Membership is available to Operational Risk Management practitioners at all levels and there are four grades of membership: Fellow, Professional, Corporate and Associate.

Members are organised into country-based and regional Chapters, each of which has its own local chapter committee, appointed by the Chapter's members.

The Institute is governed by a Council of Directors elected by its members. The Council is led by the Chair who is elected by Directors of Council from amongst their number.

The Institute supports its members through:

**Professional standards** - against which membership and professional competency is judged.

**Educational Programmes** – which support professional competency and accreditation.

**External events** - for the promotion of ideas, ongoing professional development and networking.

**Research** - to assist the above and ensure the continual improvement of methods, techniques and knowledge.

**Sound Practice Guidance** – the development of a series of Sound Practice Guidance (SPG) papers, concerning various aspects of Operational Risk Management practices.

**Membership benefits** – the Institute constantly seeks to improve the value of membership. For example, this may take the form of Institute events, discounts on publications, discounts for attendance at third party events or access to member only information such as the SPG papers or job adverts.

Members are positively encouraged to take part in as many of the activities of the Institute as possible.

The Institute's Handbook is a living document and will be refreshed on a regular basis.

## Grades of Membership

There are four grades of membership available at the Institute.

### Fellow

The top grade of membership, awarded to those who are considered to have made a significant contribution to the discipline of Operational Risk Management or a significant contribution to the Institute itself. Fellows are permitted to use the designatory letters **FIOR** whilst they remain members.

### Professional

For those with a minimum of two years' practical experience and who are currently active in a risk-related role. This may include individuals currently working in internal audit or compliance. This category is also open to those working in academia. Members are permitted to use the designatory letters **PIOR**.

### Corporate

Corporate Members are firms, associations and other legal entities that wish to avail their employees of the benefits of membership in the Institute. The entity is the member and the employee the representative. Corporate Members have certain obligations in the area of hosting local chapter events, while representatives have full access to the benefits open to other membership grades, other than voting rights and the right to serve as an office holder within the Institute.

### Associate

For those who are starting out on their career (with less than two years experience in a risk-related role), or who are interested in learning more about Operational Risk Management, or are actively engaged in research, education and training, or an associated field.

# Code of Conduct

The Institute requires all of its members to uphold and comply with its Code of Conduct as follows:

1. To act honestly and fairly at all times in dealing with fellow members of the Institute, colleagues, clients, customers and others;
2. To act with integrity and avoid any behaviour which damages or risks damaging the reputation of the Institute or of fellow members;
3. To obey all relevant laws and regulations;
4. To declare and then manage any conflict of interest;
5. To maintain and develop professional competence through continuing learning and promote the development of others;
6. To uphold the highest personal and professional standards applicable to Operational Risk Management.

## Examples

The following provide examples of conduct for each element of the code that is not acceptable. Note that they are illustrative and not exhaustive.

1. Hiding facts material to making informed decisions or which knowingly give an advantage over others;
2. Sending inappropriate or derogatory emails or using language in any form which is damaging to others or could be perceived as harassment or bullying;
3. Being subject to any employer's disciplinary process or regulatory sanction. Being convicted of any criminal offence.
4. Allowing a personal relationship or business matter to influence your approach to IOR matters i.e. seeking to influence either by omission or act a decision from which you will gain some benefit.
5. Not completing employer's mandatory training on risk management or ethics or not undertaking any professional development in the last 12 months.

## Complaints

Members may raise a complaint against the Institute or any member, in confidence,

at any time. Complaints are managed, in the first instance, by our Designated Complaints Officer and Council monitors any such complaint on a regular basis.

How to raise a complaint is set out in Chapter 7 of the Institute of Operational Risk Policy Handbook which is available on the Institute website (see below). The policy also sets out the timelines and process for dealing with complaints.

## Sanctions

Breaches of the Institute's Code of Conduct will be taken seriously. Such breaches may be subject to sanctions and these are set out the Chapter 5 of the Institute's Policy Handbook which is available on the Institute's website (see below).

In brief, the usual penalties for misconduct are:

Stage 1: First written warning that any further breach will result in suspension or termination of membership, depending upon the circumstances.

Stage 2: Final written warning which may or may not include suspension of membership during any investigation.

Stage 3: Termination of membership or other action, which may include an extension of a final written warning with a further review period.

Gross misconduct will usually result in immediate suspension or termination of membership from the Institute without warning.

## The Chatham House Rule

<http://www.chathamhouse.org/about-us/chathamhouserule>

To make our events as productive as possible they are held under the Chatham House Rule. Attendees are free to use the information from the meetings on the understanding that the identity and affiliation of speakers and of any organisations the speakers refer to are not disclosed unless such information is already in the public domain.

Prospective attendees must consider this stipulation prior to attending and attendance is considered to be consent.

We find that this encourages open and frank discussion and is an important factor in the high quality of our gatherings.



# Continuous Professional Development

## What is CPD?

Continuing Professional Development (CPD) can be defined as: "The systematic maintenance, improvement and broadening of knowledge, experience and skills, and the development of personal qualities helpful in the execution of professional duties throughout a career."

## Who should undertake CPD?

The Institute expects all individual members regardless of status within the Institute and regardless of their experience, to take responsibility for their own continuous development in this field.

## Why CPD?

All professional disciplines face a fast changing environment, and especially Operational Risk management as the discipline continues to develop. This environment means that members must continuously strive to keep their skills and knowledge as up to date as possible.

Experience at work alone is not enough; CPD is an essential further dimension by which members can ensure they are maintaining, strengthening and further developing their professional skills and abilities.

In common with most other comparable institutes, the Institute maintains its own CPD policy, and makes the assumption that time spent in relevant study or other recommended activity is an indication of increasing expertise.

## How can you achieve CPD?

The Institute defines CPD in terms of hours of accepted CPD training. In any one year, each member of the Institute is expected to complete at least 30 hours of professional development.

The minimum requirements of time spent in each activity type are there to challenge members to take part in all the constituents of CPD.

## How can CPD be recorded? The CPD Log

The CPD log is available to download from the Institute's website.

Each member should account for all CPD training in the IOR CPD Log. This log must be available for inspection, and individual logs will be called in for inspection throughout the year. Members may, if necessary be asked to explain the relevance of the CPD recorded to their personal professional development.

If, at the discretion of the Council of the Institute, a member's CPD is judged insufficient, the member may be asked to undertake further work, and will be given advice and assistance on finding suitable opportunities. The Institute expects such cases to be exceptional.

In addition, each member may, be asked to attest to the satisfactory completion of the previous year's CPD when renewing their membership subscription.

To allow for inspection, members should keep their logs and any certificates of relevant training completion they are awarded for 6 years.

## What are the CPD elements?

CPD is divided into 3 categories, which should add up to at least 30 hours, and within that total each member should complete at least an hour of work per year under each category. These categories are:

### 1 Training

Activities that are active and participatory, and are part of some recognised formally constituted training, conference, knowledge transfer or briefing scheme. Computer-based training is included here.

Maximum claimable hours : 28

Minimum claimable hours : 1

### 2 Self-directed Learning

All unaccompanied learning activities, including internet-based research, except computer-based training included in 1 above.

Maximum claimable hours: 10

Minimum claimable hours: 1

### 3 Development of Others

Where a member of the Institute provides operational risk related training to other members of the Institute or to non-members, including conference or other event presentations:

Maximum claimable hours : 20

Minimum claimable hours : 1

#### **What activities are accredited for CPD?**

There is a very broad range of training and knowledge transfer that is potentially suitable for members to pursue as CPD. The Institute gives permission to members to self-certificate their own training, providing that this training is clearly recorded in the individual member's CPD log, and meets the requirements of the 3 elements detailed above. Such training should be clearly relevant to this purpose, and may be subject to challenge when individual logs are called in for inspection.

Contact [info@ior-institute.org](mailto:info@ior-institute.org) if you require further information.

In addition, the institute accredits some courses for CPD as a guide for members. These will include the training events which the Institute runs. Those other courses or programmes from other institutes and organisations which are accredited will be listed on the IOR website.

#### **Can you apply for a concession?**

The CPD team is contactable via email to [info@ior-institute.org](mailto:info@ior-institute.org) will provide the first contact point for consideration of any concessions. It may be the case that individual members will have compelling personal reasons for an exception to the policy, and these will always be considered sympathetically, by the Institute's Council in the final instance.

# Examples of CPD

## 1 Training

Sources:

Specialist training providers either in-house or independent, providers of academic training including educational establishments, and institutes or societies. This category will include the formal training run by the Institute.

Delivery:

Courses, conferences, workshops, structured discussions and formal computer-based training. Completion required may range from attendance through to presentation, to formal examination and dissertation. A variety of evidence may be provided, including self-certification of attendance or completion or other forms of certification including qualifications.

Computer-based learning of sufficient quality by a specialist provider.

## 2 Self-directed learning

Sources:

A wide range of specialist providers of information in fields of relevance to Operational Risk:

Accepted academic and practical authors on theory and practice, and regulatory and supervisory bodies.

The proceedings of governance bodies and discussions of the development of operational risk practice.

The works of individual organisations such as their own policies and procedures with regard to operational risk.

The use of regular professional journals and magazines should be carefully assessed to ensure that material recorded as CPD is of sufficient professional quality.

Delivery:

A wide range of reading materials including paper and electronic format, the latter available in many forms including through internet and intranet search, including the relevant parts of the Institute's website. Materials may be made available through for example commercial publishers, individual organisations under various conditions of confidentiality, and research institutes and libraries such as the British Library.

### 3 Development of Others

Sources:

Research and lecture preparation, mentoring.

The results of self-directed learning are expressed in communication either as contributions to original research or in the preparation and presentation of lectures and other forms of training.

Contributions to the development of the discipline of Operational Risk Management and the Institute.

Where members assume positions of responsibility such as attendance at committee meetings and contributions to work streams, then their experience and expertise in the field of operational risk is an important source of their authority.

Delivery:

All training roles can multiply actual training time by 5 to account for preparation. All posts of responsibility can multiply their contact time by 2 to account for preparation.

The Institute notes that self-certification allows this topic to be widely drawn. A member of the Institute without a formal post of responsibility or a formal teaching or training role can nevertheless take part in the development of others and further the development of the discipline of Operational Risk Management. Leadership is available at every level, and can assume the form of providing assistance and taking informal responsibility for the professional development of others such as work colleagues, providing some basic assistance at training events, and contributing to the growth in membership of the Institute.

### Activities not appropriate for CPD

A wide range of 'business-as-usual' activities should not be entered on CPD logs:

Normal working activity, other than original research.

Use of basic non-technical journalism.

Social activities, including Institute dinners.

All non-technical discussions.

The fact of subscription to relevant journals is not sufficient to justify CPD, it is the appropriate and justified usage that is of relevance.

## The Institute's Website

The Institute's website is full of information and guidance for members and non-members. The website provides information on Council members, local chapters and policy statements together with access to SPG papers, Events, etc.. It can be accessed at:

<https://www.ior-institute.org>

**For queries contact:**

[info@ior-institute.org](mailto:info@ior-institute.org)

**The Institute's mailing address is:-**

2 Old College Court  
29 Priory Street  
Ware,  
SG12 0DE  
United Kingdom

**Tel:** +44 (0)1920 443818