Sosa, Carlos

From:	"BCBScommentupload@bis.org"@lbecs12.bisinfo.org
Sent:	05 March 2016 19:44
To:	"baselcommittee@bis.org"@lbecs12.bisinfo.org
Subject:	Comments submitted for "Standardised Measurement Approach for operational risk - consultative document"

BCBS Comment Upload

Name of institute/individual:	Daniel Buosky, CPA, CGMA, MBA
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Consultative document:	Standardised Measurement Approach for operational risk - consultative document(/bcbs/publ/d355.pdf)
Classification:	Public

Comments:
"The revised methodology combines a financial statement-based measure of operational risk - the "Business Indicator" (BI) - with an individual firm's past operational losses" . This is a step in the right direction for Operational Risk valuation. However, the firm's loss event history should be supplemented by the the current state of internal control environment designed to mitigate losses (e.g. improved or deteriorated), the quality of staff training / experience to avoid events (e.g. lessons learned), systems development / governance practices (e.g. SDLC, COBIT), etc.. Has the SMA may have taken these items into account ?