

PI ETA CONSULTING COMPANY

**Specialist
Credit Audit**

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OUTLINE FOR SPECIALIST CREDIT AUDIT, A 2-DAY PROGRAM

- **An Overview of Credit Risk Management Process and the Role of Credit Audit**
 - Understand the parties that are responsible for managing risk in a bank
 - Understand the principal objectives of Credit Audit
 - The main areas of assessment:
 - Credit Risk Management Process
 - Portfolio Quality
 - Credit Audit Reports and its intended audience.
 - Publication of reports

- **Planning and Preparation of Credit Audit**
 - Annual reviews and individual Reviews
 - Reviewable Units
 - Levels at which reviews should be conducted
 - Understand the factors that determine the frequency of reviews
 - Understand the ratings that are assigned
 - Know what the acceptable ratings are and what ratings determine the next Credit Audit
 - Review-able units under continuous monitoring
 - How to plan effectively for the individual reviews
 - Notification of the unit to be reviewed
 - Information Package
 - Know what is considered a representative sample
 - A Guest Auditor Program

- **Procedures for On Site Reviews**
 - Initial or opening meeting and key items to be covered
 - Establishment of key work areas
 - Clarification and finalisation of Information Package
 - On site review guidelines
 - Issuance of observations/areas of weakness and expected time line to respond
 - Keeping the unit's management appraised during the on site review
 - The importance of work papers and the need to ensure a required standard

- **Assessment of the Credit Risk Management Process and Assigning a Rating**
 - Importance of Credit Risk Management Process
 - Credit process blocks
 - Discussion on each Credit process block
 - Credit audit process rating definitions
 - Overall rating
 - Individual process block rating
 - Weighting given to each process block

- **Assessment of the Portfolio and Assigning a Rating**
 - Portfolio analysis
 - Understanding the objectives
 - Portfolio assessment
 - Understanding what constitutes portfolio assessment
 - Portfolio composition
 - Watchlist/Classification of credits
 - Classification definitions
 - Portfolio rating factors
 - An Assessment of the future performance of the portfolio
 - Credit Audit portfolio assessments
 - Portfolio ratings
 - Understanding the purpose of portfolio ratings

- **Closing Meeting and Final Report**
 - Issuance of the Findings
 - Preparation for the Closing Meeting
 - Common issues at Closing Meeting and appropriate way to handle them
 - Salient items that need to be addressed in the Final Report
 - Management response to the Final Report
 - Distribution of Final Report

- **Case Studies**

For more information, please contact PI ETA Engagement Resource (PEER) Group at
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PROGRAM FACILITATOR

Mr. Andrew K. T. Goh **B.Econ.**

Mr. Andrew K. T. Goh is a Business Domain Expert Facilitator with PI ETA Consulting Company. He has 32 years of banking experience having held senior banking positions in both international and local banks.

Andrew has a successful track record in Corporate Banking, Trade Finance, Specialized Lending, Lending to Small and Medium Enterprises and Credit Audit.

Prior to his current appointment, he was a Senior Audit Manager in Credit Risk Review with Overseas-Chinese Banking Corporation. He spent almost 5 years reviewing the corporate loans of the organization. Before this appointment, he was the Head of Corporate Banking with American Express Bank for 13 years. Andrew also spent 3 years with United Overseas Bank, first as Head of Consumer Banking and Credit Administration before assuming the position of Head of Corporate Banking. His first job was with Bank of America, having spent 11 years with this financial institution. He was appointed the first Chairman of the Bank's Marketing Committee and was also the Bank's Asia Specialist for Energy. Andrew spent 2 years in Houston Texas financing oil traders, major oil companies, oil field supply equipment manufacturers and other oil related industry players. He was also a Section Head of the Bank's Energy, Shipping, Chemical and Aerospace Department and made Senior Credit Officer of the Bank's Jurong Branch. Andrew also spent a year in the Bank's Specialised Lending Department handling the problematic accounts.

Andrew graduated with a Bachelor of Economics degree from the University of Adelaide, South Australia. He was also a part-time lecturer for 5 years in the 1990s lecturing on the subject of "Bank Lending" at the Nanyang Technological University of Singapore. This subject was offered to second year students of the School of Accountancy and Business.