

EVALUATING THE IMPACT OF OPERATIONAL RISKS IN THE GHANAIAN BANKING INDUSTRY

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ABSTRACT

The objective of this study was to find the impact of operational risk events on banks in Ghana . In order to achieve the objectives of the study, the survey technique was employed by the researcher. One hundred and ten questionnaires were self-administered to staff of ten selected banks in the Operations, Risk Management and Marketing Departments. Among the four categories of operational risks outlined in BASEL II, Process risk was identified in this study as the greatest source of operational risks for banks in Ghana. and operational risk monitoring is the mostly practiced operation risk management with lack of knowledge being the biggest challenge in risk operation management . The study also established clearly that the Banks in Ghana had in place well defined Operational Risk Management procedures. The study also recommended that the bank should have a standard risk certification course that exposes staff of the bank to basic elements of risk management. Banks in Ghana should continually strengthen their internal controls to help reduce risk.

KEY WORDS: Operational risk, Banks, risk management.

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