KOENIG
step forward

Table of Contents: Risk Management in Artificial Intelligence (AI) for Central Banks and Financial Regulators

Duration: 80 Hours (10 Sessions)

OUTLINES

1. Training Focus

This advanced program focuses on:

- AI **Data Risk Management**
- AI **Risk Assessment Process Design**
- AI **Model Risk & Validation Controls**
- AI **Governance, Monitoring & Audit Framework**
- Regulatory and supervisory alignment

2. Revised Scope of Training

The training now concentrates on:

- AI Risk Identification Framework
- Structured AI Risk Assessment Methodology
- AI Data Risk Governance & Controls
- Model Risk Quantification & Validation
- Risk Scoring & Materiality Determination
- Control Design & Mitigation Mapping

- Monitoring & Continuous Risk Review
- Audit & Supervisory Readiness

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3. 10-Day Advanced Training Schedule

(Focused on Risk Assessment & Data Risk Management)

Day 1 – AI Risk Architecture for Central Banks

Topics:

- AI Risk Categories in Financial Regulation
- Risk Typology Specific to Central Banks
- AI Risk vs Traditional Model Risk
- Designing AI Risk Inventory

Practical Lab:

- Build Institutional AI Risk Inventory

Daily Deliverable:

AI Risk Universe & Classification Matrix

Day 2 – AI Risk Assessment Process (End-to-End)

Topics:

- Step-by-step AI Risk Assessment Workflow
- Risk Identification → Risk Measurement → Control Evaluation
- Materiality and Impact Determination
- Risk Appetite Integration

Practical Lab:

- Develop AI Risk Assessment Flow Model

Daily Deliverable:

AI Risk Assessment Process Blueprint

Day 3 – Data Risk Management in AI (Core Focus Day 1)

Topics:

- Data Quality & Integrity Risk
- Data Representativeness & Sampling Risk
- Data Lineage & Traceability
- Regulatory Data Risk Expectations

Practical Lab:

- Data Risk Identification Workshop

Daily Deliverable:

AI Data Risk Register

Day 4 – Advanced Data Risk Governance & Controls

Topics:

- Data Ownership & Accountability
- Data Drift & Monitoring
- Privacy, Confidentiality & Cross-border Risk
- Control Mapping for Data Risk

Practical Lab:

- Data Control Effectiveness Testing

Daily Deliverable:

AI Data Risk Control Framework

Day 5 – Model Risk Quantification & Validation

Topics:

- AI Model Risk Drivers
- Assumption Risk & Stability Risk
- Overfitting & Robustness Testing
- Stress Testing AI Models

Practical Lab:

- Model Risk Scoring Exercise

Daily Deliverable:

AI Model Risk Assessment Template

Day 6 – AI Risk Scoring, Materiality & Aggregation

Topics:

- Quantitative & Qualitative Risk Scoring
- Residual Risk Calculation
- Risk Aggregation Across Use Cases
- Escalation Threshold Design

Practical Lab:

- Build Risk Scoring Matrix

Daily Deliverable:

AI Risk Rating Framework

Day 7 – Control Design & Mitigation Mapping

Topics:

- Preventive vs Detective Controls
- Risk-Control Mapping Techniques
- Control Testing & Effectiveness Review
- Key Risk Indicators (KRIs)

Practical Lab:

- Develop AI Control Matrix

Daily Deliverable:

AI Risk-Control Register

Day 8 – Monitoring, Ongoing Risk Review & Drift Management

Topics:

- Continuous Monitoring Framework
- Data Drift & Model Drift Tracking
- Early Warning Indicators
- Incident Management Workflow

Practical Lab:

- Monitoring Dashboard Design

Daily Deliverable:

AI Monitoring & Reporting Framework

Day 9 – Independent Validation, Audit & Regulatory Readiness

Topics:

- Independent AI Validation Framework
- Audit Trail Requirements
- Documentation Standards
- Supervisory Inspection Preparedness

Practical Lab:

- AI Validation Checklist Development

Daily Deliverable:

AI Validation & Audit Pack

Day 10 – Capstone: Full AI Risk Assessment & Data Risk Framework

Capstone Objective:

Participants design a **complete AI Risk Assessment & Data Risk Management Framework** for a Central Bank AI use case.

Final Deliverables:

- AI Risk Inventory

- Data Risk Management Framework
- Model Risk Assessment Report
- Risk Scoring & Escalation Matrix
- Control & Monitoring Structure
- Validation & Audit Framework
- Executive Risk Briefing Presentation

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4. Training Methodology (Rebalanced)

- 20% Conceptual
- 50% Risk Assessment Exercises
- 30% Framework Development & Documentation

Highly practical and process driven.

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5. Immediate Deliverables (Revised Focus)

By the end of 10 days, participants will produce:

- Institutional AI Risk Taxonomy
- AI Data Risk Governance Framework
- AI Risk Assessment Process Manual
- AI Risk Scoring Methodology
- Model Risk & Validation Framework
- Monitoring & Drift Management Plan
- Audit & Regulatory Readiness Documentation
