MS RISK TEC

AI Model Validation & Governance

1. Overview of AI/ML in Risk Models

- Applications of AI in financial institutions
- Key algorithms used: Random Forests, Gradient Boosting, Neural Networks, etc.

2. Model Risk Management Framework

- SR 11-7 regulatory expectations
- Model lifecycle: development, validation, implementation, monitoring

3. Model Validation Techniques

- Backtesting, benchmarking, and sensitivity analysis
- Stress testing AI/ML models
- Bias detection and fairness assessment

4. Explainable AI (XAI)

- Need for interpretability in financial models
- SHAP, LIME, and feature importance
- Regulatory compliance with explainability

5. Model Monitoring & Performance Metrics

- Drift detection (concept/data drift)
- Stability Index (PSI), Population drift
- Performance tracking (accuracy, precision, recall, AUC, etc.)

6. AI Model Governance & Documentation

- Governance policies & validation reports
- Model approval and audit trails
- Ethical AI and responsible AI practices

Delivery Format

- Duration: 2 days (or 4 half-day sessions)
- Format: Instructor-led, case-based workshops, live discussions, and practice exercises
- Certification: MS Risktec Certificate of Completion

Contact MS Risktec: To book the training for your team or organization:

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