## **DAT 610: Module Two Exercise Guidelines and Rubric**

**Overview:** The identification and measurement of risk is central to an operational risk management program. Organizations are increasingly turning to data analytics to support the risk identification and management process. This exercise introduces R (a popular data analytics tool) and positions it for use in risk identification and measurement.

**Prompt:** You have been asked to evaluate unrecovered losses from Company XYZ's legacy fraud identification process. To do so, you are required to identify an appropriate internal loss data set from Company XYZ's special investigations unit. You will need to load this data set into an R environment and make a preliminary evaluation of the data for use in a formal analytic assessment of unaddressed risk of losses to fraud.

Read the Auto Accident Personal Injury Claims file into R. Prepare a brief that describes the contents of the file. In that same brief, also describe how the claims file might be used to support the seven Basel II risk categories. Describe analytic methods available in R that support the operational risk framework described by the text.

**Guidelines for Submission:** This submission must be two to three pages in length and must use double spacing, 12-point Times New Roman font, and one-inch margins. Citations must use APA format.

Critical Elements	Exemplary (100%)	Proficient (90%)	Needs Improvement (70%)	Not Evident (0%)	Value
<b>Documenting Steps to</b>	Meets "Proficient" criteria and	Documents steps to open claims	Partially documents steps to	Does not document steps to	25
Open Claims File in R	includes screen shots or other visual aid to illustrate the process	file in R	open claims file in R	open claims file in R	
Describing Claims File Contents	Meets "Proficient" criteria and references a process to identify additional uses for claims file content	Describes claims file contents	Partially describes claims file contents	Does not describe claims file contents	25
Aligning Claims File to the Seven Basel II Risk Categories	Meets "Proficient" criteria and references a process to assess other loss data files against the Basel II categories	Describes alignment of claims file to all Basel II categories	Describes alignment of claims file to some Basel II categories	Does not describe alignment of claims file to any Basel II categories	25
Relating R Functionality to Operational Risk Framework	Meets "Proficient" criteria and references a process to align additional R functionality with operational risk framework	Identifies R functionality that relates to operational risk framework	Partially identifies R functionality that relates to operational risk framework	Does not identify R functionality that relates to operational risk framework	25
				Total	100%