Goodness-of-Fit for Operational Risk (or: GoF for OpRisk)

New applications sometimes require us to return to classical procedures and to view them in a new light.

This talk will focus on the problems of goodness-of-fit that arise from the Basel Committee on Banking Supervision's documents regarding reserve requirements for "operational risks" that are required of large financial institutions. OpRisk is primarily a statistical problem in which goodness-of-fit procedures turn out to play a central role. After reviewing the classical work, a number of new procedures are proposed.

(This talk is dedicated to the emeriti faculty of the Department of Statistical Sciences.)