

CASE STUDY

Focusing on Regulatory Procedures to Achieve Consistency Across Multiple Platforms

When a global bank's core operations group faced chronic control issues, Market Resolve's premiere software application, i⁵ Optimum™, helped them to effectively attain regulatory and procedural consistency.

i⁵ Optimum is a comprehensive application comprised of management and control tools geared at mitigating risk, increasing efficiencies, and helping companies to address the critical operational and control concerns they face in today's uncertain market.

Background

A global investment bank was experiencing habitual control issues with their procedures and regulations. Often, processes were documented incorrectly, out-of-date, or not documented at all. Procedures were stored across multiple drives and physical locations, and sometimes only documented on paper. There were problems with organization, consistency, and reliability. Without the existence of a global template, procedure formats varied from department to department.

There was no clear system in place for reviewing, modifying, and approving procedures. There was also a clear disconnect between the regulations that governed the procedures, and the procedures themselves. The procedures were not being restructured to keep up with the ever-changing regulatory environment, which resulted in inaccurate audit findings and regulatory breaks.

The lack of focus, organization and central control caused departments to scramble to put together procedures only when absolutely necessary. As a result, business disruptions and added pressure on the bank's staff were inevitable. On numerous occasions, the bank received inaccurate reports from its internal audit group as well as fines from external auditing bodies due to improper documenting practices.

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Key problems:

- No process in place for modifying/approving procedures
- Procedures were not regularly reviewed or updated
- Procedural version control issues
- No connection between procedures and their governing regulations
- No resources available to trouble shoot all of the above

Major implications:

- Disparate, inconsistent, or non-existent procedures
- Employees and other interested parties were unaware of procedure changes
- Inability to locate or identify and update the most current version of a procedure

Solution

Leveraging i⁵ Optimum, this global bank reclaimed control of their entire procedures process. The software allowed them to regularly review and update procedures with the help of scheduled reminders and tasks. Checks and balances were put in place—modification and approvals required verification from proper authorities within the organization, and notifications sent out to appropriate users. Tracking procedure changes and accessing old procedures were made easy with the document version update process. As procedures were modified and updated, new versions were published and older versions were archived.

i⁵ Optimum's SEC regulation update service allowed users to be apprised of specific changes made to the regulations that were relevant to them. It also alerted management of any regulation change(s) that had been linked to a procedure under i⁵ Optimum control. Users could review the regulation change and determine whether any further action was needed, and as final control, authenticate their review of regulations.

In addition, management consulting from Market Resolve was implemented to review, document and update the procedures and prepare the conversion to i⁵ Optimum. Project management and other support resources were provided by Market Resolve to get the job done efficiently—without the assistance of the global bank's staff and resources, which were busy supporting day-to-day operations.


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Results

i5 Optimum has enabled the different departments to control their own procedures while keeping within a consistent organizational format and process. Now having i5 Optimum as an integral part of their operations, the global bank has seen improved efficiencies in the procedure control process, and reduced time and cost during audits.

The organization gained

- Uniform, complete, and current procedures
- A centralized repository to store all procedures organized by business unit
- Scheduled reminders and tasks ensuring that procedures are kept valid and accurate
- A well-defined and controlled process for editing, approving, and publishing procedures
- Reliable notifications that alert individuals of a procedure change and the requirement that they certify they have read and understand the changes
- Links between procedures and regulations and notifications of SEC regulation changes
- A robust reporting tool to track and document the bank's complete history of procedural changes to make audits seamless
- Cost savings and efficiencies during audit process



Market Resolve, LLC
708 Third Avenue, 6th Floor
New York, NY 10017

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