



CASE STUDY: RISK CONTROLS

The Challenge

BTI's client, a Fixed Income Trading and Sales Group of a global bank, has grown by entering new markets, through mergers and targeted acquisitions. The bank has benefited from its robust approach to risk management. Receiving high ratings on regulatory examinations is a key factor in the bank's overall strategy.

The group is comprised of approximately 25 separate desks organized by product. Each desk is examined on an annual basis and desk managers found themselves spending too much time with regulators and auditors. The client requested that policies and procedures documentation be developed for each of the desks in order to facilitate regulatory examinations and to ensure that appropriate controls were functional.

The client's major objective in developing policies and procedures documentation was to satisfy regulatory requirements. Deliverables would therefore need to include an assessment of controls; remediation of any deficiencies; and documentation that met regulator needs. The policies and procedures documentation needed to answer most of the regulators' and auditors' questions.

The policies and procedures documentation would need to be standardized and scalable to accommodate the ongoing expansion of the group. The design of the documentation would also need to facilitate ongoing maintenance, as the client's environment was highly dynamic.

BTI's Approach: Rapid Documentation

BTI's consultants used Rapid Documentation to develop a standard organizer for the policies and procedures. Narrative sections of the policies and procedures documentation included targeted background information on the desks' products, risks and risk controls to minimize the amount of time regulators spent with desk management.

Desk procedures were then organized via a standard process map, which could be customized for each desk. The standard process map was a key driver of economies of scale and ongoing maintainability of the documentation.

Controls for each desk were subsequently inventoried and tested. Remediation plans were implemented and written policies and procedures were based on the finalized controls.

Sustainable Benefits

BTI has effectively managed and streamlined the client's regulatory examinations. Rapid Documentation has proved to be easily scalable to offices in other legal jurisdictions trading similar products and to new businesses trading very different products.

BTI handles all documentation related issues working closely with the client to ensure that policies and procedures documentation is updated for pending regulatory examinations and audits. The client has found it beneficial to outsource the development and maintenance of their policies and procedures documentation to BTI.