



Why do I need this?

- **Our mission is to ‘prevent and detect,’** providing peace of mind that your compliance rules and procedures are in line with industry best practices.
- Our clients avail of this service in a variety of situations:
 - Audit or regulatory requirements
 - Self assessments
 - Manage outsourcing risk
 - Vendor due diligence
 - Optimize control framework

What is it?

An **independent risk assessment** of your investment compliance operations designed to identify areas of potential risk and opportunities for improvement.

We propose enhancements to your control framework **to bring you in line with industry best practice.**

Where required, we can assist in the **creation and implementation of new/updated controls.**

Key Benefits:

- **Highlight risks in current processes**
- **Compare against industry best practice**
- **Provide actionable insight and recommendations**

How does it work?

1. We jointly define scope and objectives. Our process can be purely exploratory or tailored to focus on known risk areas.
2. We kick off the project with an onsite visit where we conduct key stakeholder interviews and gather documents.
3. Forensic sampling is used to assess control effectiveness within certain risk areas.
4. We apply a tailored 5x5 Risk Matrix across various Investment Compliance risk areas.

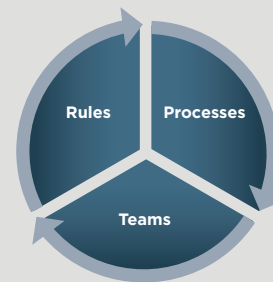
5. We produce a report, including a recommended course of action to remediate (where necessary) and concrete next steps.

Areas Assessed	Goal	Inherent Risk Rating	Control Effectiveness	Residual Risk Ranking
Source Document Matching	Verify that all guideline requirements have a matching rule that monitors for violations	High	Reasonably Strong	Moderate
Regulatory Rule Sets	Verify that all regulatory rules are represented in either automated or manual rule	Critical	Marginally Adequate	Critical
Manual Rules / Processes	Assess the strength of manual rules/processes and types of rules being tested	High	Strong	Low
Guideline Monitoring Process (Overnight)	Assess the process to review overnight compliance results	Critical	Adequate	High
Guideline Monitoring Process (Trading)	Assess the process to review intra-day trading alerts	Critical	Marginally Adequate	Critical
Account Onboarding Process	Assess the process to set up new accounts for compliance monitoring	Critical	Reasonably Strong	Moderate
Rule Library Maintenance Process	Review for proper controls over the maintenance of the rule library	Critical	Marginally Adequate	Critical
Rule Construction	Verify that rules are producing expected results	Critical	Strong	Moderate
Rule Library Organization	Review the rule library design and set-up	Low	Adequate	Very Low
Department Organization	Review the Compliance team roles & responsibilities, resources, tools, and training	Low	Adequate	Very Low

		Residual Risk				
		Very Low	Low	Moderate	High	Critical
Control Effectiveness	Weak or non-existent 5	Very Low	Low	Moderate	High	Critical
	Marginally Adequate 4	Very Low	Low	Moderate	High	Critical
	Adequate 3	Very Low	Very Low	Low	Moderate	High
	Reasonably Strong 2	Very Low	Very Low	Low	Moderate	Moderate
	Strong 1	Very Low	Very Low	Low	Low	Moderate
		1 Very Low	2 Low	3 Moderate	4 High	5 Critical
		Inherent Risk				

Scope

- Rules**
- Client guidelines
 - Regulatory rules
 - Internal limits
 - Operational rules



Processes

- Account Onboarding
- Overnight & Intraday monitoring
- Rule Maintenance
- Manual Processes

Teams

- Department organization
- Roles & Responsibilities
- Training

Product Coverage:

includes SMAs, institutional, Wealth, HNW, NI 81-102, '40 Act, UCITS and AIFs

Expertise in:

- Charles River Development
- Blackrock Aladdin
- Linedata
- SIMCORP Dimension
- Bloomberg AIM
- and other leading/proprietary systems



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