

Case Study

Operational Risk Management Framework



Client **AIM listed wealth management group**

The Work Following a review from the Financial Service Authority, our client engaged us to develop and implement an appropriate operational risk management and control framework. The board of directors gave a clear objective that the framework should be sensitive to the organisation's entrepreneurial culture and devolved decision making style.

How We Helped We started by determining the risk appetite at the board level. This was done in an interactive board workshop. We then carried out a review of the business and processes to determine the current state and understand primary risk areas where gaps existed. We then developed the governance structure including committee memberships and terms of reference for both Group and subsidiary companies and agreed the reporting structure. The framework for risk management and control was then designed; this included detailed risk and control policies, risk and control universe, operational risk manual and key risk indicators.

During the operational roll-out we implemented the risk and control policy statements and carried out detailed risk assessments, including risk workshops with the business. We also provided the process level risk owners with training and detailed control advice by resourcing the roll-out with subject matter experts in the identified risk areas who were able to provide practical experience in the management of the risks.

Value Added We were able to provide a 'joined-up' view of the risks facing the business by both understanding the detail and being able to show this across processes. The output being a comprehensive risk map. Throughout the project we also provided a number of updates to the regulator who were one of the key stakeholders in the project.

Kingston Smith Consulting LLP

Devonshire House, 60 Goswell Road, London EC1M 7AD, UK Telephone +44 (0)20 7566 4000 Fax +44 (0)20 7566 4010
info@kscllp.co.uk www.kscllp.co.uk

A list of partners is available for inspection at the above address.

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