

UK SOx case study: Banking client



Client's issue

Following a high profile systems outage, a large bank needed to overhaul the IT control frameworks underpinning its operations, financial reporting and regulatory reporting processes. It asked KPMG to enhance its IT compliance testing and monitoring programme. Our solution – Smart Controls – fell largely under the scope of SOx compliance requirements.



Results and Benefits

Through our work, the bank is now experiencing a number of significant benefits within its SOx and controls regime. The quality of controls has been enhanced, along with high levels of assurance. Continuous controls monitoring has been enabled, with broader sampling – up to 100 percent of population when needed. The controls environment is also cheaper to operate, unlocking cost savings, while greater automation has allowed the bank to enhance the value of its people, redeploying some staff to other activities.



Approach

We undertook a comprehensive scheme of work, initially looking at c600 SOx IT general controls across 14 processes, including cyber security. This grew in scope to encompass process level controls, including c300 payments certification controls across 7 schemes, and was extended further to cover 100 non-SOx IT critical process controls.

Our work also involved the automation of testing in the retail bank. In the investment banking arm, we helped deliver the automation of operations, rationalising controls from over 2,000 down to c600 and automating the testing of a significant proportion.

- Automation of testing: Over a four year journey with the retail bank our delivery model evolved from an on-shore offering using the RSA Archer eGRC tool, to an offshore Centre of Excellence (CoE) staffed by 50 FTE controls experts in a hub. After three years the service was transitioned back to the bank, including processes and technology. Over this time we reduced controls from 4,000 down to 1,000 and built bots to automate testing of 100 of these controls.
- Automation of operations: Additionally we undertook control rationalisation and automation for the investment bank arm of the organisation. **We rationalised their controls from over 2,000 down to c600.** We then automated the testing of 15 homogenous controls at the global/generic control level which, when extrapolated across the application estate, resulted in the automation of 200+ local controls. We then automated the testing of 30% of the control estate.

Contacts



Richard Andrews

Partner

KPMG in the UK

E: richard.andrews@kpmg.co.uk



Nehal Jilka

Partner

KPMG in the UK

E: nehal.jilka@kpmg.co.uk



Craig Wright

Partner

KPMG in the UK

E: craig.wright@kpmg.co.uk



Rachel Woods

Director

KPMG in the UK

E: rachel.woods@kpmg.co.uk



Sarah Ward

Director

KPMG in the UK

E: sarah.ward@kpmg.co.uk



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