

Compliance Health Check

Best Practices Compliance Assessment for Charles River IMS Clients

Keeping Up With Changing Business and Regulatory Needs

The Charles River Compliance Health Check helps investment managers respond to the numerous challenges straining their compliance operations, including changing regulations, merger and acquisition activity, and fewer compliance professionals.

These factors result in compliance staff having less time to update compliance rules and maintain organized rule libraries, contributing to obsolete, redundant, and even erroneous rules. The Compliance Health Check enables clients to compensate for this shortage of expertise and resources, and provides an objective assessment of your compliance rules and practices, using a proven methodology applied by an experienced compliance team.



DO YOU NEED A HEALTH CHECK?

- Planned upgrade
- New regulations
- Staff turnover
- Increasing data exceptions or compliance violations
- Dependent on manual processes
- New asset classes
- Geographic expansion
- Increasing volumes
- Recent merger or acquisition
- Rogue compliance situations
- Neglected rule libraries & “stale” rules (not reviewed within 2 years)

Consultative Approach and Assessment

Charles River's specialists employ a consultative approach with clients, determining the focus and scope of the Compliance Health Check, taking into consideration timing and budget. The process includes an assessment of your current compliance rules and processes, comparing them with the best practices of your industry peers. Further, our specialists identify gaps and inefficiencies and recommend specific corrective actions for remediation. Charles River IMS clients find that a periodic compliance monitoring assessment helps them in several ways:



UPGRADE PREPARATION

The in-depth assessment conducted during a health check will identify areas of improvement and more effective usage of Charles River IMS that can be implemented during an upcoming upgrade.



RISK MITIGATION

An objective compliance assessment helps firms prepare for audits, prevent trade errors, and avert compliance violations.



REDUCED COSTS

The assessment process identifies manual and redundant processes that can be automated and consolidated (e.g., determine leverage segregation and counterparty exposure at multiple levels), as well as areas that can be made more efficient. More effective compliance monitoring also helps avoid the cost of violations.



IMPROVED FOCUS

By automating manual, repetitive or tedious processes, compliance personnel can focus their time and attention on potentially serious violations. A more effective utilization of the monitoring platform can also improve internal business/IT partnerships.



Charles River's Compliance Specialists

The Compliance Health Check is performed by Charles River specialists with expertise in best practice policies & procedures. All have worked in the compliance field at large and are certified in Charles River Compliance and other Charles River modules.

Methodology

Charles River's compliance specialists examine compliance throughout the entire investment process based on the client's needs:



INITIAL ASSESSMENT

Your Charles River Compliance Specialist will meet with you to establish objectives, a preferred timeline, budget, focus (whether workflow, rule review or both), and the level of detail in the final report.



RULE LIBRARY REVIEW

Charles River performs a detailed analysis of all compliance rules, including their design, exceptions currently being generated, and how they compare with best practices. We also evaluate rules in the context of the available data to identify gaps, inefficiencies, and inconsistencies that could compromise rule effectiveness



PROCESS REVIEW

Charles River conducts a full discovery using interviews and analysis; we identify gaps, pain points, perceived issues, risk areas, manual processes, and redundancies.



WRAP-UP ASSESSMENT MEETING

Charles River prepares and presents your health check report, including specific recommendations and a plan to implement them. Charles River can provide follow-on services to implement the changes for you, or suggest applicable compliance best practices training if you prefer to implement changes yourself.

Depending upon client needs, the Compliance Health Check can include a thorough review of your rule library and / or compliance processes.

RULE LIBRARY REVIEW

- Rule construction & correctness
- Rule performance
- Redundant rules
- Current alerts
- Data correctness, mismatches
- Gaps in coverage, utilization
- Consistency with workflow

COMPLIANCE PROCESS REVIEW

- Discovery interviews
- Software analysis
- Best practice recommendations
- Gaps in coverage, utilization
- Audit risks
- Manual processes, redundancies

Charles River Development, A State Street Company

Investment firms, asset owners, wealth managers, hedge funds and insurers in more than 30 countries rely on Charles River's front and middle office investment management platform to manage more than US\$30 Trillion in assets. Together with State Street's middle and back office capabilities, Charles River's cloud-deployed software technology forms the foundation of State Street AlphaSM. The Charles River Investment Management Solution (Charles River IMS) is designed to automate and simplify the institutional investment process across asset classes, from portfolio management and risk analytics through trading and post-trade settlement, with integrated compliance and managed data throughout. Charles River's growing partner ecosystem enables clients to seamlessly access external data and analytics, applications and liquidity venues that support the demands of their product and asset class mix. Headquartered in Burlington, Massachusetts, we serve clients globally with more than 1,000 employees in 11 regional offices.

(Statistics as of February 2021)

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