

What are the advantages of taking a more data-driven approach to risk and compliance?

Customised data analytics programmes not only support efficient, cost-effective management of risk and compliance issues but also uncover actionable intelligence and provide a competitive advantage:

- **Reduced risk of fines** and sanctions by regulators and protection against costly reputational damage
- **Improved data management, detailed audit trails, more efficient case management** and more accurate reporting
- **Identification of operational efficiencies, reduction of manual testing and potential cost savings**
- **Intuitive dashboards that enable continuous monitoring and real-time insight** into operations

Sample dashboards

Sample anti-money laundering dashboard



Sample revenue leakage dashboard



Sample trade surveillance dashboard



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Advanced Risk and Compliance Analytics

Enhancing your business value



Advanced Risk and Compliance Analytics: Key drivers

Organisations are confronted with an evolving risk landscape, and data management is a top concern.

41% of executives noted that their systems could not process large volumes of data from different sources.



Capitalizing on the promise of Big Data, PwC

47% of board members were dissatisfied with their board's ability to provide IT risk oversight.



Taming IT Risk, Oliver Wyman, NACD

25% of information technology and business executives stated that they lacked the talent to undertake deep analysis of Big Data.



Capitalizing on the promise of Big Data, PwC

What is driving the need for risk and compliance analytics today?

- Many industries are undergoing an overhaul of regulatory requirements, and regulators are becoming increasingly concerned about the impact of inadequate information management practices.
- Organisations have grown increasingly complex and are dealing with such large amounts of seemingly unrelated data that regulators are doubtful about whether current systems and processes can effectively manage their requirements.
- The use of data analytics can enable pre-emptive detection of non-compliance, which can lead to quicker response times to address and mitigate risks.
- Building the analytics competency can help organisations harness 'big data' to generate actionable insights, improve operations, set their future vision, and more rapidly deliver high-quality and cost-efficient value.

Hot topics

Financial services



- Anti-money laundering
- Sanctions screening
- Trade finance
- Insider trading and market manipulation
- Suitability
- Fair lending and mortgage fraud
- Consumer protection

Healthcare



- Two-midnight rule compliance
- ICD-10 implementation
- HIPAA/HITECH compliance
- 5-star rating compliance
- Fraud, waste and abuse

Energy



- Trade surveillance
- Regulatory compliance
- Performance management
- Commodity price volatility
- Know your counterparty
- Smart meter analytics
- Continuous monitoring of transactions

Common triggers for risk and compliance programme reassessments

- Mergers and acquisitions/customer consolidation
- System integration issues
- Multiple systems failing to talk to one another
- Repurposing and consolidating data
- Huge increases in transactional activity
- Business unit silos

Our service offerings

How can we help?

- The increasingly complex technology architecture within companies, coupled with the heightened regulatory environment, has created a strong demand for risk and compliance analytics services.
- These services assist firms with **improved testing techniques**, development of **executive functions** to highlight **key performance and compliance indicators**, and implementation of **risk and compliance systems** that help identify and investigate aberrant activities.
- To address this need, Price Waterhouse & Co Bangalore LLP's Risk Assurance practice formed the **Advanced Risk and Compliance Analytics (ARCA)** team. This team currently focuses on financial services, healthcare and energy, but it is building out similar risk- and compliance-focused services in other industries, including technology and retail and consumer. The practice is also working to transform internal audit by helping organisations embed data analytics throughout the audit life cycle.

Our solutions

We provide solutions to help clients manage risk and create sustainable environments for compliance functions. These solutions cover the major focus areas of assurance, including risk assessment, internal audit, compliance testing and vendor risk management.

Analytics testing and reporting



- 100% population testing
- Identification of key vulnerabilities and evaluation of current performance
- Impact analysis testing (as a result of change of line of business, mergers, spikes in activity)
- Re-performance (calculations, regulatory reporting, error reports, system feeds, financial reports)
- End-to-end system/process testing

Analytics transformation



- Organisational change strategy
- Testing of business rules and analytics
- Policies and procedures
- Infrastructure development
- Vendor selection
- Application of advanced tuning offering to improve the performance of existing detection models and rule sets
- Requirements development

Analytics tools and dashboards



- CRO/CFO dashboards
- Extension of operational capabilities and interfaces of existing fraud and compliance solutions and platforms
- Key performance Indicators
- Key control monitoring
- Management reporting
- Client reporting
- Business process integration and reporting

Advanced analytics and assessments



- Risk and compliance assessment
- Independent model validation
- Quantitative assessment and back testing
- Upgrading risk and analytics platforms
- Risk and finance data governance and integration
- Regulatory compliance monitoring and assessment, including CCAR, DFAST and OCC



Benefits

Organisations that adopt a more analytics-focused approach to managing risk and compliance issues may reap a number of benefits, including more accurate end-to-end testing, real-time reporting to satisfy compliance obligations, reduced risk of inadvertent non-compliance with changing regulations, potential cost savings through more automated testing, and data-driven operational insights.

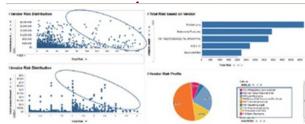
And more...

We are also helping to transform internal auditing by embedding analytics throughout the audit life cycle.

1. Risk assessment/ monitoring: Utilise interactive maps to highlight critical audit issues and the need for potential follow-up audits to ensure remediation has been conducted.



2. Planning/scoping: Create clearly scoped audit objectives using key risk/performance indicators.



4. Reporting: Visually support findings related to performance against KPIs.



3. Fieldwork: Target outlier transactions using a risk-based approach to replace traditional sampling procedures.

