

CASE STUDY 3

PROPERTY FUND MANAGER

Problem

Our client was a manager of property (real estate) and property funds. The firm was regulated by the Financial Conduct Authority and was required to carry out regular risk assessments and assess the impact of risks identified on capital and cash resources. The firm wanted external assessment and guidance as to whether it was carrying out risk assessment adequately and proportionately given the scale and specialist nature of the business.

Analysis

- Our first task was to review the regulatory requirement and compare that with normal Enterprise-wide Risk Management (ERM) for a business of similar scale and specialisation.
- Having established that the regulatory requirement was largely the same as that required in a normal ERM process, we identified particular aspects which needed emphasis from the regulatory perspective.
- We reported our finding back to the firm and assisted them to understand the implications arising.

Solution

- We assisted the firm to articulate its appetite for risk, to draft its risk management policies and processes and to document its risk controls.
- We assisted the firm to identify and assess the risks it faced.
- We then identified process structure, process controls and relevant software tools to control and mitigate the risks.
- We assisted the firm to establish metrics and performance standards, monitoring processes and management information to enable it to manage the risks identified.

Implementation

- Using appropriate software and by training and mentoring appropriate staff, risk controls and structure were introduced that mitigated the risks without significantly impacting upon the firm's normal day to day activity.
- The firm was able to readily identify those risk that had a capital or cash flow impact and incorporate these items into its capital and cash flow planning and monitoring processes.

Outcome

Review of the implementation showed the firm now had a cost effective and easily operated Enterprise-wide Risk Management (ERM) process that readily enabled it to identify and provide for potential capital and cash flow calls arising from the risks identified

For help with GRC related problems e-mail info@complyport.co.uk