

Business Process and Risk Management

Active risk and control regulation: Combining risk and business process management to use it as a competitive advantage

Schroders Asset Management and Private Banking

Schroders is a globally operating financial service provider specialising in asset management and private banking. The customer structure is composed of enterprises, insurance companies, local and public services, pension funds as well as investors and 'High Net Worth' individuals. Schroders operates with one of the biggest asset management networks consisting of more than 250 analysts and portfolio managers world wide. The service centre ensures the defined high quality of the internal services for all private banking branches.

The companies' growth was signified the requirement for a comprehensive and high capacity process management. In parallel, an active risk and control management would also be required for healthy asset management. This, in particular, includes audit conformance as well as internal, active planning of risks and controls



Facts and figures:

Company name

Schroder & Co.Bank AG

Headquarters

Zurich, Switzerland

Employees

2,700

Industry

Financial Service
Provider

Website

www.schroders.com

**« The visual integration of controls and risks in everyday business
- in our processes -
is the key success factor. »**

The Challenge: Combining Processes and Risk Management

From an internal and external audit-point of view, the main focus was on managing risks resulting from the business environment as well as ensuring the existence and execution of any necessary controls. Risks and controls show strong connections to company processes and since the process management was supposed to become more professional technically in terms of its content, the aim was to find a sector specific, technical solution which covers both aspects.

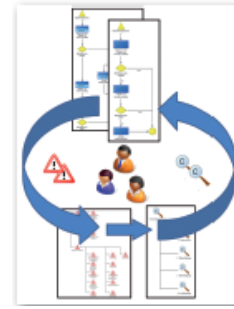
Schroders decided to use ADONIS, BOC's business process management platform, along with the integrated risk and control management solution based on ADONIS. The following goals were achieved using the web based process portal for business users:

- Listing of risks with and without process context (risk map and activity reference).
- Listing of controls and the definition of control processes and activities.
- Workflow supported, periodic evaluation of risks and controls by responsible persons.
- Automatic activation of controls through timers or external events.
- Web based controlled execution and confirmations.

Implementation of the Internal Control System and Process Management

ADONIS

In the first steps of realising the process management and basic structures of risk and control management, the process architectures were illustrated along with the identification of corresponding risks and controls. The aim is to create a risk-and control catalogue. Using analysis, built on mutually defined conventions, it was ensured that all required information for the process management as well as the risk management were collected by the persons involved. Roles necessary for the workflows were defined and implemented using ADONIS, ensuring role-based management of processes, risks and controls.



Workflow Support and Automatic Control Activation



Individual risks and controls identified in ADONIS are evaluated and, if necessary, implemented in a professional workflow.

Through the use of an extensive documentation component, automatic, audit-relevant internal control system documentation can be created.

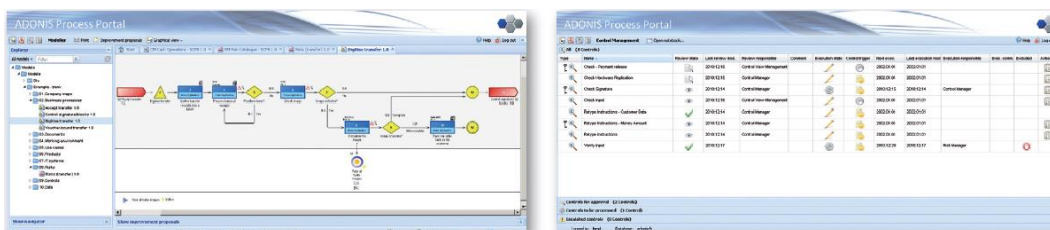
The workflow support guarantees that the responsible persons are automatically informed about the need to evaluate a risk or a control as well as the need to execute the appropriate control.

The role-independent user concept as well as the mutually defined operation logic ensures the handling of failures through automatic escalation mechanisms.

« Risk management means seizing opportunities, controlling risks actively and ensuring control transactions — both internally and externally »

Interaction and Controlling with the Process and Risk Portal

The web based process and risk management portal provides for each user and his roles, all necessary views to quickly and productively work through his process or risk contexts: e.g., process views and procedures, detailed documentation, task lists of controls to execute, linked reports, templates and a whole lot more.



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