



GLOBAL COMPLIANCE FUNCTION »»

BUILDING A PROACTIVE GLOBAL COMPLIANCE FUNCTION

Financial institutions face a complex and dynamic risk landscape. A well designed Compliance function needs to identify competitive advantages for an organisation that could arise from a new global operating model, taking a holistic view of new regulations and proactively working with the regulators to influence future approaches to regulation. It needs to facilitate a cultural transformation to meet more stringent levels of scrutiny.

Background

The amount of financial regulation continues to increase, with demands on firms to better manage a widening spectrum of conduct of business, financial control, and risk management issues. The controls are motivated by a broad range of factors including:

- > Fraud avoidance
- > Risk-based capital
- > Retail client protection
- > More disclosure / transparency
- > Increased competition and choice
- > Reducing environmental impact
- > Addressing security threats

In addition there has been a growth in best practice methodologies for internal control (COBIT/COSO) and continual IT service improvement (ITIL) aimed at streamlining the business and eradicating inefficiencies, but these are sometimes regarded as an additional burden to compliance programmes.

Though most financial institutions grappling with this increase in regulation have achieved compliance, many have responded to each challenge by creating stand-alone silo programmes reacting to the specifics of each regulation. Some of the initiatives have common themes or areas of work focus but the emerging ad hoc local structures have become permanent without consideration for a more efficient global design.

Regulators are becoming more sophisticated in their supervisory roles in assessing whether firms are merely applying the 'letter of the law' rather than the substance or 'spirit of the law', for instance the nature of background credit checks on account opening required by Know-Your-Customer anti money laundering regulations. This has significant cultural and reputation implications for institutions.

In addition, the role of the Compliance function in many institutions has been slowly evolving from internal 'policeman' to a strategic advisor; there are now significant competitive pressures for this to accelerate and for value contribution to increase as businesses have globalised.

The challenges

Financial institutions face a complex and dynamic risk landscape, featuring an unwieldy and increasingly inefficient governance and control environment. A well designed Compliance function needs to identify competitive advantages for an organisation that could arise from a new global operating model, taking a holistic view of new regulations and proactively working with the regulators to influence future approaches to regulation. It needs to facilitate a cultural transformation to meet more stringent levels of scrutiny.

Some of the ramifications for organisations which react to new regulations on an ad hoc, silo basis are:

- > Compliance can experience multiple and conflicting demands which can lead to delays and indecision when critical issues need to be escalated, leaving the business exposed
- > IT service improvements are difficult and more costly to deliver in the face of multiple requests to implement changes to the same core systems
- > There are many demands on the business to produce compliance information that is broadly similar for a number of different recipients – this distracts from the day-to-day running of the business, even more so if there are information inconsistencies.

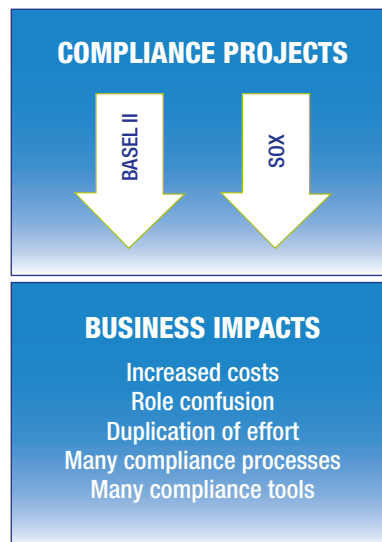
The goal is to devise an agile and scaleable Regulatory Compliance function able to deal with the fluctuating demands for implementation services and reporting, and to reduce the time and effort for implementation without the need for an organisational redesign each time.

Our approach

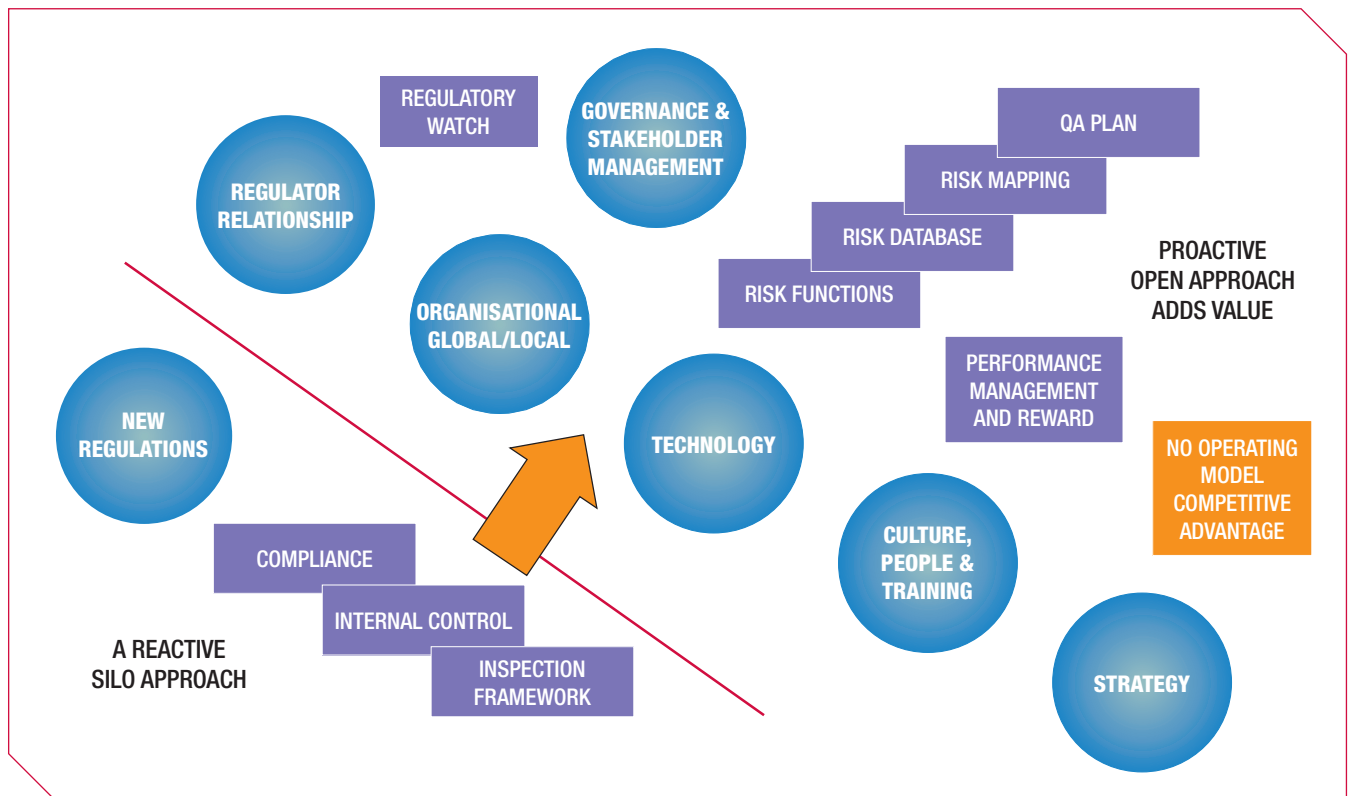
We can work with the client to design a proactive global Compliance function and to manage the work involved in making the transition to this 'best in class' operation. Once this function is established we have the know-how to use outsourcing and off-shoring practices to further reduce costs in the performance of routine data queries and analytical checks in support of Compliance requirements.

Atos combines subject matter expertise in compliance, communication strategies, control methodologies, technology and organisational design and change to provide an appropriate framework for managing risk, compliance and control.

MULTIPLE REGULATIONS



A PROACTIVE GLOBAL COMPLIANCE FUNCTION



We can define the goals of the compliance function, ensure that the organisation is fit for purpose, and create the structure and processes to allow additional demands on Compliance to be absorbed with the minimum of disruption.

Building on previous work in cultural and behavioural change, communications and training, we can use a range of proven approaches such as performance measurement and reward, workshops, focus groups, computer based training and risk forums to establish and embed a risk management culture within the organisation and raise awareness from the top to the bottom of the organisation with targeted messages.

We have vast experience in compliance and control programmes as diverse as internal control frameworks, Sarbanes-Oxley, Basel II and Operational Risk.

Client benefits

- > Optimised compliance spend – more effective use of budget, less duplication of effort
- > Better global coordination of programmes
- > Increased confidence of meeting and competitively exploiting current and future regulatory demands
- > Improved controls management – completeness, consistency and effectiveness of plans
- > Enable new operating models to generate competitive advantage.

Why Atos Consulting?

Atos Consulting, the global consulting practice of Atos Origin, is a leading provider of business, process and technology consulting services. With more than 2,500 staff globally, it focuses on working with clients in the financial services, telecom, manufacturing and public sectors. We are a market leader in risk management, regulatory compliance and business process transformation for the Financial Sector.

Next steps

For further information please visit www.atosconsulting.com or email ukconsulting@atosorigin.com

About Atos Origin

Atos Origin is an international information technology services company. Its business is turning client vision into results through the application of consulting, systems integration and managed operations. The company's annual revenues are EUR 5.4 billion and it employs over 50,000 people in 40 countries. Atos Origin is the Worldwide Information Technology Partner for the Olympic Games and has a client base of international blue-chip companies across all sectors. Atos Origin is quoted on the Paris Eurolist Market and trades as Atos Origin, Atos Euronext Market Solutions, Atos Worldline and Atos Consulting.

About Atos Consulting

Atos Consulting, the global consulting practice of Atos Origin, is a leading provider of business, process and technology consulting services. With more than 2,500 staff globally, it focuses on delivering proven, pragmatic solutions to the telecom, manufacturing, financial services and public sectors.

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