



Operational Risk Management Control Monitoring

Client

Regional Investment Firm in
Denver, Colorado

Industry

Investment Management
Wealth Advisory Services

Solution

Operational Risk Monitoring
Control Assessment Platform

Challenge

Regional investment firm experienced elevated operational risk incidents annually, significant costs from control failures and compliance issues, manual risk assessment processes taking weeks to complete, limited visibility into operational control effectiveness across multiple office locations, and difficulty tracking and resolving operational risk issues in a timely manner.

AI Consulting Approach

- **Operational Risk Analysis:** Risk consultants mapped existing operational processes, control frameworks, and incident patterns to identify monitoring opportunities using risk management and control assessment methodologies.
- **Comprehensive Risk Platform:** System integrating operational data, control testing results, and incident reporting to provide real-time risk visibility and control effectiveness monitoring.

AI Solution

- **Control Effectiveness Monitoring:** Platform tracking the performance of operational controls across trading, client service, and administrative functions with automated testing and reporting
- **Incident Management System:** Centralized system capturing, tracking, and analyzing operational risk incidents with root cause analysis and corrective action monitoring
- **Risk Dashboard Analytics:** Real-time reporting providing management visibility into operational risk metrics, control gaps, and emerging risk trends
- **Regulatory Reporting Automation:** System generating required operational risk reports for regulatory submissions and internal risk committee meetings



Implementation (20 weeks total)

- Risk Framework Analysis (4 weeks)
- Platform Development (8 weeks)
- Control Integration (6 weeks)
- Testing Launch (2 weeks)

Key Results

Risk Reduction:

- 65% reduction in operational incidents, 70% decrease in operational losses and compliance costs, improved control environment effectiveness

Management Visibility:

- 85% improvement in operational risk reporting timeliness, enhanced risk committee decision-making, better regulatory compliance

Business Impact:

- Substantial annual value creation, strengthened operational resilience, 175% consulting ROI, improved client confidence and regulatory standing

Technologies:

- Risk monitoring platform
- incident management system
- control testing automation
- regulatory reporting tools
- risk dashboard analytics