



Internal Audit of ICAAP, IRRBB and Market Risk

ABSTRACT

Avantage Reply was an internal audit co-source partner for a UK G-SIB Banking Group and performed audits on ICAAPs, Interest Rate Risk in the Banking Book (IRRBB) and Market Risk.

THE CLIENT

UK G-SIB Banking Group.

THE CHALLENGE

Avantage Reply worked with a major international banking group to deliver internal audits on ICAAPs (including Operational Risk, Pension Risk and Capital Planning), IRRBB and Market Risk, for the Group and its subsidiaries.

APPROACH AND SOLUTION

Avantage Reply provided SME support to the Internal Audit department on a number of audits. Audit plans were developed, relevant documentation was reviewed, comprehensive control tests were carried out and issues raised were discussed with stakeholders, including Finance, Market Risk, Credit Risk and other stakeholders.

RESULTS AND BENEFITS

Experience gained in internal audit, consultancy and practice at a number of key competitors allowed for cross-pollination of approaches and ideas. An open and communicative approach with teams being audited allowed for methodology to be improved and, in some cases, figures to be restated by BAU teams before submission to the board and to regulators. SME expertise was available to cover a stretched Internal Audit department.

The internal audits resulted in findings (and in some cases, these were remedied by BAU teams). Comprehensive internal audits were delivered on time and to a high standard.

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