



November 2016



Integrated recovery planning

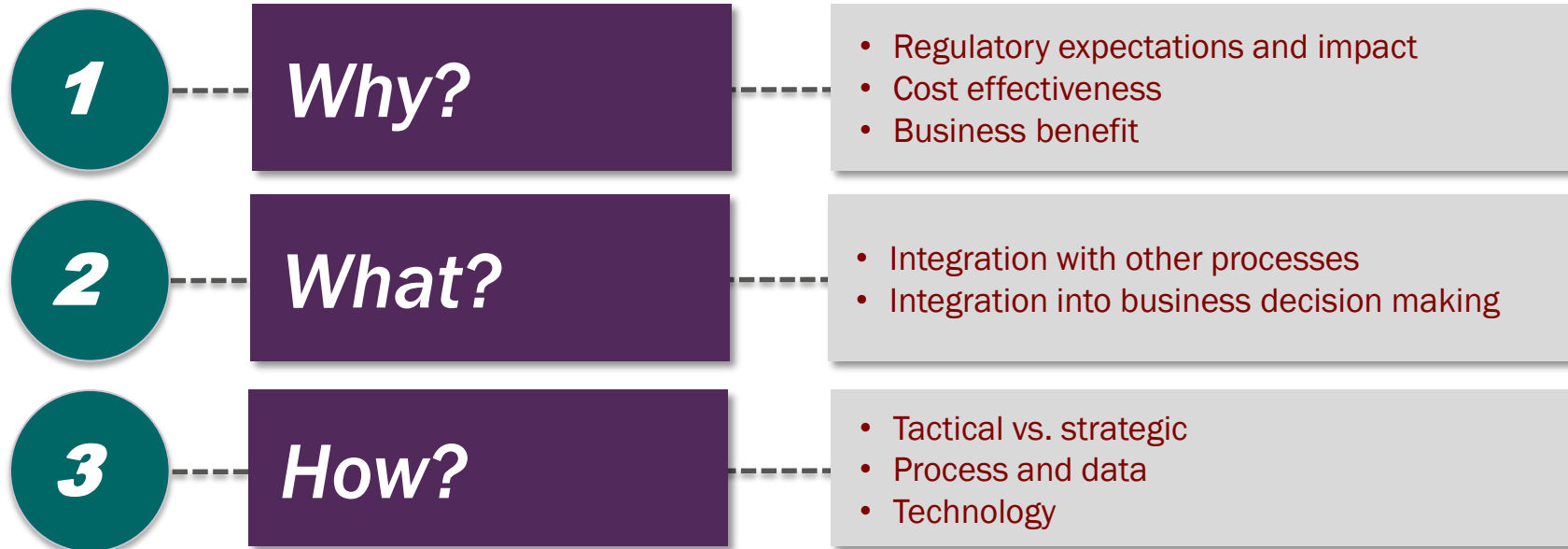
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“Firms should embed the recovery plan into their existing risk management framework.”

(BoE SS18/13)



Integrated recovery planning

Why?



“Recovery plans should be embedded into the risk management framework....”



- Common language and concepts
- Usable and practical
- Sits on crisis management spectrum along with ICAAP/ILAAP, stress testing, RST

“Confirmation that the board has reviewed and approved...”



- Meaningful board engagement needed and requires...
 - ✓ Coherently sitting alongside suite other related board-approved documents
 - ✓ Not a stand-alone ‘tome’ that cannot practically be digested

“Clear escalation and decision making process.”



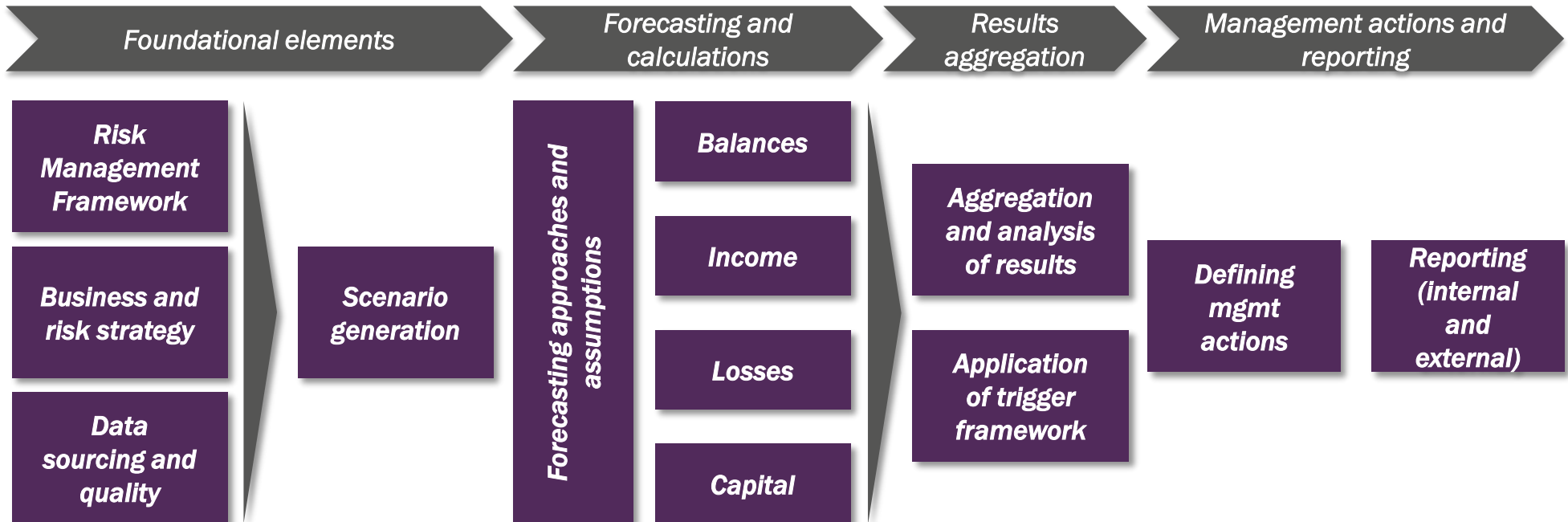
- Fits with existing risk function operating model
- Consistency and clarity in roles and responsibilities for triggering, executing and approving recovery plan actions

Cost effective

Business benefit

Integrated recovery planning

What?



- Internal processes: ERM, top and emerging risks, risk appetite, stress testing, business / strategic planning
- Risk frameworks and culture
- Consistent, strategic data sourcing and data management

- Forecasting infrastructure
 - Platforms
 - Models dev and management
 - Expert judgement
- Scheduling

- Processes and procedures: internal and external rep.
- Trigger and risk KPI/early warning frameworks

- Suite of actions actions - spectrum of outcomes
- Regulatory submissions: ICAAP, ILAAP, RST, Recovery Plan, reg. stress test(s)
- Capital plan, B/S mgmt, funding and liquidity, LE and business allocation

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How?



Common framework

...for production of projections/scenario based exercises (principles, governance, control, etc.)

People

- Determining optimal operating model
- Aligning functions and teams (whether centralised or distributed)
- Coordination of roles and responsibilities

Processes

- Leveraging and rationalising key processes; e.g.
 - assumption setting
 - forecasting
 - model validation
- Consistent/common documentation

Data

- Identification of common data-points and sourcing
- Common, data management policy and architecture
 - including definitions/taxonomy/DQ

Technology

- Strategic EPM platforms
- Automation, control & workflow mgmt – data extraction/validation, scenario analysis, modelling, reporting and analytics

Testing

...to ensure operability of plan and credibility of results (compared to historical or other submissions)

Information and risk/business insight
Informing risk appetite, risk strategy, business planning

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Questions



