

## CASE STUDY

# CASS Compliance, Risk Mapping and Transfer Agent Oversight

### The Client

Rathbones Asset Management (RAM) is an active management house, offering a range of investment solutions to meet clients' capital growth and income requirements. The use of Ruleguard is primarily based on third-party oversight, as the firm outsources its Transfer Agency, Fund Accounting and Dealing.

### Topics

- ✓ CASS
- ✓ Breach Management
- ✓ Risk Mapping

# The Challenge

## A manual approach to CASS compliance

Most CASS oversight tasks were performed using spreadsheets, and manual processes can be more susceptible to error. Paper checklists were printed, and signatures were also collected on paper. When a transition to electronic documents occurred during COVID-19, a digital timestamp was not possible.

Prior to COVID-19, the business was already aiming to go paperless, but the pandemic accelerated this need. At the time, the process entailed:

- ✎ Evidencing and documenting sign-offs were either on paper or detailed in Committee minutes.
- ✎ The preparation of MI (management information) every month was time-consuming due to the setup of numerous pivot tables in spreadsheets.
- ✎ Risk mapping was managed manually, which required significant resource to update spreadsheets.
- ✎ Oversight tasks and documents required more integration, with each component of the risk mapping on a separate tab.
- ✎ Spreadsheets were used for most tasks, including checklists, MI, rules and risk mapping, and breach logs. Additionally, the CASS Resolution Pack (RP) was maintained in Word, which was time consuming.

The firm aimed to enhance its business operations with the following objectives:

- 🎯 Establish a documented CASS control environment that is efficient to maintain and easy to comprehend.
- 🎯 Record and document third-party oversight arrangements to ensure compliance with SYSC 8, particularly as the firm outsources most of its administration.
- 🎯 Implement a governance system to enhance process and oversight synergies wherever possible, especially with regards to CASS mapping.
- 🎯 Develop a straightforward paperless control environment that includes documented attestations, efficient real-time MI, breaches, CASS RP, and a CASS mapping, integrated with breaches and MI.

**“Our primary goal was to solidify and document our existing oversight and governance framework.”**

Tom Godfrey, Head of CASS & Operational Resilience Oversight for Rathbones Asset Management

# The Ruleguard Solution

The team at RAM implemented the Ruleguard Solution, with these functionalities:

- ⚙️ CASS risk mapping, CASS RP, Attestations module, Incident and Breaches Solution and MI dashboard.
- ⚙️ Third-Party Oversight custom built framework (SYSC 8, COLL & COBS).
- ⚙️ Regulatory updates through automated rule feeds.
- ⚙️ Central framework, enabling RAM to maintain and have better oversight on controls.

How Ruleguard helped address the challenges faced by the team at RAM:

- ✓ Eliminated duplication of effort on spreadsheets
- ✓ Provided automated rule feeds
- ✓ Linked mapping to breaches
- ✓ Offered detailed MI dashboards
- ✓ Enabled time-stamped digital attestations
- ✓ Facilitated a semi-automated CASS RP
- ✓ Maintained a full audit history of any changes

## How did you find the implementation process?

“The implementation team at Ruleguard were highly knowledgeable and productive. They provided full updates throughout each two-week sprint, including weekly calls and bi-weekly training sessions. They consistently met deadlines while being sensitive to our time and needs.

Whenever an issue arose or a functionality needed improving, it was promptly addressed. The combined training and testing allowed us to quickly learn the system and roll it out to our teams in an organised manner.”

Tom Godfrey, *Head of CASS & Operational Resilience Oversight for Rathbones Asset Management*

# Ruleguard's features and benefits enjoyed by the team




- ⚙️ **Risk Mapping:** Simple to maintain, view, and download for audit purposes. The efficiencies gained have enabled the team to shift from an annual to a quarterly review. This now integrates into the firm's breaches and attestations, providing valuable MI for the business, committees, and the Board.
- ⚙️ **A live CASS RP document:** Easy to update with a full audit history, document upload, and contact library. It allows for evidencing reviews, and comparing versions to show changes.
- ⚙️ **Incident and Breach Management Solution:** Fields are hard-coded into standing data and can be restricted to certain data types as a control. The team can track outstanding actions through the issue tasks feature in the Incident and Breach Management solution.
- ⚙️ **A SYSC 8 mapping of outsourced functions and oversight controls:** Facilitates gap analysis and ensures continuous oversight is maintained on critical functions, all of which can be evidenced within the system.


# Results


- 🏆 **Integrating CASS risk mapping into BAU:** Not just an audit requirement. Linking the mapping to attestations, Incident and Breaches solution has transformed the team's workflow, making it an integral part of daily operations.
- 🏆 **Reduction in time maintaining risk mapping:** Thanks to the automated FCA feed and an intuitive drag-and-drop system, there's no duplication of effort in mapping controls and risks. Time saved by removing manual rule updates allows the team to review mapping more frequently.
- 🏆 **Electronic attestations:** Completed electronically with a full history in one place and automated reminder emails. This is also linked to the operated control, with evidence uploaded as needed.
- 🏆 **Evidencing:** RAM has implemented a SYSC 8 oversight framework to support its oversight of outsourced functions.
- 🏆 **MI production setup:** Standardised and automated, the MI is now instantly downloadable as a dashboard for committee meetings.
- 🏆 **Pin functionality:** In the issue module, this feature enables multiple bespoke quick downloads of logs (introduced post-live by Ruleguard), such as breach log, CASS breach log, near misses, incident log, etc.
- 🏆 **Read-only access for users:** Ruleguard provides role-based access, allowing relevant individuals to have read-only permissions for oversight and monitoring activities. This enables users to independently perform compliance monitoring, risk monitoring, and internal and external audits.
- 🏆 **User-friendly interface:** Particularly on the landing screen, it helps users identify outstanding attestations and open issues.




These results have enabled the team at RAM to focus on:


 **Quality of Incident and Breaches solution:** The standard customisable form in Ruleguard makes it easy to fill out and link to the control environment.

 **Analysing MI:** Instead of assembling MI, the team can now focus on identifying trends from their existing BAU work and address them.

 **Enhancing oversight:** It is now easier to identify any gaps in our CASS and SYSC 8 mapping.

 **Enhancing RAM's governance:** The team can implement changes to the platform so it is aligned with RAM's governance, such as using user groups for attestations and utilising customisable fields on controls to improve documentation.

 **Metrics:** The team can now provide system downtime/uptime KPIs and several key metrics for reporting purposes.

 **Accuracy:** The use of drop-downs ensures control over certain static information and eliminates manual updating of CASS rules, enhancing controls in several areas.

“The time saved is immeasurable, as we no longer need to manually review the FCA handbook, create monthly MI, update and version control the CASS RP for every change, or painstakingly link the CASS mapping one by one.”

Tom Godfrey, *Head of CASS & Operational Resilience Oversight for Rathbones Asset Management*

# Why Ruleguard?

Before implementing Ruleguard, the team at RAM consulted industry peers and auditors to identify the key players in the market back in 2019, initially focusing on finding a CASS solution as their primary goal. They shortlisted and conducted demos with other vendors, all of whom offered at least a basic CASS mapping solution. However, some of these systems resembled glorified spreadsheets rather than comprehensive software packages.

The system demo showcased its full functionality, flexibility, and component integration.

This proof of concept allowed RAM to secure internal approval and demonstrate the benefits the system would provide.

- ✓ Ruleguard met the requirements for a 'box ready system' to maintain RAM's CASS risk mapping (including automated rule feed), breach log, document repository, attestations (checklist), and CASS RP.
- ✓ The team went above and beyond to provide a proof of concept, including for RAM's current SYSC 8 solution.
- ✓ The added value of the system being more than just a CASS mapping solution was highly appealing.
- ✓ The demonstration clearly illustrated how the team would use the software.
- ✓ Ruleguard's intuitive and flexible system helped the team foresee a significant reduction in maintenance time.
- ✓ Enthusiasm from internal stakeholders, who were very knowledgeable about the financial services sector, CASS, and governance requirements, further supported the decision.



## About Us

Ruleguard is an industry leading RegTech company, providing cutting-edge regulatory compliance solutions tailored specifically for the global financial services sector.

Our expertise and deep understanding of the constantly evolving regulatory environment, enables us to thoroughly understand and address the challenges faced by our customers in their day-to-day operations.

Our SaaS-delivered software platform Ruleguard, has been designed to manage the complex and burdensome issues associated with regulatory compliance, especially when processes and procedures in place are manual and fragmented widely across multiple departments and systems.

## Company details

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