

Treasury Risk Audit

The Assignment

The client, a bank in Saudi Arabia, retained our consulting services for a risk audit of its treasury.

Our Solution

Our team supplemented the existing internal audit team of the bank and helped them to better understand the risk exposures, assess the governance, risk management and internal control structures. The team aimed to discover whether the treasury was performing the roles it should be and whether it is operating within the parameters set by the treasury policy.

The audit was focused on

- **Risk Management**
We assessed whether the risk modelling systems were functional and implemented appropriately. These included
 - VAR
 - Back testing
 - Stress Testing
 - Scenario Analysis
 - Contingency planning.
- **Segregation of duties.**
Our team assessed if all the activities of the treasury were sufficiently segregated, particularly those between the initiation and the confirmation of deals. It was also checked if there was too much reliance on certain individuals within treasury.
- **Documentation**
Our team checked if all the relevant documentation was in place and fully up to date.
- **Systems security and use**
We assessed the security of the systems – particularly the electronic banking and treasury management systems – and whether sufficient controls were in place. We also whether the procedures for the use of these systems were sufficiently detailed and whether the staff followed them. We also looked into if the treasury needed.

Takeaways for the Client

An assessment report was provided to the bank with an independent view of the functioning of the treasury. The report identified the problems in the functioning of the treasury with recommendations for improvements and prevent costly mistakes that could result in disputes and litigation.

ASSIGNMENT DETAILS

- ▲ **SECTOR**
BANKING
- ▲ **DOMAIN**
RISK MANAGEMENT
- ▲ **GEOGRAPHY**
MENA
- ▲ **PROJECT DURATION**
1 Month