

CCH® SWORD

Loss Recording Overview

Measure

Monitor

Manage

The correct and prompt recording of losses, errors and breaches is a key element of efficient oversight of risk and compliance within modern organizations. The Loss Recording module is a repository in CCH SWORD for the recording of Loss related data.

Loss Types.Loss Type Hierarchy	Asset Management	Corporate Finance	Payment and Settlement	Retail Banking	Retail Brokerage	Trading and Sales
	Total Loss Amount	Total Loss Amount	Total Loss Amount	Total Loss Amount	Total Loss Amount	Total Loss Amount
Business disruption and system failures		\$468,000.00	\$100,000.00	\$15,308.00		
Clients, Products & Business Practices	\$11,242.00	\$210,000.00		\$349,468.00		\$86,000.00
Damage to Physical Assets		\$500,000.00				
Employment Practices and Workplace Safety		\$42,253.54				
Execution, Delivery & Process Management	\$108,000.00	\$340,000.00		\$342,248.00		
External Fraud				\$46,248.00		
Internal Fraud	\$420,000.00	\$323,943.66			\$158,517.64	
Unknown	\$1,400,000.00			\$2,206.04		

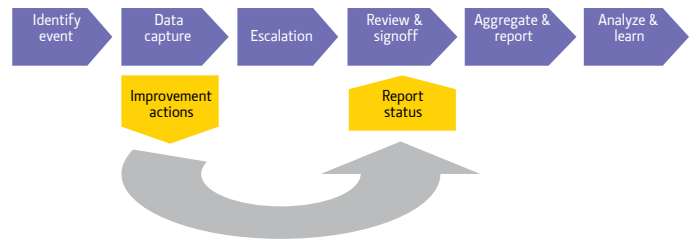
The objectives of the loss event collection process is to provide a consistent and structured approach to identify, capture, analyze and report on operational losses and breaches. The use of the loss recording will:

- Promote transparent and effective management of loss events and minimize negative effects
- Promote root cause analysis which can be used to drive improvement actions
- Highlight emerging trends and identify control gaps
- Highlight correlations between risks and controls
- Provide objective data which can be used to quantify operational risk for risk based capital calculation, on collection of sufficient data
- Reinforce accountability for managing operational risk within the business
- Provide an independent source of information which can be used to challenge RCA and Indicator data
- Demonstrate compliance with international and local regulations

operating losses	us	europa	japan	other asia	australia	canada
Operating loss trend	●●●	●●●	●●●	●●●	●●●	●●●
Operating loss trend YTD	●●●	●●●	●●●	●●●	●●●	●●●
	us	europa	japan	other asia	australia	canada
Operating events/day	●●●	●●●	●●●	●●●	●●●	●●●
Operating events/day YTD	●●●	●●●	●●●	●●●	●●●	●●●

Loss data is captured using Loss Templates, which are made up of a number of sections (set of fields, e.g. breakdown, remedy, accounting) and a set of workflow stages. Multiple such templates can be defined in the system.

It is possible for each organisation to define their own loss recording functionality in terms of these sections and the stages required. This enables organisations to configure CCH SWORD for their own internal requirements and to change CCH SWORD should their requirements change.



The Loss Recording module is a repository for recording and managing:

- Actual financial losses incurred by the business
- Near misses, i.e. situations in which a loss was nearly incurred.
- Financial profit resulting from an error.
- Regulatory breaches

Delete	Template Name	Created by	Date Created	Organisation Unit	Complete	Edit	Copy
<input type="checkbox"/>	Sword Default Template	Default Business Manager	23 Nov 2007	Ci3	Yes		
<input type="checkbox"/>	Retail Banking Template	GRIS	04 Dec 2007	Ci3	Yes		
<input type="checkbox"/>	Asset Management Template	GRIS	04 Dec 2007	Ci3	Yes		
<input type="checkbox"/>	Insurance Template	GRIS	04 Dec 2007	Ci3	Yes		
<input type="checkbox"/>	Mortgage Template	GRIS	05 Dec 2007	Ci3	Yes		

Loss Details

Losses may include a number of individual events that may all have different effects in terms of amounts, currencies and dates. All of these events may also have various different allocations within the accounts of the company. Often differing clients are involved in an event and the details must be recorded for compliance and reporting reasons. CCH SWORD loss recording enables the flexible reporting of all of these details.

Business Entity	Cost Centre Number	Cost Centre Name	Cost Centre Name	Ccy
				Pay GBP

Total (GBP) 0.00
eur Equivalent 0.00

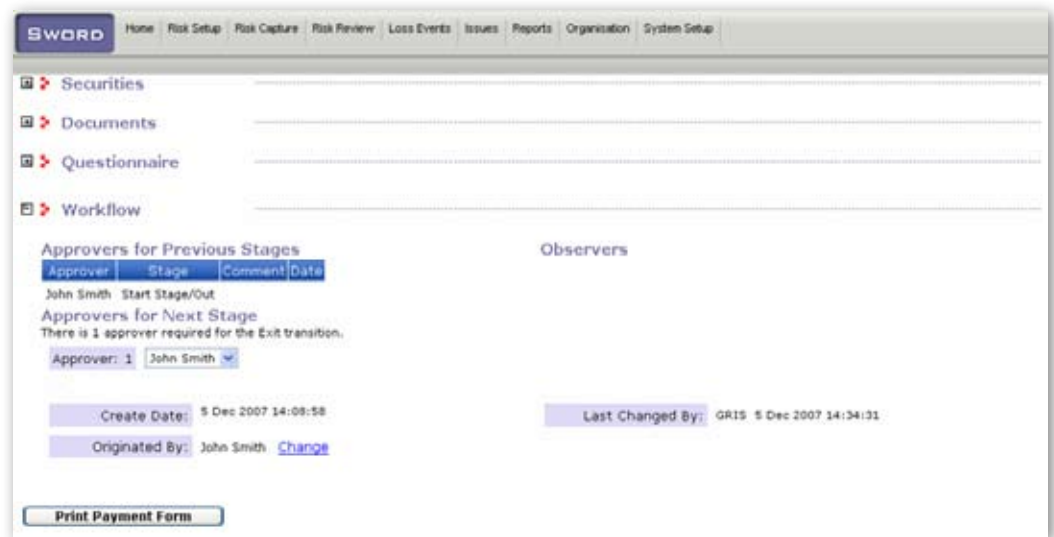
The Loss Recovery area contains a list of ways in which money may be recovered after a loss is incurred, e.g. Insurance Policies.

Type	Recovery Date	Entity	Cost Centre	Cost Centre	Ccy
					GBP

Total (GBP) 0.00
eur Equivalent 0.00

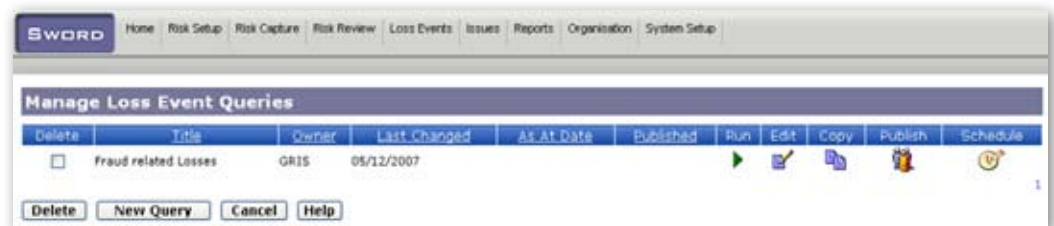
Loss Workflow

The loss recording module has a powerful and flexible workflow capability. A loss workflow may have many stages and many participants such as: approvers, observers and settlement staff. The workflow may change depending upon the organization unit of the event and/or the amount of the loss. The workflow is supported by email reminders to the relevant users and each user may review their MySWORD page to see any outstanding actions due.



Loss Queries

In order to assist in the analysis of events CCH SWORD provides a loss event query function. This tool enables users to find individual events and to create standard reports that show losses that fall into specific categories, e.g. losses > €50,000, losses in asset management, losses in the last week. These queries may be edited, copied, emailed and scheduled to run as required.



CCH SWORD Integration

The CCH SWORD Loss Recording module is fully integrated with the CCH SWORD platform which gives it access to high quality security, auditability and reporting.

All of the proven technical and management functions within the CCH SWORD platform, that support blue chip organisation across the world, are used by the Loss Recording module providing it with enterprise level usability and supportability.

The Loss Recording system is built using CCH's SWORD Application Architecture Platform (SWORD AAP). This platform provides;

- Organisation Unit and Geographical Location data structures
- A role based secure authorisation framework
- An Issues and Actions log module
- Enterprise Reporting



For further details or to organise a demonstration, please contact your local CCH SWORD sales office.

Details of CCH SWORD sales offices are available at: www.swordrisk.com