



Case Study – Internal Audit

The Problem

The bank, over \$1 billion in total assets operating in New York City, was experiencing declining service quality, and increasing staff turnover from its long-standing provider of Internal Audit services. The bank had also observed that the professional staff being assigned were younger and failed to have the depth of experience and knowledge. As a result, the bank had to spend time educating the provider's staff, follow up more due to poor communication, and gained little value-add from the services being provided. In addition, the bank's regulators reported a finding related to the quality of the Internal Audit work, and they expressed dissatisfaction with the work performed by the incumbent firm concerning the validation of prior examination findings.

Bank's Attempt to Resolve

Since the bank's policy was to outsource Internal Audit services, having no means to resolve the problem other than replacing the current service provider, they called RGS.

RGS Solution

Alerted that the bank was facing an impending regulatory examination, RGS staffed the engagement immediately with seasoned professionals who could hit the ground running. RGS reperformed the prior validation work to address the regulatory concerns. And at the same time RGS started executing the current internal audit plan without delay, despite having to deploy unexpected resources to resolve the prior validation.

Result

By focusing immediately on the deficiencies cited by the regulators, with deliberate attention to quality, RGS was able to extricate the bank from a difficult situation. The first two Internal Audits performed, after RGS came on board, were reviewed by the regulators, who noted their satisfaction and the scope and quality of testing. These results provided relief to the bank whose actions taken to resolve prior regulatory were now satisfied due to the supportive efforts of RGS and their experienced professionals.

RGS Global Advisors is a leading cost-effective provider of Internal Audit, Risk Management, Cybersecurity, and BSA/AML/OFAC Compliance Consultancy services to Financial Institutions.

For further guidance or assistance contact us at: info@RGSGlobalAdvisors.com