

ABELIAN *PARTNERS*

Case Study:
Derives Audit Advisory

August 2020

CASE STUDY: DERIVATIVES AUDIT ADVISORY

Client: In the third quarter of 2020, Abelian Partners collaborated with an insurance company's internal audit team as a strategic advisor. The Abelian approach included a team of derivatives professionals with experience in hedging programs at financial institutions.

Engagement Scope: The Abelian approach included providing initial guidance on audit scope, reviewing transaction testing, and providing overall strategic perspective to the audit work being performed. Further, the team was available throughout the project for questions and consultation to review individual issues on an ad hoc basis.

Scope and Methodology: Abelian has developed a project-management style based of Agile Project Management that allows for rapid progress and first-class client experience over short-scoped projects. This project included 6 weeks of engagement with 3 short phases. The first phase included pre-audit work, where Abelian partnered with the client on audit planning including discussing scope, providing feedback on testing procedures, and playing a role in initial interview. Abelian also joined initial staff interviews as needed by the internal audit team. During the second phase, Abelian answered questions and reviewed work as the internal audit team conducted transaction testing and detailed position review. Abelian also provided ad hoc analysis and written reports as additional work to scope. Finally, the Abelian team would consult on the testing work performed and the initial analysis by the audit team. The consulting focus would be to provide feedback on the derivatives strategies employed, as well as the adequacy of the processes and reporting. The overall goal was to assist the audit team as it worked towards initial conclusions, providing strategic perspective on the adequacy of the derivatives program to senior management.

Results: As a result, Abelian was able to provide a written capstone memo as a summary on the nature of the audit and the consulting expertise provided to the audit team. Additional ad hoc analysis was provided throughout the project as determined by the client process.

ABOUT ABELIAN

Abelian Partners is a practitioner-based consulting firm that specializes in commercial credit, technology and capital markets for Financial Institutions. The firm was founded by former bank executives in order to provide practical solutions into the rapidly changing landscape of today's financial institutions marketplace. Abelian grew out of experience in commercial credit and capital markets across the last 30 years of banking, and now embraces the fast paced industry change occurring with developing FinTech solutions.

Abelian's vision is one of practitioner expertise delivered by a network of seasoned consultants through a continuous-development project management architecture:

Practitioner Expertise: Abelian consultants have “sat in the chair” and made the tough decisions that clients make every day. Abelian's specialized consulting teams are highly effective because of this prior industry experience.

Network of Featured Consultants: Abelian is connected to a strong network of independent contract professionals with deep practitioner experience. Built from this network, Abelian teams bring the best skill set to each project.

Continuous Development Project Orientation: Abelian follows a project management logic based on short “sprint” cycles and continuous feedback, focusing on both strategy and implementation simultaneously.

Abelian Partners builds its teams with unique consultants, each with a specific role and expertise. However, teams are managed from a very “flat” management style emphasizing the equivalency of members. Abelian teams communicate well and empower members to work cross-functionally and creatively. As such, partners, team consultants and clients become empowered as fully implementable solutions are developed.

Abelian strives to find efficient solutions as a trusted advisor to its clients. Overall the firm brings expertise to everyday problems and embraces the pace of change that is part of today's industry landscape.

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STRENGTH IN EXPERIENCE

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