METRICSTREAM – HL CASE STUDY

AUTOMATING OPERATIONAL RISK

8th November 2022

HARGREAVES LANSDOWN

WHERE WE STARTED………………………

1. IN-HOUSE DEVELOPED LOSS EVENT DATABASE

Loss events were recorded in an Access database that had been developed and supported in house. This solution was appropriate for Hargreaves Lansdown based on scale, nature and complexity of business for a number of years. Recent significant growth and organisational design now requires greater levels of governance, analysis and reporting for risks and loss event data.

2. HYBRID APPROACH TO RISK & CONTROL SELF ASSESSMENTS

Hargreaves Lansdown maintained risk registers within an on prem version of Metricstream, with coverage across key areas of risk. The tool was not consistently utilised enterprise wide with some risk registers maintained outside Metricstream. This caused discrepancies with risk and control & reporting through poor data integrity.

3. OFF SYSTEM RISK REPORTING

Hargreaves Lansdown Operational Risk management data was previously segregated across a number of different systems including spreadsheets and databases. This approach resulted in challenges throughout the business when reporting across the three lines of defence and Executive Directors.

4. WHY WE DECIDED TO UPGRADE

Release further potential in our use of MetricStream technology;

Drive additional non-Financial Risk capabilities across all Lines of Defence; realising key project deliverables, including developing and uploading a new cause & risk taxonomy as library data to link to loss events and risk metrics; and

Synergies through library and relationship data support consistent adoption across Legal Entities and functions for existing (e.g. risk assessments & loss events)
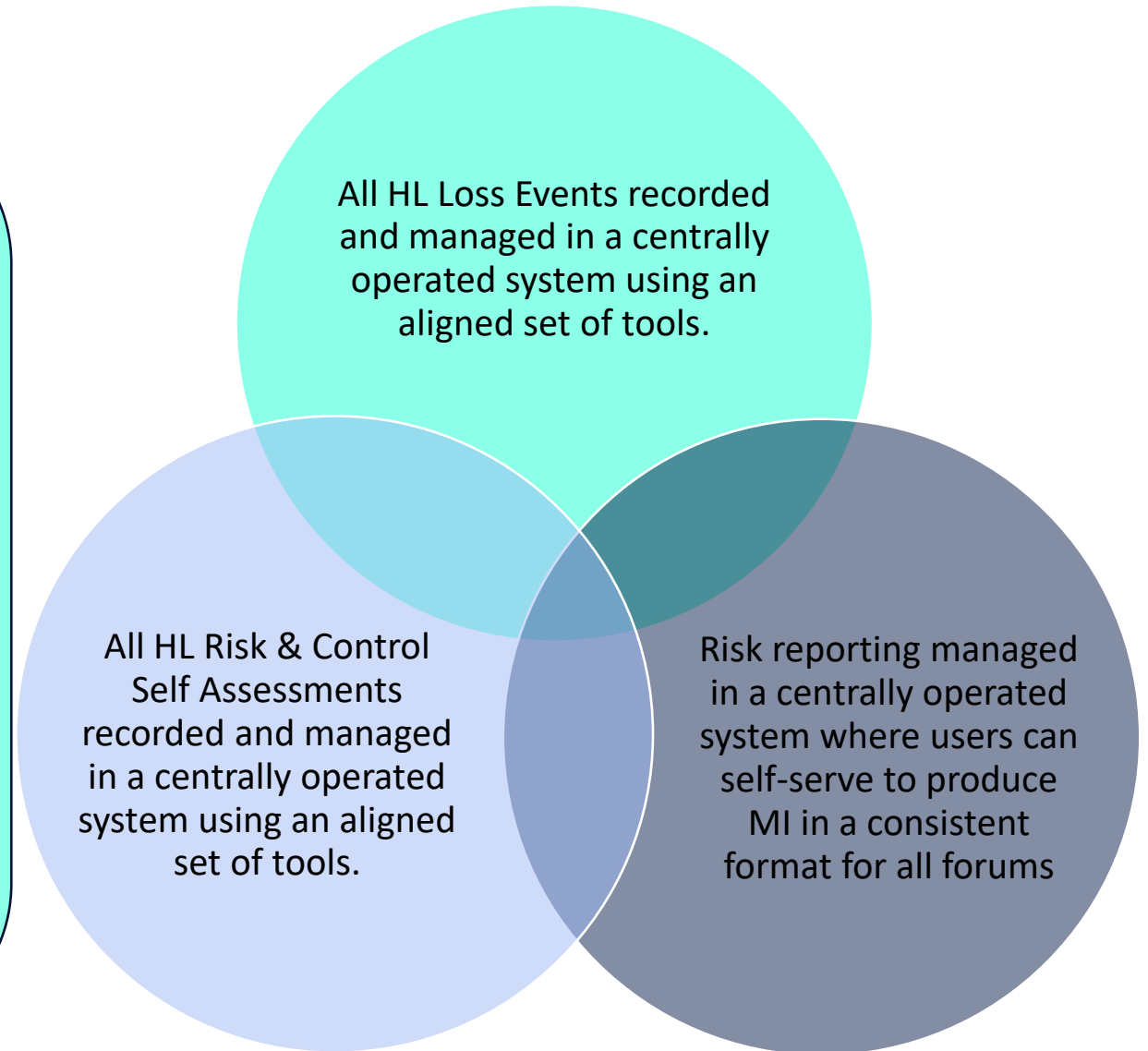
WHERE ARE WE NOW?

Successfully launched an enhanced, cloud based version of Metricstream that has full support across the Group and a dedicated internal tooling team to administer

Self-service reporting tool with real-time Risk data that can better support decision making processes

HL's new Risk Taxonomy forms part of the tools part library data which supports consistency, understanding and awareness

Continuing MetricStream enhancement programme to identify future benefits and ongoing training / education

All HL Loss Events recorded and managed in a centrally operated system using an aligned set of tools.

All HL Risk & Control Self Assessments recorded and managed in a centrally operated system using an aligned set of tools.

Risk reporting managed in a centrally operated system where users can self-serve to produce MI in a consistent format for all forums

KEY BENEFITS TO DATE..............

- ☐ Aligns with the HL Group Digital strategy to move to Cloud (SSAS) solutions ✓

- ☐ Requires less internal technology resource to maintain the solution ✓

- ☐ Support the Group Risk maturity aims including defined risk taxonomy that drive ✓

- ☐ Continues to drive Hargreaves Lansdown risk culture maturity and aligns with regulatory expectations ✓

- ☐ Supports potential future expansion and use of further GRC modules, e.g. Compliance, Internal Audit and Business Continuity. ✓