


Deposit Protection Scheme (DPS) case study




 Gary Ng
Risk Assurance Partner

 +852 2289 2967

 gary.kh.ng@hk.pwc.com

 Steve Pang
Risk Assurance Senior Manager

 +852 2289 1950

 steve.ky.pang@hk.pwc.com

Client: A major retail bank in Hong Kong

Industry: Banking

Services: Regulatory compliance

Client Challenge:

The client is planning to conduct IS Guideline independent assessment but faces the following challenges:

- Limited internal audit resources with the required technical qualifications.
- Lack of technical skills in internal audit to perform thorough data testing, based on the regulatory requirements for every fields and every line of records.
- Different interpretation of the requirements between business departments and internal audit.
- Difficulty in handling millions of variable length records with different encoding.

PwC's solution:

- Conducted assessment with software tool developed with Python and backed by Structured Query Language (SQL) database containing native support of multiple byte Unicode encoding and it is able to handle large volumes of records.
- Assembled a team that has a broad and in-depth understanding of the requirements, and knowledge of

common issues faced by banks in fulfilling the compliance requirements. The team's vast experience allowed them to able to interpret requirements and understand the perspectives of the regulator.

- Adopted a mature risk-based approach to ensure a smooth execution of the assessment. Client was constantly updated and informed of the status and findings during the assessment period.

Impact on client's business:

- Enhancing operational controls to comply with the IS Guideline requirements; several material data quality issues were spotted because of outdated or insufficient compilation and verification procedures.
- Better understanding of the identified issues, the perspectives and requirements of the regulator by business, internal audit and compliance departments.
- Client has the ability to formulate appropriate remediation actions with a target completion timeframe to address the root causes and to avoid reoccurrences.

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