

VALIDATION SERVICES

We provide a range of validation services that complement and enhance an institution's in-house validation function.

Validation Framework

A best-practice framework for conducting comprehensive validations and surveillance of internal (or third-party) risk evaluation frameworks covering: methodology construction, conceptual soundness, methodology performance, data, reporting, surveillance and other facets.

Training on validation

We possess a wealth of experience in training financial institutions, regulators and others both on the fundamentals of validation and in-depth training on specific facets of validation including how to appropriately review models and processes for data-sparse sectors.

Validation Exercises and Assistance

For many aspects of validation it can make more sense to cooperate with specialists than to maintain wide-ranging skill sets in-house. We have substantial experience of providing such assistance. Typical services range from high level diagnostic exercises to in-depth exercises focusing on all or just specific aspects of a comprehensive validation exercise including: methodology construction, conceptual soundness, model performance, process adherence, use test, documentation and data.

A disciplined, formal approach to reviewing an existing methodology involves first understanding that methodology (including models employed, processes, procedures and documentation) and then seeking to benchmark the methodology against best practice. Analysis of the gaps identified, within the context of what the institution is trying to achieve, then provides an initial foundation for determining what improvements are needed and the importance of addressing specific gaps in the methodology. Such an analysis also assists in determining how best to bridge such gaps and the options available.

The benchmarking analysis can typically be broken down into the following categories:

- Development
- Conceptual soundness
- Performance
- Processes
- Application
- Data
- Use
- Surveillance

CONTACT

For details on how we can help you please see email below
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