

Risk Management Operations

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Bankers plans automated audit trail for derivatives

BANKERS Trust has announced plans to develop an automated system for tracking audit trails on complex financial instruments at its Global Investment Bank (GIB) subsidiary.

The system will be built around a document management application called Mezzanine, developed by U.S.-based software vendor Saros Corporation.

Moreover, Bankers' officials say they hope to expand Mezzanine into an operational risk management tool for use by the whole company - not just its investment banking subsidiary.

Bankers' GIB has offices in New York, London, Toronto and various locations in Asia. The investment bank will use Mezzanine to ensure

its auditing complies with rules laid down by the U.S.'s Securities and Exchange Commission and other regulatory agencies.

Eventually, the Mezzanine audit trail application will be installed worldwide for some 250 GIB users, says Kevin Vaughn, a vice president in Bankers Trust's technology architecture group.

According to Vaughn, the bank brought in Mezzanine as a "plain vanilla" document management system and subsequently realised that it would suit the audit reporting needs of the GIB.

This GIB audit trail concerns "certain very complex financial transactions that we were modelling inside Microsoft Excel in

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Ex-RiskMetrics head Guldemann joins Infinity

TILL Guldemann, the former JP Morgan research chief responsible for the bank's RiskMetrics value-at-risk system, has joined Infinity Financial Technology, a California-based software company specialising in risk management.

At Infinity, Guldemann says he will be responsible for the software vendor's product definition and marketing - in particular, he says he will help design "the next generation of firm-wide risk management systems" for Infinity.

Guldemann left JP Morgan in June - a move which surprised industry observers, since he had been at the bank for the past 21 years. Moreover, as head of JP Morgan's global research group,

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