Automating Securities Regulation with DOCQNET

Public sector agencies responsible for regulating organizations licensed through FINRA rely upon several data sources to manage the licensing and examination of Broker Dealers and Investment Advisors. These sources include CRD/IARD reports, NASAA risk based exam scheduling spreadsheet, and a variety of other databases and spreadsheets used internally to manage workload and historical information.

Many agencies face challenges with managing workload, accurately creating and calculating risk-based examination plans, and management reporting of key metrics like approvals, renewal rates, application turnaround times, and workload tracking.

With DOCQNET all of these tasks are fully automated. Using data imported directly from CRD/IARD DOCQNET maintains a central repository of organizations and related licenses, which are accessible via any web browser. This includes current license status, historical exam status, and past/current complaints and enforcement actions. DOCQNET uses this information to generate annual Exam Plans that are fully compliant with FINRA data and NASAA risk calculation rules.

Overview

Department of Business Oversight, formerly known as Department of Corporations, is responsible for the licensing and enforcement regulations for nearly all major types of financial entities in the state of California. The Department must meet federal compliance guidelines, work with federal and state business partners, and serve the state's financial services organizations. Trinity Technology Group has implemented a centralized Licensing and Examination System using Microsoft Dynamics CRM and SharePoint Technologies.

Key Benefits to the Client

- **Automation import and processing of FINRA data** – DOCQNET takes daily reports produced from CRD/IARD and imports them into a central database where applications, amendments, and renewals can be reviewed and processed by the state regulator. DOCQNET supports custom business rules for agencies to define what types of applications to automatically approve, and what types to keep in a pending state for regulator approval.

- **Automated deficiency checklist tracking and workload management** – DOCQNET allows licensing specialists to conduct a deficiency review and tracks the results in a Deficiency Checklist. Once the deficiency review has been completed, the system automatically formats
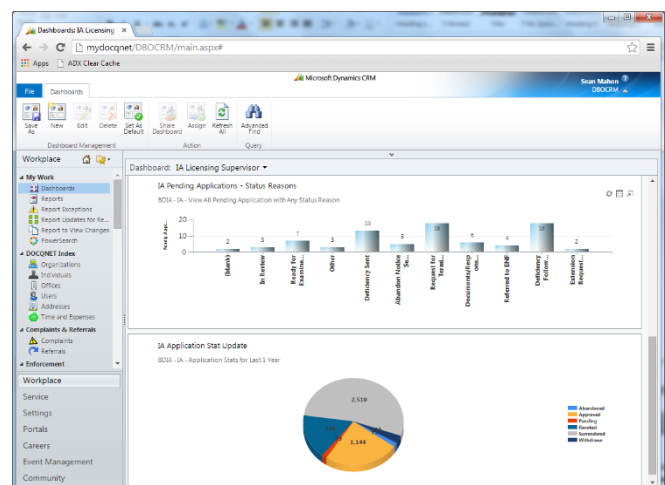
and sends emails and correspondence with deficiencies noted by the regulator, and tracks the receipt of response by the licensee.

- **Automated Exam Plan Creation –** DOCQNET creates an electronic Exam Plan for all firms that are in the state and are eligible for an examination in the fiscal year. The system includes checks for several business rules, such as whether a firm has been licensed for more than 6 months. It calculates a risk assessment using the published NASAA risk assessment formulas to create four pools of Exam Plans for organizations and branches.
  - Investment Advisor Firms eligible for examination
  - Broker/Dealer Firms eligible for examination
  - Branch offices eligible for examination
  - Firms eligible for indoctrination

The system will automatically select 40% of the Risk 1 category, 35% of the Risk 2 category and 25% of the Risk 3 category, organizations and branches and add them to their respective Exam Plans.

Assign and Administer Licensing and Examinations

DOCQNET includes a workflow engine that allows supervisors to create individual examinations, assign them to an Examiner, and track the due date of the exam.

Pre-Examination Findings includes recording of tracking of all major examination details, including:

- Pre-Exam Checklist
- Services Profile
- Fee Structure
- Conflicts of Interest
- Disciplinary History
- Custody/Discretion
- Financial Review

Tracking and Reporting of Licensing & Examinations

All licensing and examination data is aggregated into a series of workload tracking dashboards for managers and supervisors. DOCQNET provides interactive dashboards that show real-time views of examination assignments, status, and overall progress tracking:
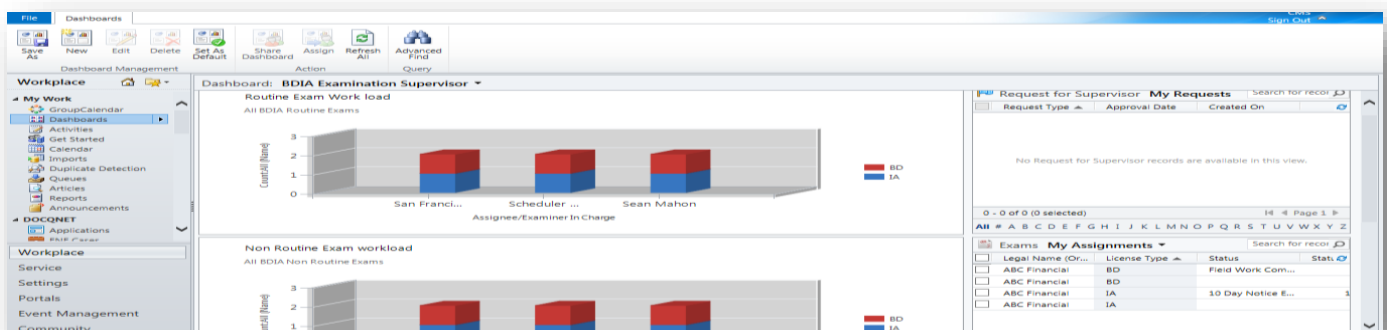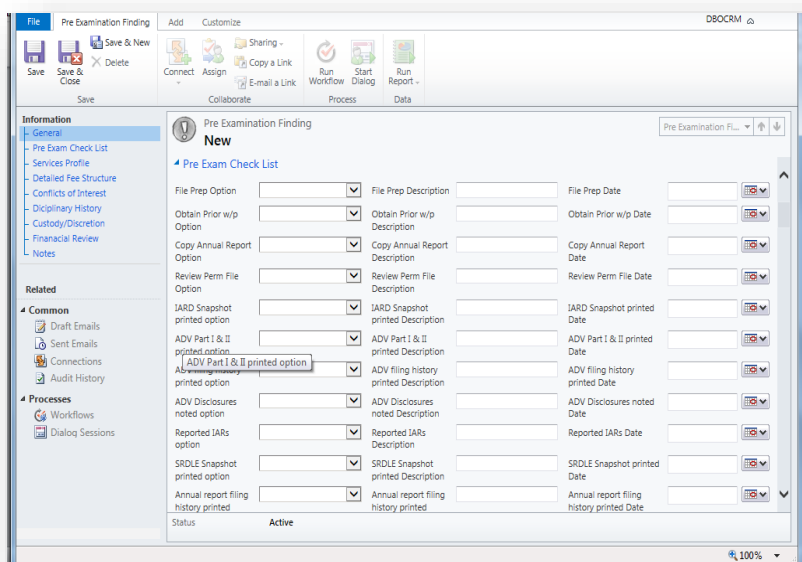
Trinity Technology Group Provides Innovative Solutions

At TrinityTG, we are in the business of solving the problems that arise with shifts in business strategies and operations. **No matter what information technology challenges you face, we can use those challenges as opportunities to find solutions that fit your current and future needs.** We can help to develop business, technical, and enterprise architectures to improve business processes and transactions. **Our Strategic Planning approach focuses on re-use and adaptation vs. re-building from scratch.** We perform process analysis with an eye to best leverage your current system. We design process maps to enable effective communication between business and technical users throughout the project life cycle. **At every phase, we use new technologies and techniques to maximize your investment in business systems.** To establish cohesive and effective interaction through the project life cycle, we produce formal plans for all of the following critical processes for every project: Communication, Risk Management, Change Management, Configuration Management, Implementation Management, and Project Management.

TrinityTG's Success is Measured in the Satisfaction of our Clients

Our clients are among the largest of state agencies across the public sector and the most progressive and advanced in the private sector. Our clients' success drives our business; 95% of our business comes from referrals from current and past clients. **We distinguish ourselves by our approach, working in connection with our clients to ensure their satisfaction every step of the way.**

We Listen.
We Produce.
And We Deliver Extraordinary Results.
Give us an opportunity to show you what we can do for you.

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