

Session T35 Bad Records, Bad Banks: How RIM Failures Contributed to the Global Financial Crisis (case study)

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CiFER Solving real business problems for financial institutions through understanding records [Login](#) | [Register](#)

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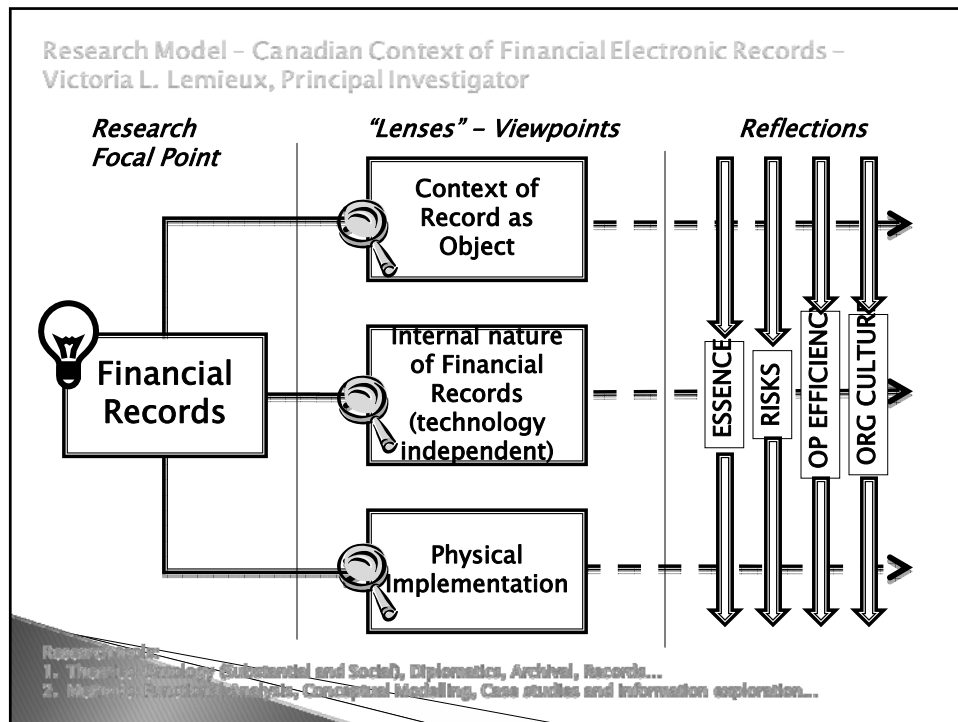
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- CiFer's Five Key Areas
 - Core Understanding
 - Confidentiality
 - Integrity
 - Availability
 - Solutions/Best Practice
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 - Manitoba looking seriously at HST
 - Aug 2, 2009
 - ...seriously at harmonizing its provincial sales tax with the federal GST, despite comments last week when the
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CiFer's Five Key Areas of Investigation

- 1. Core Understanding**
 - Mapping and understanding the key records of financial institutions and understanding their relationship to financial business processes
- 2. Confidentiality**
 - Data loss and leakage
 - IT security
- 3. Integrity**
 - Ensuring the integrity of electronic evidence
 - Legal admissibility of electronic evidence
- 4. Availability**
 - Records retention
 - Archiving solutions
 - Long-term preservation of electronic records
- 5. Solutions / Best Practice**
 - Defining what good looks like/benchmarking practice
 - Metric and measuring success
 - Identifying and evaluating solutions

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Theory

- Archival:
 - Classic theory of Provenance (Muller, Feith and Fruin and others since)
 - Diplomatics (Duranti)
 - Theories of the Record (Duranti, Yeo)
 - Macro-appraisal theory (Cook)
 - Records, Accountability and Competitive Viability (Lemieux)

Theory

▸ Ontology

- Mario Bunge
 - Used extensively for IS analysis and conceptual modelling
- Yair Wand and Ron Weber
 - Further application of Bunge's ontology to IS analysis and conceptual modelling
- Searle's social ontology
 - Addresses shortcomings of Bunge's ontology

Methods

▸ Archival:

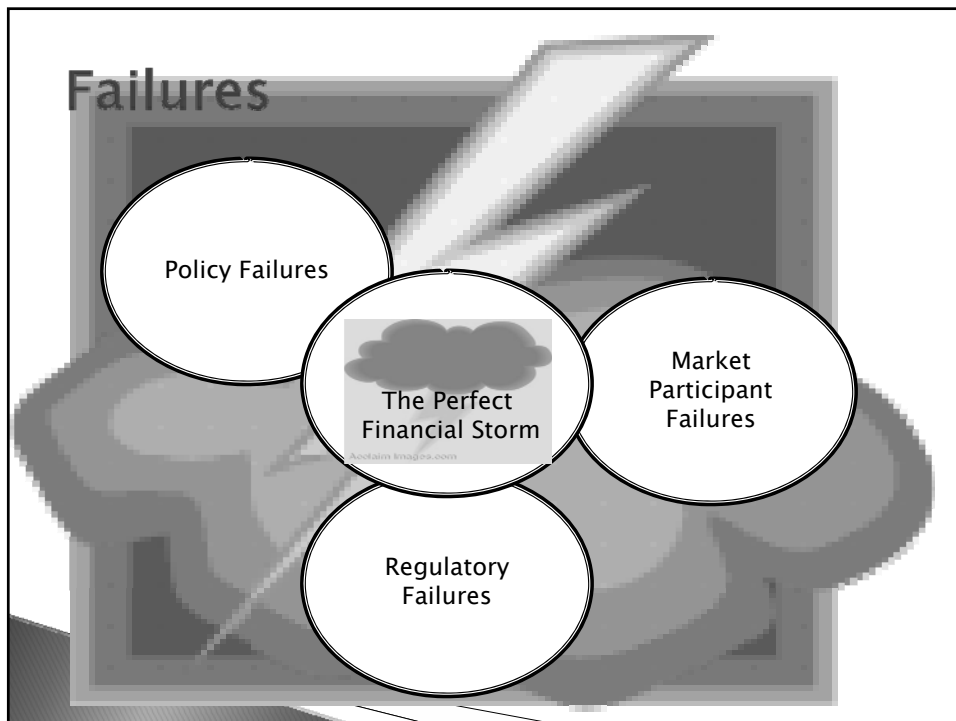
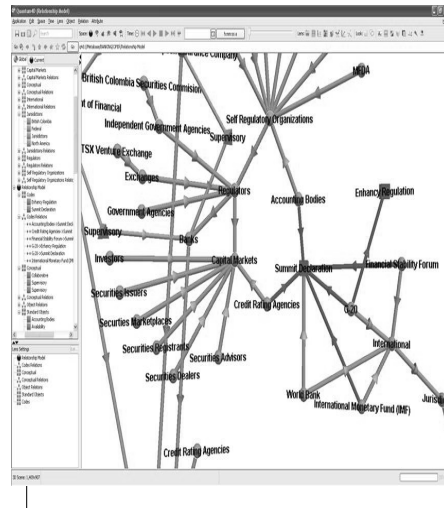
- Functional Analysis (Australian DIRKS methodology)
- Necessary for us to innovate to account for multi-institutional analysis within a "system" of inter-related institutions and a network of institutional relations, as well as to account for technology specific implementation of records and records systems

▸ IS

- Domain Specific Modelling drawing on ontological theory

Results to Date

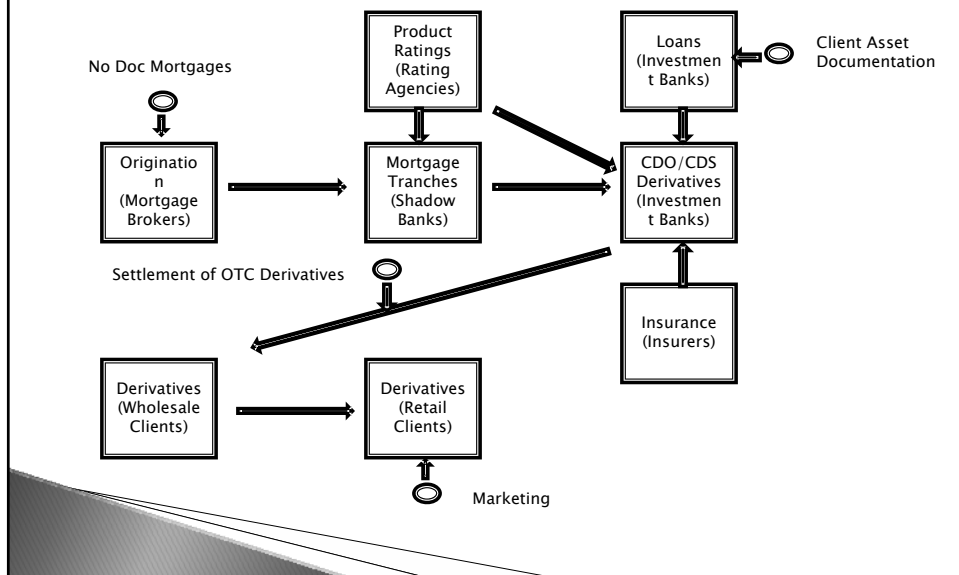
- ▶ A 3-D Domain Specific Model representing the external context of archival *fonds*
 - Nested and inter-related structural components
 - System
 - Institution
 - Function
 - Process
 - Records
 - Platform
- ▶ Methodology for study and modelling of Lehman Brothers collapse
- ▶ Static Meta-Model for Lehman Brothers collapse
- ▶ Case data and chronology
- ▶ Definition of terms
- ▶ Mapping between ontological and archival concepts



Crisis and Contagion



Points of Information Risk



Early Findings on Information Risk

- ▶ There is no automatic business incentive to create “good” records – NOT the “usual and ordinary course of business”
- ▶ Records are essential for internal accountability; without records internal accountability deteriorates
- ▶ Internal accountability is necessary to monitor risk of all types
- ▶ Without effective risk monitoring, risk cannot be properly assessed and managed
- ▶ When it is no longer possible to properly assess and manage risk, crisis can occur given sufficient exogenous pressures
- ▶ The same records failures that inhibit adequate internal accountability also inhibit external accountability in the aftermath of crisis
- ▶ Bubbles encourage specific types of information risk

Next Steps

- ▶ **Lehman Brother’s Case Study**
 - Continue to gather case data
 - Continue to build modelling language and model of Lehman Brother’s collapse
 - Syndicate model with experts to validate
- ▶ **Context of Financial Electronic Records**
 - Continue with systems analysis
 - Continue to build 3-D model