

Operationalizing Regulatory Reporting Remediation: A Technology-Driven Execution Framework for Resolving Supervisory Findings in CCAR and Capital Reporting

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Abstract:

Supervisory findings in Comprehensive Capital Analysis and Review (CCAR) and capital reporting programs increasingly reflect structural weaknesses in reporting execution rather than isolated data or calculation errors. While large banking institutions often demonstrate procedural closure of findings through documented remediation plans, supervisory confidence is frequently undermined by the recurrence of similar issues across reporting cycles. This paper examines regulatory remediation as a distinct execution discipline that must be embedded within regulatory reporting technology, governance, and control frameworks. Drawing on practitioner experience across CCAR and enterprise capital reporting environments, the paper proposes a technology-driven remediation operating model that translates supervisory findings into enforceable system behavior. By treating remediation as an architectural and executional construct rather than a temporary corrective activity, large banking institutions can reduce repeat findings, improve audit defensibility, and sustain supervisory confidence across reporting cycles.

Keywords: Regulatory Reporting Remediation, CCAR Supervisory Findings, Capital Reporting, Regulatory Reporting Technology, RegTech Frameworks, Supervisory Risk Management, Audit-Defensible Reporting.

1. INTRODUCTION

Supervisory findings are an expected outcome of CCAR and capital reporting examinations within large banking institutions. However, the persistence of repeat findings across reporting cycles indicates that remediation challenges are frequently systemic rather than episodic. Banking institutions may successfully document remediation actions, enhance governance artifacts, and close issues procedurally, yet struggle to demonstrate that underlying execution weaknesses have been permanently resolved. [1], [3], [4]

Recent supervisory feedback increasingly emphasizes *how* remediation is operationalized. Examiners assess whether corrective actions are embedded within reporting systems, logic execution, and control environments rather than relying on manual workarounds or compensating reviews. This shift reflects a broader supervisory objective: ensuring that regulatory compliance is sustainable under operational stress, organizational change, and evolving supervisory expectations. [2], [5], [8]

This paper argues that regulatory remediation must be operationalized as a technology-driven execution discipline. Sustainable remediation requires explicit translation of supervisory findings into system-level enforcement mechanisms that prevent recurrence and preserve supervisory intent over time.

2. SUPERVISORY FINDINGS AND EXECUTION MISALIGNMENT

Supervisory findings in CCAR and capital reporting rarely arise from isolated technical defects. Instead, they typically reflect misalignment between supervisory expectations and institutional execution. Common findings include inconsistent application of regulatory interpretations, weak governance over adjustments and

overlays, insufficient traceability of reporting logic, and excessive reliance on manual intervention to achieve acceptable outcomes.

These findings often persist even after banking institutions enhance documentation or implement additional review layers. From a supervisory perspective, such persistence signals that remediation actions have not altered the execution environment in which reporting outcomes are produced. Understanding remediation therefore requires focusing on execution misalignment rather than symptom correction. [6], [7], [9]

3. LIMITATIONS OF TRADITIONAL REMEDIATION APPROACHES

Traditional remediation approaches emphasize issue management frameworks, action plans, and milestone tracking. While necessary for governance and accountability, these approaches frequently fail to address execution-level weaknesses.

Common limitations include remediation actions implemented outside reporting systems, downstream controls that operate after results are produced, reliance on manual attestations, and post-execution reconstruction of evidence. As a result, banking institutions may close findings formally while retaining latent execution risk within reporting platforms, leading to repeat findings under future supervisory review. [6], [10], [12]

These limitations highlight the need to reframe remediation as a system design and execution problem rather than an administrative exercise.

4. REGULATORY REMEDIATION AS AN EXECUTION DISCIPLINE

Operationalizing remediation requires treating supervisory findings as direct inputs into reporting system design. Each finding represents a deviation between expected and actual system behavior. Closing that gap sustainably requires modifying how reporting systems operate, not merely how outputs are reviewed.

A technology-driven remediation discipline is grounded in three principles: proximity to execution, enforceability of controls, and durability across reporting cycles. This reframing shifts remediation from reactive correction toward preventive control embedded within reporting execution [3], [8], [9]. This execution-centric remediation model reflects practices observed across multiple CCAR cycles within large U.S. banking institutions, where repeat findings persisted despite formal issue closure but declined once corrective actions were embedded directly into reporting execution.

4.1 Execution Mapping of Supervisory Findings

Effective remediation begins by decomposing supervisory findings into discrete execution gaps. Banking institutions must identify which logic components failed to enforce regulatory expectations, where governance allowed unsupported overrides, and which data dependencies weakened transparency.

Mapping findings to execution components enables targeted remediation that addresses root causes rather than broad, unfocused remediation initiatives. [6], [7]

Figure 1: Technology-Driven Regulatory Remediation Framework for CCAR and Capital Reporting

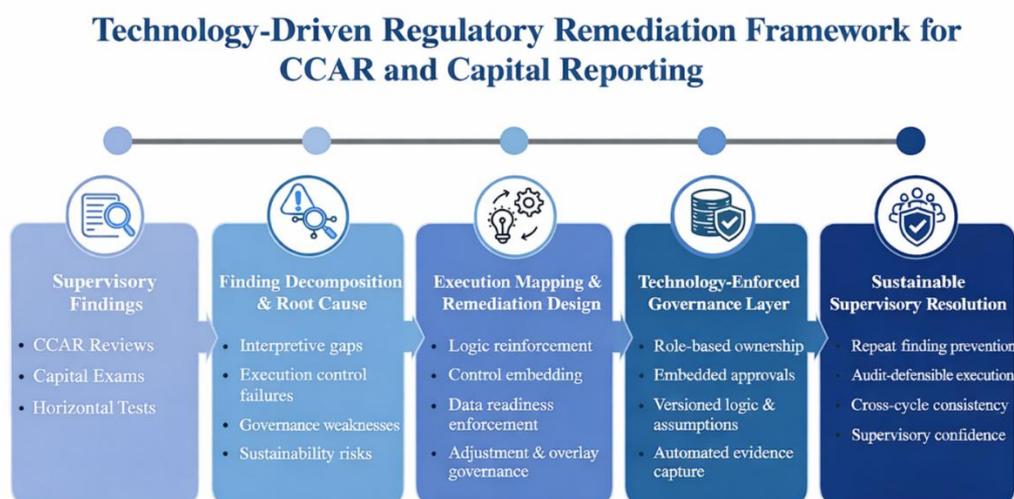


Figure 1 illustrates a supervisory-aligned remediation execution model in which supervisory findings are translated into execution-level corrective behavior through structured decomposition, logic reinforcement, and system-enforced governance. The framework is designed to prevent recurrence of capital reporting findings across CCAR cycles by embedding remediation directly into reporting execution rather than relying on procedural or manual controls.

5. EMBEDDING REMEDIATION INTO LOGIC AND CONTROLS

Once execution gaps are identified, remediation must be embedded directly into reporting logic and control mechanisms. This includes deterministic enforcement of eligibility and classification rules, controlled handling of adjustments and overlays, pre-execution validation of data readiness, and mandatory capture of rationale and approvals.

Embedding remediation at the point of execution ensures that corrective actions operate consistently and generate auditable evidence as part of normal reporting processes. [9], [11]

5.1 Governance Enforcement Through Technology

Governance effectiveness depends on system enforcement rather than procedural oversight alone. Technology-driven remediation embeds governance through role-based access controls aligned to supervisory accountability, embedded approval workflows for logic and parameter changes, and automated capture of governance actions as audit artifacts.

This approach reduces reliance on manual compliance processes that degrade under operational pressure. [5], [10]

6. PREVENTING REPEAT FINDINGS ACROSS REPORTING CYCLES

Repeat findings are a primary supervisory concern. Technology-driven remediation mitigates this risk by institutionalizing corrective behavior within reporting systems.

Key mechanisms include versioned logic and assumption tracking, preservation of historical execution states, regression controls protecting prior supervisory intent, and monitoring for deviation patterns. These mechanisms ensure that remediation remains effective as portfolios, methodologies, and regulatory expectations evolve. [7], [12], [13]

7. REMEDIATION IN CCAR-SPECIFIC CONTEXTS

In CCAR environments, remediation frequently centers on capital adjustments and stress overlays, management adjustments, and post-model interventions. Without structured enforcement, these elements become persistent supervisory risk points.

Operationalized remediation ensures that adjustments are treated as governed execution events, with quantitative impact, rationale, and approval lineage inseparably linked across scenarios and reporting cycles. [1], [2], [11]

8. INSTITUTIONAL IMPLICATIONS FOR LARGE BANKING ORGANIZATIONS

Embedding remediation within reporting technology produces broader institutional benefits, including reduced remediation fatigue, clearer accountability ownership, faster response to supervisory inquiries, and improved alignment between risk, finance, and technology functions.

Banking institutions shift from managing findings to managing execution quality. [5], [10], [13]

9. DISCUSSION: REMEDIATION AND SUPERVISORY CONFIDENCE

Supervisors increasingly differentiate between banking institutions that close findings procedurally and those that demonstrate sustained execution discipline. Technology-driven remediation supports supervisory confidence by demonstrating that corrective actions are systemic, enforceable, and durable rather than episodic.

This shift aligns remediation practices with evolving supervisory expectations for transparency, sustainability, and institutional control maturity. [3], [8], [12]

10. CONCLUSION

Regulatory remediation is no longer a peripheral activity in CCAR and capital reporting programs. It is a core execution discipline that determines whether banking institutions can sustain compliance under continuous supervisory scrutiny. This paper has argued that remediation must be operationalized through technology-driven frameworks that embed corrective actions directly into reporting execution, governance, and controls. Treating remediation as a system design problem rather than a temporary response strengthens audit defensibility, reduces repeat findings, and supports durable supervisory confidence. [1], [3], [7], [9]

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