

The COO mandate on one page

Chapter 1. Write the role as outcomes and decision rights, name what it does not own, and give every exception a home before it occurs.

Firm		COO	
Approved by		Date	

Outcome (Chapter 1: Northbridge's ten)	Accountable executive	Evidence it is met
Legal entities and accounts are known, authorized and correctly represented in systems		
Investor terms are captured and performed		
Cash moves only on complete, independently verified instructions		
Books and capital accounts close on an approved basis		
Valuations are governed, challenged and evidenced		
Investors receive accurate, consistent and timely information		
Regulatory and contractual obligations have owners and evidence		
Service providers are measured and replaceable		
Data and technology remain available, controlled and recoverable		
Capacity and unresolved risk are visible before the next fund or strategy launches		

The COO does not ...	... instead the COO	Written in the mandate? (Y/N)
Approve an investment because it creates operational complexity		
Make legal interpretations in place of counsel		
Replace compliance		
Own every system because technology reports into operations		
Become the permanent approver of every exception		

Decision level	Decides	Limit / tolerance	Time limit	Record
Process owner	documented routine exceptions within approved tolerances			
Functional head	temporary control gaps, immaterial close items within limits			
Committee	valuation, conflicts, investor treatment within charters			
Executive committee	material residual operating risk, new-strategy readiness, beyond delegated authority			

Chapter 1: Northbridge's job description ran to five pages of activities; the revised mandate fit on one page because it described outcomes and authority.

The platform map: entity record and authoritative sources

Chapter 2 and Appendix A. One structured inventory, many views. Assign authority by data domain and sometimes by field; names are poor keys.

Fund / entity		Owner	
Period / event		Date	

Entity field	Value	Source that governs	Owner
Permanent internal identifier (no facts that change)			
Exact legal name and short name			
Entity type, role and purpose			
Jurisdiction and formation date			
Parent / GP / manager			
Governing documents and current version			
Tax and regulatory classification (qualified owner)			
Base and reporting currency; fiscal year-end			
Bank accounts and authorized signers			
Administrator, auditor, tax, counsel, other providers			
Systems in which the entity must exist			
Lifecycle state and effective date			

Data domain	Authoritative source	Required owner	When two records disagree, which wins?
Investor commitment	executed subscription and approved transfers	investor operations / legal	
Capital account balance	approved ledger and allocation records	fund finance	
Bank account and mandate	bank confirmation and mandate register	treasury	
Investment fair value	approved valuation record	valuation governance	
Side-letter obligation	executed letter and obligations register	legal / compliance	
Access entitlement	approved role and identity record	business owner and technology	

Test the map	Answer in minutes?	Gap found
What breaks if this object changes (administrator, account, entity)?		
Who can prove the current state (who may release a payment from Fund II)?		
What stops launch of the next vehicle in two weeks?		

Chapter 2: 23 employees, 27 entities, 31 ledgers, 19 bank accounts, 159 subscriptions. None of those views was wrong; none described the operating platform.

Control design card

Chapter 3 and Appendix B. Write the failure first, then the control in six fields, then the fourteen that make it testable. If a step cannot be tied to a failure it prevents, detects or corrects, it is work, not a control.

Control ID		Owner	
Process		Date	

Failure this control addresses (write it before the control)

Field	Entry
Objective (an outcome, not an action)	
Owner (one role)	
Evidence (what remains: what was reviewed, not that someone clicked)	
Frequency or trigger (never "as needed")	
Exception (threshold that stops the process)	
Escalation (route, authority, timing)	

Also record	Entry	Also record	Entry
Type: preventive / detective / corrective		Population covered	
Performer and reviewer (independent?)		System or repository	
Backup		Test method: design / operation	
Change trigger that makes prior evidence stale		Last test and result	

Design test (Appendix B)	Yes / no	Why
Does the activity address the stated risk at the right point in the process?		
Does the performer have the information and authority required?		
Is the review sufficiently independent and precise?		
Would the evidence let a third party see what was checked and what happened to exceptions?		

Chapter 3: Northbridge's capital-call procedure had 31 steps and still let a stale bank-detail field through, because none of them said what evidence had to agree before release.

Payment pack and minimum cash-control certificate

Chapter 4. The approver should not reconstruct the payment from emails. Authenticate through a channel obtained independently of the instruction. Trust is necessary; for cash it is not a control.

Paying entity		Preparer	
Payment ID		Date	

Pack item	Entry	Checked by
Paying entity and account (purpose code)		
Beneficiary and authenticated bank record		
Amount and currency (agrees to the bank instruction?)		
Purpose and governing authority		
Due date and urgency		
Source calculation or invoice; allocation across entities		
Sanctions, tax, compliance checks by their owners		
Prior related payments or unusual features		
Exceptions or deviations		

Independent verification	Entry
Contact used, and where it came from (controlled register, never the email)	
Legal account name, bank, masked account number, currency, effective date confirmed	
Verifier, date and time; cooling-off period observed?	

Item	Done / n.a. / open	Evidence / note
Certificate before release		
The paying entity owns the cash and is authorized to pay		
The purpose is permitted and approved		
The beneficiary is correct and independently authenticated		
Amount and currency agree to the approved source		
Beneficiary maintenance, preparation, approval and reconciliation are separated		
The bank instruction matches the approved pack		
Exceptions decided by the correct authority; the movement will be monitored and reconciled		

Chapter 4: the fraudulent instruction asked for 8.4 million to a replacement account inside a genuine email chain. It was stopped by a call to counsel on a number from the controlled register. A pack approving 8.4 million while the portal holds 8.6 million is not evidence of approval.

Capital call: allocation and event certificate

Chapter 5. Start from the cash need, freeze the population, allocate each component on its own basis, and tie notices, bank file and ledger to one run identifier.

Fund		Run identifier	
Cutoff		Funding date	

Component	Amount	Allocation basis	Excused investors?	Approved by

Timing	Date / days	Check
Final instructions received		after the administrator cutoff?
Notice date (processing days added)		business days, holiday calendar named
Due date = notice + notice period		falls on a business day?
Funding date		business days the notice runs past it
Cash needed on the funding date		investment and expenses
Facility available: all eligible / pending transfers excluded		MIN(commitment, base) less drawn

Item	Done / n.a. / open	Evidence / note
Allocation checks		
Total allocated = total event; each component allocated in full		
No investor above available commitment; excused investors carry none of the excused part		
Rounding residual shown and assigned; manual overrides recorded with reason and authority		
Event certificate		
Governing authority and purpose; frozen population and obligations applied		
Notice population, totals and delivery evidence; authenticated bank instructions		
Receipts reconciled; ledger, capital accounts and facility posted; exceptions and follow-ups owned		

Workbook 2: the 6.8 million call, notice on 09 Sep, due 23 Sep, 3 business days after the 18 Sep funding date; 6,260,000 needed on the day, 7,077,000 available as the deal team assumed and 5,842,000 as the lender computes: short by 418,000.

Distribution: classify before you calculate

Chapter 5 and the introduction. The character of a distribution is approved before the allocation run; any later change invalidates every dependent output.

Fund / entity		Owner	
Period / event		Date	

Category	Amount	Approved by / basis	Effect on commitments
Return of capital			
Income			
Gain			
Recallable proceeds			
Escrow release			
Tax distribution			
Other			

Population	Count	Total	Run identifier	Agrees?
Approved distribution schedule				
Investor notices (remaining commitment shown)				
Bank file				
Ledger posting				
Portal upload				

Item	Done / n.a. / open	Evidence / note
Before release		
Classification approved before notices and postings were generated		
Every dependent output regenerated after the last change (version and time recorded)		
Counts and totals agree across schedule, notices, bank file and ledger; any difference stops release		
Waterfall tested at boundaries: a tier exactly exhausted, a mid-period transfer, a reclassified prior distribution		
After release		
Settlement confirmed, returned wires queued, new instructions re-authenticated		
Capital accounts and remaining commitments agree to the notices		

Introduction: 24.6 million distributed, 600,000 designated recallable after the draft notices existed. The wire was right; the notice was wrong. Workbook 2: cash per investor is identical in both runs; the final notices show 29,140,000 of remaining commitments, 600,000 more than the draft.

The close: definition, gates and open items

Chapter 6. Closed means the basis is approved, exceptions resolved or accepted, outputs produced and evidence kept. Measure stability, not speed alone.

Fund		Period	
Close owner		Target day	

Gate	Entry criteria met	Owner	Day planned	Day actual	Stop condition hit?
1. Population: entities, accounts, investments, investors, expected activity					
2. Reconciliation: cash, investments, debt, capital activity, interfaces					
3. Judgment: valuations, fees, allocations, classifications, disclosures					
4. Reporting: statements, templates, narratives tie to the approved basis					
5. Release: delivery population, files, portal, approvals, evidence					

Open item	Entity / balance	Class (B/C/P/I)	Decision needed	Authority	Due	Closed with evidence

Class: B blocking; C conditional (a named authority accepts an interim treatment); P post-close correction; I informational. An item closes when the answer is in the ledger or report, checked and evidenced, not when an email arrives.

Retrospective	Answer
What arrived late, and from whom? What changed twice?	
Which control found a real error? Which review duplicated another?	
Which items reached the final review that belonged at an earlier gate?	

Chapter 6: signed on day 18 with data three days late, questions two days without an owner and 14 items at the final review; day 15 by the third quarter. Case one: no single fix moves the date; together they save three days.

Valuation memorandum and committee record

Chapter 7. Separate facts, assumptions and judgments; show the input that moves the answer and the point where the conclusion changes; record what was challenged and what changed.

Investment		Preparer	
Valuation date		Committee date	

Memorandum section	Entry	Fact / assumption / judgment
Security, ownership and capital structure		
Prior value and change; developments		
Method selected and why; alternatives or cross-checks		
Material inputs: source, date, owner		
Calibration to the transaction or prior valuation		
Sensitivity: the driver, and the breakpoint (preference, covenant, tier)		
Conflicts, uncertainty, missing information		
Subsequent events to release		

Minutes: what was challenged	Alternative view	Decision and conditions	Follow-up, owner, date

Item	Done / n.a. / open	Evidence / note
Valuation certificate		
Population complete and reconciled to ledger, legal records and monitoring system		
Methods comply with policy; material inputs sourced		
Conflicts handled and recusals minuted		
Values approved by the authorized body; downstream outputs reconcile to one versioned schedule		

Chapter 7: 300 pages, ninety minutes, minutes that record "reviewed and approved". The question the process could not answer: which assumption was challenged, and what changed because of it.

Administrator operating schedule and monthly scorecard

Chapter 8 and Appendix D. Measure right first time, not only on time; measure the manager's side too. A high average cannot offset a critical failure in cash, security or NAV.

Administrator		Relationship owner	
Month		Date	

Deliverable	Manager input and cutoff	Due	Quality criteria	Right first time?	Issue ref.

Field (score 1 to 5)	Score	Evidence	Field (score 1 to 5)	Score	Evidence
Close deliverables on time			Data-feed completeness and timeliness		
First-pass accuracy			Audit and tax support responsiveness		
Aged reconciliation items			Open incidents and days outstanding (critical)		
NAV adjustments after initial delivery (critical)			Recurring root causes		
Capital notices delivered on time			Staffing changes and coverage gaps		
Payment or cash-processing errors (critical)			Agreed improvement actions completed		
Investor inquiries within service target			Manager dependencies overdue		

Average of the non-critical fields	Lowest critical score	Status: escalate if a critical score is 2 or below; remediate if the average is below 3 or any field is 2 or below

Workbook 4 (revised): June averages 4.55 on the eleven non-critical fields, the best month of the year, and still escalates because payment processing scored 2. Case two: an administrator 80,000 cheaper on the invoice is only 17,488 cheaper to run.

The economics certificate and fee calendar

Chapter 9. The total and its allocation are different control objectives. Apply waivers at the investor record, before the fund-level reconciliation; test fees plus waivers against the unmodified base.

Fund		Quarter	
Preparer		Reviewer	

Fee calendar item	This period	Source (document, section)
Trigger assessed (investment period end, successor fund, date)		
Step-down date inside the period? Days before / after		
Base: commitments / net invested capital / other, and values		
Standard rate and investor-specific rates		
Waivers, rebates, credits (investor level)		
Offsets: gross receipts, percentage, scope, timing		
Day-count convention		

Reconciliation	Amount
Gross fee on the unmodified base	
less investor-level waivers	
less offsets	
= invoice	
Check: invoice + waivers + offsets - gross = 0 (fails if a waiver was also taken at fund level)	

Item	Done / n.a. / open	Evidence / note
Certificate		
Allocations reach the correct entities and investors		
Management-company receipts that affect the fund are captured		
Capital accounts roll forward and reconcile to fund equity		
Related-party items and reporting categories identified		
Manual adjustments explained and approved; corrections recorded		

Workbook 3: gross 666,180.81, waiver 23,346.58, offsets 180,000.00, invoice 462,834.23 both ways. As processed, the waiver investor pays 1,636.38 less than its fee and the others that much more; only the check against the unmodified base fails.

Reporting release gate and data dictionary entry

Chapter 10. Reporting is an operating product. Consistency does not require one number everywhere; it requires differences to be intentional and explained.

Fund		Report	
Period		Release date	

Metric definition	Entry
Metric and business question	
Basis: reported / adjusted / pro forma / constant currency	
Period: quarter on prior-year quarter / year to date / last twelve months	
Source system, owner, extraction and adjustments allowed	
Where it appears (table, narrative, value bridge) and label used	

Item	Done / n.a. / open	Evidence / note
Release gate		
Approved books, valuations and performance data used		
Required and investor-specific outputs complete; population reconciles to register and obligations		
Totals, counts and prior-period comparisons reconcile		
Narratives use approved facts and definitions (claims log)		
Final approver reviewed the actual release files; any later change reset the review		
Portal folders and permissions tested as the investor; delivery evidence captured		

Claim in the narrative	Source	Basis / period	Owner	Approved

Chapter 10: revenue growth of 18, 16 and 17 per cent for the same company in one report: the prior-year quarter, year to date and last twelve months. All three were real; none was labelled.

Obligation record and next-fund readiness

Chapters 11 and 14. One record per operative requirement, not per document. Then test the next fund across ten domains before its terms are fixed.

Fund		Owner	
Review date		Decision	

Obligation field	Entry	Obligation field	Entry
ID; source document, section, version		Trigger and frequency; due-date rule	
Entity, fund or investor affected		Owner and performer; provider dependency	
Plain-language requirement (reviewed by legal)		Evidence, retention, confidentiality	
Open interpretation and interim treatment		Status, last completed, next due	

Readiness domain	Go / conditions / not ready	Condition	Owner	Date
1. Entity and jurisdiction design				
2. Economics and allocations				
3. Investor obligations				
4. Cash and liquidity				
5. Valuation				
6. Service providers				
7. Data and technology				
8. Compliance and legal operations				
9. People and capacity				
10. Incident and continuity readiness				

Term review for a proposed concession	Answer
Can it be measured objectively? Where do the data originate?	
Who owns performance and evidence? Can the administrator support it, or is it manual?	
What is the full cost over the fund's life, and is it fund-specific or firmwide?	

Case three: by count the fifth fund adds 25 per cent; weighted by its subscription line, currencies, European feeder, waterfall and reporting terms, 45.8. One hire before first close, and still about 690 hours of temporary support.

Incident first record and post-incident review

Appendix G and Chapter 12. Separate known facts, working assumptions, decisions and open questions from the first hour, so that early guesses do not become accepted history.

Incident ID		Incident owner	
Detected		Severity	

Time	Known fact	Working assumption	Decision (by whom)	Open question

Item	Done / n.a. / open	Evidence / note
Containment		
Unreleased payments stopped; beneficiary changes frozen; bank contacted on a known channel		
Evidence preserved: messages, logs, approvals, timestamps, version distributed		
Affected funds, entities, investors, systems, providers and accounts listed		
Notification decisions assigned to qualified owners; next update time stated		
Post-incident review		
Which control prevented or limited harm; which failed, was absent or too late		
Which decisions were delayed and why; did fallback procedures work		
Corrective actions address root causes, each with owner, date and validation evidence		

Chapter 12: a former employee kept read access to one diligence room six weeks after leaving. The fix was not a reminder: the application inventory now generates the removal list, and access is reconciled quarterly across HR, identity and external applications.