Basel III is a set of international standards that focuses on the financial strength and stability of financial institutions. Though targeted at financial risks, Basel III also establishes several principles for internal controls intended to reduce the likelihood of fraud, misappropriation, errors, or misstatements that may involve technology systems. No specific, prescriptive control requirements are given, so institutions must determine the exact structure of their controls designed to satisfy the Basel III principles. From a technology perspective, Basel III is most concerned with the availability and integrity of financial data.

Where Rocket® Aldon Lifecycle Manager is involved in the development of systems that a financial institution relies on for financial reporting and stability, certain Basel III principles are relevant. Aldon Lifecycle Manager (both IBM i and Enterprise versions) has robust security controls available to enable a company to design and implement controls to satisfy Basel III relevant internal controls principles. The relevant requirements and capabilities that Aldon LM offers to meet them are listed on the following page.
**Principle 6:**
An effective internal control system requires that there is appropriate segregation of duties and that personnel are not assigned conflicting responsibilities. Areas of potential conflicts of interest should be identified, minimized, and subject to careful, independent monitoring.

**Principle 7:**
An effective internal control system requires that there are adequate and comprehensive internal financial, operational and compliance data, as well as external market information about events and conditions that are relevant to decision making. Information should be reliable, timely, accessible, and provided in a consistent format.

**Principle 8:**
An effective internal control system requires that there are reliable information systems in place that cover all significant activities of the bank. These systems, including those that hold and use data in an electronic form, must be secure, monitored independently and supported by adequate contingency.