BROKERAGE CAPABILITY DIAGNOSTIC - INDIVIDUAL CAPABILITY REPORT

CANDIDATE
Alex Morgan (fictional)

CURRENT ROLE
Brokerage Operations Analyst

FRAMEWORK VERSION
MVP v1.0

ASSESSMENT DATE
28 July 2026

REPORT STATUS
Sample / illustrative

MANAGEMENT DECISION

Classify as Controlled First-Pass Operator for the workflows tested. The candidate may own defined first-pass reviews and produce recommendations for approval. Independent production action, regulatory conclusions and closure of material exceptions remain outside current authority.

DECISION CONTROL

- Weighted overall score: 73.8 / 100 (Falls within the Controlled First-Pass score band)
- Scenario consistency: Pass (All three cases exceeded 60)
- Core competency gates: Met (All six core-gate averages were at least 2.0)
- Critical failures: None triggered
- Final capability: Controlled First-Pass Operator

EXECUTIVE ASSESSMENT

Alex produced usable first-pass work across execution, exposure and linked-account cases. The candidate consistently identified the immediate operational question, avoided unauthorised action and separated operational facts from Compliance ownership. The work can reduce routine senior reconstruction, but it does not yet support independent ownership.

The principal limitation is not basic understanding. It is the reliability of the evidence chain after the first operational conclusion has been reached. Exact source references, closure conditions and handover requirements were present but uneven. Under pressure, those gaps could create rework, weak auditability or dependence on the reviewer to complete the control.

RECOMMENDED DEPLOYMENT DECISION

- Permit first-pass ownership of defined exposure, reporting and execution exceptions within an approved workflow.
- Require reviewer approval before hedging, routing, configuration, client restriction, account adjustment or incident closure.
- Require Compliance ownership for intentional-coordination or regulatory decisions.
- Review the first eight live outputs, then move to sample-based quality review if evidence and closure standards remain stable.

CAPABILITY CLASSIFICATION — Controlled First-Pass Operator. This means the candidate can investigate within scope, classify evidence and produce a usable first-pass conclusion for review. It does not authorise independent production changes or universal competence across systems, firms or asset classes.

1. ASSESSMENT RESULT

- Scenario 1 (Rejected order): Score 71.3 | Controlled first pass
- Scenario 2 (Exposure mismatch): Score 77.3 | Controlled first pass
- Scenario 3 (P&L and linked accounts): Score 72.7 | Controlled first pass

DECISION-RULE APPLICATION

- Raw score band: 65 to 84, Controlled First-Pass Operator.
- Scenario floor: met; each scenario scored at least 60.
- Core gates: met; Evidence Discipline, Source Hierarchy, Workflow Reconstruction, Operational Judgement, Ownership Accuracy and Closure Discipline averaged at least 2.0.

- Critical-failure review: no trigger established.
- Cross-scenario consistency: pass. Evidence, judgement, closure, timing and authority remained usable across all three cases.
- Independent Operator conditions: not met. Overall score was below 85 and the required independent-standard evidence was not demonstrated consistently.

2. COMPETENCY PROFILE (SCALE 0-3)

- Evidence discipline: 2.0 (Usable)
- Source hierarchy & traceability: 2.3 (Strong)
- Workflow reconstruction: 2.3 (Strong)
- Operational judgement: 2.3 (Strong)
- Scope control: 2.3 (Strong)
- Time control: 2.3 (Strong)
- Ownership accuracy: 2.0 (Usable)
- Escalation quality: 2.3 (Strong)
- Closure discipline: 2.0 (Usable)
- Operational continuity: 2.0 (Usable)

3. DEMONSTRATED STRENGTHS

- **Market state versus reporting state:** The candidate did not treat a reporting alert as proof of live exposure. Bridge and LP records were used to establish the matched position before the reporting failure was separately escalated.
- **Proportionate containment:** In the rejected-order case, the candidate treated potential unhedged exposure as requiring immediate validation without claiming that the aggregate difference proved the exact order-level hedge shortfall.
- **Subset analysis:** In the linked-account case, strong evidence for two accounts was not extended across all five. This avoided an unsupported allegation of intentional coordination.
- **Authority boundaries:** The candidate retained Brokerage ownership of operational facts while assigning technical validation and regulatory treatment to the correct functions.
- **Scope discipline:** The immediate operational objective was answered before broader root-cause, downstream-impact or policy work was listed as follow-up.

4. MATERIAL LIMITATIONS AND OPERATIONAL CONSEQUENCES

Limitation	Evidence from assessment	Operational consequence	Control required
Traceability is usable but not consistently reproducible	Several conclusions named the correct system but not the exact record, field, timestamp or evidence-register item.	A reviewer may need to reconstruct the evidence chain; auditability and handover weaken.	Exact source-reference standard for every material conclusion.
Closure conditions remain broad	Open items were identified, but final closure evidence and owner acceptance were not always expressed as explicit tests.	Exceptions can remain open indefinitely or be closed on informal reassurance.	Closure checklist with evidence, owner, due point and revalidation condition.
Continuity depends partly on the reviewer	The reasoning was understandable, but another operator could not reproduce every check from the retained record alone.	Interruption or absence can cause duplicated work and delayed containment.	Handover-ready evidence register and decision log.
Escalations need more decision precision	Correct owners were identified, but some requests asked for broad review rather than a specific validation or approval.	Senior and technical owners absorb avoidable interpretation work.	State the fact, gap, consequence, requested decision and deadline.

5. MANAGEMENT RISK INTERPRETATION

Risk area	Current position	Residual exposure	Management treatment
Unsafe operational action	Low within tested cases	Could rise if authority boundaries are relaxed.	Retain approval gates for production, client and market actions.
False closure	Moderate	Closure evidence is not yet consistently specific.	Reviewer confirms closure conditions until reassessment.
Key-person dependency	Moderate		

		Reviewer may still be needed to reconstruct evidence or complete handover.	Standardise evidence and handover records; sample-test reproducibility.
Regulatory overreach	Low within tested cases	Framework does not test legal or Compliance judgement.	Keep regulatory classification outside assessed authority.
Scalability of first-pass review	Positive but conditional	Benefit depends on consistent use of the framework under live workload.	Introduce controlled workflow ownership, then measure rework and escalation quality.

> **COMMERCIALLY RELEVANT CONCLUSION —**
> The candidate can absorb structured first-pass workload and reduce senior review effort, but the control benefit is conditional on maintaining approval gates and enforcing traceable closure. The value is not headcount replacement. It is better allocation of senior judgement and earlier identification of exceptions.

6. DEPLOYMENT AND SUPERVISION PLAN

Activity	Current authority	Review requirement
Routine exposure or reporting exception review	May own first pass	Periodic sample review after first eight outputs.
Rejected or cancelled order investigation	May investigate and recommend	Reviewer approval before containment action or incident closure.
Daily P&L driver analysis	May own first pass	Escalate unexplained material drivers under defined threshold.
Linked-account evidence review	May compile operational findings	Compliance owns intent, abuse and regulatory determinations.
Hedge, routing or position action	Not authorised	Authorised Dealing / Brokerage approver required.
Production configuration change	Not authorised	Technical owner and change control required.
Client restriction or adjustment	Not authorised	Relevant authorised owner and policy process required.
Material exception closure	Recommend only	Reviewer confirms evidence and closure conditions.

Supervision intensity: Initial operating state: controlled first-pass ownership with approval before material action or closure. The reviewer should examine the first eight live outputs in full. If no material evidence, authority or closure failure appears, move to a 25% sample review for the next month. Any critical failure, repeated gate weakness or unflagged time overrun returns the candidate to full review.

7. PRIORITISED DEVELOPMENT PLAN

Priority	Required behaviour	Work evidence	Success measure	Target
Evidence traceability	Reference the exact system, report, field, identifier, timestamp or named validator supporting each material conclusion.	Five live first-pass reviews with complete evidence registers.	Another operator reproduces every material check without oral explanation.	30 days
Closure discipline	Define what closes the exception, who accepts it and which retained evidence proves closure.	Closure section in every live review.	No exception closed on broad reassurance; no material open item left ownerless.	45 days
Handover continuity	Record current state, action taken, outstanding risk, next owner and review point.	Three cases handed to another operator mid-review.	Handover completed without material reconstruction or missed deadline.	60 days
Escalation precision	State the decision required, evidence basis, consequence, owner and time requirement.	Four decision-ready escalation packs.	Reviewer can forward without rewriting; recipient can act without clarification.	60 days

Reassessment trigger: Reassess after 60 to 90 days, or after at least eight live first-pass outputs and completion of the evidence, closure and handover tests above. Progression requires fresh scenario evidence; satisfactory day-to-day performance alone does not automatically produce an Independent Operator classification.

8. ASSESSMENT EVIDENCE SUMMARY

Scenario	Evidence supporting result	Evidence limiting result
Rejected order	Reconstructed rejection to fallback; recognised client-visible position; escalated potential exposure; preserved authority boundary.	Did not state all order-level reconciliation fields needed for final closure; handover record was incomplete.
Exposure mismatch	Used bridge and LP as live-position authorities; diagnosed stale ingestion; avoided hedge action; required repair and revalidation.	Downstream-impact scope and alert-suppression controls were not fully specified.
P&L and linked accounts	Identified the loss driver; distinguished A101/A102 from weaker signals; avoided intent conclusion; assigned Compliance ownership.	Validation requests were directionally correct but lacked exact acceptance evidence and deadlines.

9. CAPABILITY DECISION RECORD

Control	Recorded outcome
Final level	Controlled First-Pass Operator
Applicable scope	First-pass review of the three workflow families assessed, within documented procedures and authority limits.
Excluded authority	Production changes, hedging or position action, client remediation, regulatory classification and unsupervised material closure.
Critical failure	None triggered.
Second review	Required before any live or external use of this illustrative result.
Assessment validity	Illustrative only. No real person was assessed and no employment decision should be based on this sample.

10. INTERPRETATION BOUNDARIES

This report assesses demonstrated operational judgement in the supplied scenarios. It is not a professional certification.

The classification is workflow-bounded. It does not establish competence across every platform, product, asset class, entity or regulatory regime.

The report does not constitute regulatory assurance, fitness-and-propriety assessment or authority to make production changes.

Scores must be read with the gating, critical-failure and consistency rules. They are not a ranking of employee value or potential.

Live deployment decisions remain the responsibility of the firm, which must consider its systems, procedures, permissions, risk appetite and supervision structure.