



SENIOR MANAGERS' & CERTIFICATION REGIME

LYSIS FINANCIAL SERVICE DESCRIPTIONS

FOR FIRMS ALREADY LIVE WITH SMCR

The regulators have confirmed that attestations have been introduced as a formal supervisory tool and are aimed at ensuring clear accountability amongst senior managers.

PROCESS AND CONTROLS MAPPING

In order to enable Senior Managers to attest that their areas of responsibility are being conducted properly and are compliant with all necessary laws the firm will need to invest time in making sure that processes are properly mapped and understood and that controls are effective. This will be a particular challenge where parts of a process are outsourced or executed by another group entity.

Banks should focus on improving the clarity, process and documentation of their existing governance framework rather than building a parallel framework just to comply with the new regime.

Lysis can assist with:

- Mapping processes and controls across business units, between business units and with internal or external third parties.
- Enhancing processes and controls to improve the efficiency and compliance of functions.



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SYSTEMS AND PROCESSES

As part of their overall approach to the SMCR, banks are starting to consider software solutions to enable them to effectively meet their current and on-going regulatory obligations under the SMCR. This section considers some of the possible requirements.

Lysis can assist firms to implement software that will support:

- Governance Map and Statements of Responsibilities
- Alignment of objectives and risk appetite
- Regulatory Risk Assessment and Controls Effectiveness Assessment
- Capture, map and report on operational losses
- Capture Conduct Rule breaches
- Performance and risk of key 'SMR related' processes
- Evidence that SMFs have discharged their 'duty of responsibilities'
- Present a historical snapshot
- Store documents such as Regulatory References
- Support an attestation process



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TRAINING NEEDS ASSESSMENT AND TRAINING DELIVERY

The Conduct Rules within the SMCR also create a requirement for personnel to “act with due skill, care and diligence” and for senior managers to ensure that the businesses they manage are adequately controlled and that delegation is to appropriate personnel. Firms should take the opportunity to ensure that all personnel clearly understand their roles and are adequately trained to carry them out.

Lysis can assist with:

- Training Needs Assessment – a multi-part, assessment process which uses quantitative data from on-line tests and qualitative data from surveys and interviews to assess the knowledge and skills of a team and recommend a training programme to resolve those issues.
- Within specific areas of expertise we can provide training courses to plug the gaps

PRE-ATTESTATION AUDITS

Lysis can assist with:

- Review of a business/operational unit to assess its processes and controls.
- Recommendation and implementation of improvements prior to a manager attesting.



FOR FIRMS NOT YET WITHIN THE SCOPE OF SMCR

GOVERNANCE

Lysis can assist with:

- The creation of robust and well-evidenced governance frameworks including clear articulation of legal entity-level committee structures and their respective roles and responsibilities.
- The articulation of how legal-entity level governance dovetails with the global business line governance that is common in most global financial services firms.
- How overseas banks demonstrate how they manage risks at a UK legal entity level rather than just at a global level.
- Enhanced management information and committee packs.
- Implementation of the annual cycle of processes required by the SMCR itself.

RESPONSIBILITIES MAP & STATEMENTS OF RESPONSIBILITIES

Lysis can assist with:

- Regulatory rules mapping to ensure that the firm is aware of all the rules and regulations it should follow.
- The creation of a firm's Responsibilities Map and definition of reporting structures within the firm.
- The resolution of shared or unclear reporting structures.
- Documentation of Statements of Responsibilities for Senior Managers. The list will need to reflect the responsibilities that will be included in the FCA handbook and PRA rules, and be tailored to a firm's governance structures.
- PRA and FCA approval processes.