

Prepared for Individual Accountability?

Be confident that you can satisfy the new regulatory requirements with Redland's Insight Solution



New regulatory rules regarding Individual Accountability will be rolled out in 2016. The FCA and the PRA believe that holding individuals to account is a key component of effective regulation. In this consultation, the regulators are proposing changes to the way individuals working for UK banks and building societies are assessed and held accountable for the roles they perform. It will introduce the following:

Senior Management Regime – will require Firms to specifically allocate functions and responsibilities to Senior Managers who will then be held individually accountable. It includes significant change to the Approval process, a reversal of the burden of proof and annual attestations to the regulators of their compliance

Certification Regime - will require firms to annually assess the fitness and propriety of all employees who could pose a 'risk of significant harm' to the firm or any of its customers, and issue them with an annual Certificate confirming their competence. It will apply to everyone obliged to hold a qualification to perform their role (i.e. Mortgage Advisers) but also a much larger population including everyone who supervises someone who is 'certified'

Conduct Rules – will cover all individuals in a Firm (except ancillary staff) and provide a framework for Regulators to assess their actions. These will require role specific training and confirmation that how the rules apply has been understood

The new rules will extend both the breadth and depth of regulation and significantly increase the population of individuals accountable to the Regulators. The new framework will encourage individuals to take greater responsibilities for their actions and will therefore make it easier for the Regulators to hold them to account.

The implications for Firms, governance structures, compliance, record keeping, assessment processes, systems and controls are very significant. The time table for implementation is very short and the transitional proposals are complex:

- all SMFs need to complete (repeat) the Application process but without repeat interviews
- identify all CERT staff by commencement followed by 12 months to attest and issue Certificates
- all SMF and CERT staff subject to COND from outset, therefore training must be completed by then
- up to 12 months to complete COND training for all other staff

Insight can help you to be confident in meeting these challenges and providing the regulator with what is required, with the capability to easily support Individual Accountability obligations alongside any existing Approved Person regime requirements that persists.

Key Features

Integrated Responsibility, Supervisory and Organisational Hierarchies

Robust and Auditable record keeping

Supports Senior Manager application process

Learning and Development plans and tracks

Links Conduct Rules training to specific roles

Proactive Workflow automates Induction and Refresher training

Sign off controls and version management

Real time holistic MI Dashboards

Fully supported Breach and Investigations recording and reporting

Risk based Process Management control

Key Benefits

Proactively manage the Implementation and Rollout

Clear view of emerging Risk and Performance Oversight

Integrate new regime with existing Conduct Risk, Professional Standards and Culture Initiatives

Efficient and Effective Operational control over new processes

Reduce implementation and ongoing compliance costs

Senior Management Regime

Key Functions and Responsibilities – mapped, allocated, recorded and dynamically managed

Application process – fully supported providing an auditable repository for key documents, including references, sign-off controls and version management

New SM processes supported - Attestation, Handover, Notifications, Leavers / Joiners and change of role

Learning and Development plans and auditable evidence of continuing professional development

MI Dashboards - linked to the Responsibilities Map – Giving Senior Managers clear views of emerging Risk and oversight of performance

Certification Regime

Certified staff - Identify roles and specific staff subject to Certification and track and manage compliance through MI Dashboards

Certificate Templates - Prepare, manage, sign-off and personalise Certificates before issue

Certification Process - manage distribution, completion and monitor compliance

Competency Assessment - Manage the competency assessment, propriety, personal development and supervision of Certified staff

Personal Development Plans – to plan, action and evidence individual's activity to continually improve their competency

Conduct Rules

Identify and monitor all staff subject to the new Conduct Rules

Codify, publish, ensure receipt and test **understanding** of Conduct Rules

Learning Management – feature rich functionality links Conduct Rules training to roles – version controlled, distributed and managed

Conduct Training can be audited and monitored with clear oversight of 'roll out' plans, refresher processes and evidence that it has been effective

Fully supports **'breach'** recording and reporting including systemic and compliant support for investigations processes into potential breaches

Comprehensive **MI and Dashboards** provide proactive oversight of compliance with new rules and highlight areas requiring focus and attention

What is Insight good at?

- Presenting consistent information to everyone
- Helping focus on priority tasks
- Acting as a conscience and a prompt
- Providing the tools and the information required for the task – there and then
- 'Sign-posting' and managing process – promoting consistent behaviour
 - What have I got to do?
 - When by?
 - What next?
- Applying control – everyone who needs to, knows when I've done my bit (or not!!)
- Robust, auditable, efficient record keeping

The Insight system fully supports all requirements for Individual Accountability. The addition of the Responsibility Map module easily allows the full allocation of Functions and Responsibilities to be administered and demonstrated to the business and the regulator.

Easy to use graphical representations and presentations allows the user to easily see where any gaps are and to administer changes and provide details of breaches in real time.

