

Compliance Function & Framework Health Check Service

The Regulators expect insurance firms to have systems and controls in place which are appropriate for a firm's business including appropriate risks management and governance arrangements. Most often this includes operating an appropriate 3 lines of defence, including the front line business, compliance and risk in the second line and Internal audit in the third. For most firms, a Compliance Function forms an integral part of these systems and controls, helping ensure that a firm is meeting its regulatory obligations.

To provide firms with reassurance that its Compliance Function and Framework is performing appropriately and effectively, ICSR provides a Compliance Function & Framework Health Check Service. The health check service is aimed at authorised Insurers, Brokers, MGAs and Appointed Representatives seeking full authorisation.

This bespoke service involves a review of your firm's business model to assess the requirements of your Compliance Function and Framework followed by a review of the function itself. We will then advise whether it is providing the correct level of assurance and advisory required by your firm. The assessment involves a desktop review of key documentation and interviews with individuals from the Compliance Function and other senior stakeholders at your firm.

What is Included?

As part of this health check, ICSR would review the following documentation;

- Compliance Annual Plan;
- Compliance Monitoring Plan;
- Compliance Policies & Procedures;
- Compliance Logs & Registers;
- Compliance Management Information Framework;
- Compliance Board Reporting; and
- Compliance Manual.

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The outcome is a report providing an overall rating of the effectiveness and appropriateness of your firms' Compliance Function & Framework (red, amber, or green) and detailed recommendations to close any regulatory gaps or to make any necessary improvements.

Where the function is also responsible for risk activities the review would include these risks and consider:

- Risk planning;
- Risk policies;
- Risk and control register;
- Risk appetite and tolerance statements;
- Risk assessment processes; and
- Risk Board Reporting.

For more information about ICSR's Compliance Function & Framework Health check service, please contact Kenneth Underhill.



Kenneth Underhill
Managing Director

Kenneth_Underhill@artextrisk.com
[+44 7301 248420](tel:+447301248420)

