



# FINANCIAL REGULATION

## Governance



### The challenges you face

Consumer needs are now more than ever at the heart of the regulator's business plan, placing focus on the governance and culture of a firm. The regulator requires firms to demonstrate that they have the interests of their customers and the integrity of the market at the heart of how the business is run. Firms are required to have governance and risk management in place to ensure that decision making and implementation of decisions by senior management and the board is effective, keeping pace with new regulations and stakeholder expectations.

Senior management set the tone and culture of the organisation, shaping the judgements and behaviours that matter to the performance and reputation of their firms, as well as the service provided to customers and clients. Firms need to embed a culture which supports its business model and, inherent within that, treats customers fairly.

Individual accountability of directors and senior managers is increasing. Individuals carry increasing personal risk and may feel that they lack experience, confidence or knowledge to feel properly equipped to represent the firm. In addition, regulatory requirements and expectations continuously change and so it is difficult for individuals to have confidence that the right risks are being managed.

### The expertise you need

Our Financial Regulation team has an integrated Regulatory Risk and Compliance Practice Group, with Compliance Directors specialising in governance, risk and compliance, focused on supporting firms with their FCA systems and control challenges. We can provide as much or as little support as you require and have the flexibility and resource within our team to be able to support projects of all sizes

Ensuring your firm has in place a clear and understandable system of governance, which covers all areas relevant to the decisions your firm needs to make will assist the firm in gaining confidence with its regulators. We offer a wide range of services, which can be tailored to your specific needs and requirements, including:

- ▶ Health check and effectiveness review – review of theoretic governance arrangements and more detailed 'on the ground' assessments of governance arrangements in practice;
- ▶ Management information review – with a view to making systems of governance more effective and efficient, potentially by simplifying structures, processes and documentation, and cutting down unnecessary duplication of senior management time;
- ▶ Culture evidence review – analysis of the extent to which a firm's articulated culture is supported by demonstrable evidence; and
- ▶ Senior management readiness and assurance – training aimed at 'up-skilling' and preparing those applying to the regulator, to maximise the likelihood of obtaining regulatory approval and feel better prepared and supported in the role.

## Our experience

Our approach is flexible and our services can be offered as a one off assessment or as part of a periodic review of governance arrangements.

We have:

- ▶ Presented at Board and committee meetings to enable directors and senior managers to understand their personal responsibility and regulatory requirements towards their firm, particularly in light of the Senior Managers and Certification Regime.
- ▶ Created manuals to help shape committee structures, governance structures and operational risk frameworks.
- ▶ Provided training on personal obligations and duties imposed on approved persons and senior managers to support their understanding of managing relationships with regulators.
- ▶ Created a governance and risk manual for a large credit card provider.
- ▶ Assessed the needs of senior management candidates, which has included a conducted interviews, gap analysis of their skills against those expected by the regulator, supporting them with individual development plans and supporting with application documentation for different regulatory regimes.

## Who to contact

If you would like to know more or would like us to discuss anything in more detail, please contact:

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