

Areas of focus of the FCA in its Second Thematic Review – Certification Regime

In creating and implementing their own Certification Regime, considering BAU practices, firms may wish to consider the areas of focus of the FCA in its second thematic review.

- How will the firm ensure that all Certified Persons are identified at all times?
- What are the firm's arrangements for contingent labour (consultants, contractors, etc.)?
- Have the criteria and process for assessing Certified Persons as fit and proper been agreed?
- Do the criteria for fit and proper assessments take into account a person's role, experience and performance where appropriate?
- Have the criteria, and processes for conducting fit and proper assessments been communicated, and has training been provided to all impacted staff?
- Are appropriate oversight and controls in place for this process?
- How will the firm evidence that the decision making process for the Certification process is independent and unbiased?
- How will the firm identify and manage situations where individuals should no longer be certified?
- What is the process for, and controls around, dealing with individuals who fail the fit & proper assessment?
- Will the firm carry out re-certification checks where individuals change role / functions (e.g. internal moves or existing role changes)?
- Who owns the decision to certify individuals as fit & proper? Is the division of responsibilities clear?
- What is the degree of self-attestation or assessment from other group entities?
- What MI does the board and Exco get on the Certification process?
- Will appropriate MI on the Certification Regime be available for review, at what level and how frequently?
- Is there a linkage between the certification process and a certified employee's appraisal, conduct rule breaches, and remuneration process?
- How are the roles and responsibilities in relation to the Certification process between the accountable SMFs of key business areas, HR and L&D (and/or any other relevant business areas) defined and split?
- What arrangements are in place for the ongoing monitoring of the process?
- How does the firm ensure that the decision making process is appropriate, proportionate and consistent throughout the firm?