

# SM&CR



The introduction of the Senior Managers & Certification Regime (SM&CR) in financial services is the most significant piece of regulation in a generation. SM&CR goes to the core of how firms operate and affects the entire industry, not just particular sectors.

Dual-regulated firms have been subject to SM&CR since 2016, with solo-regulated firms, completing their initial implementation in December 2019. SM&CR represents a major implementation and operational challenge, made tougher by the operational disruption caused by Covid-19.

Worksmart have been helping both our customers and the wider industry come to terms with SM&CR for several years now. For the industry, it has meant working with our trade body partners to better understand the scope of the new rules and how best to implement and embed this change. For customers, we have been able to widely share the experience gained in implementing SM&CR in the banking sector. This has enabled us to deliver an “award winning” tried and tested software solution that manages each distinct component of the SM&CR regime from governance to conduct.

Accord, our SM&CR tool, has been built specifically to address both the letter and spirit of the SM&CR rules and has been designed with input from our customers and trade body partners.

As such, it represents we believe the most comprehensive SM&CR solution available in the UK. Our customer base, with major firms from every sector of the industry, is testament of this.

At its simplest, Accord contains four major components:

## GOVERNANCE



Accord enables firms to model potential governance arrangements. Once agreed, Accord provides all the mapping and supporting detail to ensure governance arrangements are fully documented and time stamped

## REASONABLE STEPS AND DELEGATION



Accord provides easy to use functionality that enables senior managers to evidence and demonstrate reasonable steps

## CERTIFICATION



Accord manages the Certification process end to end, providing all the real time oversight to ensure firms' annual assessments can be made on time and to standard

## THE DIRECTORY

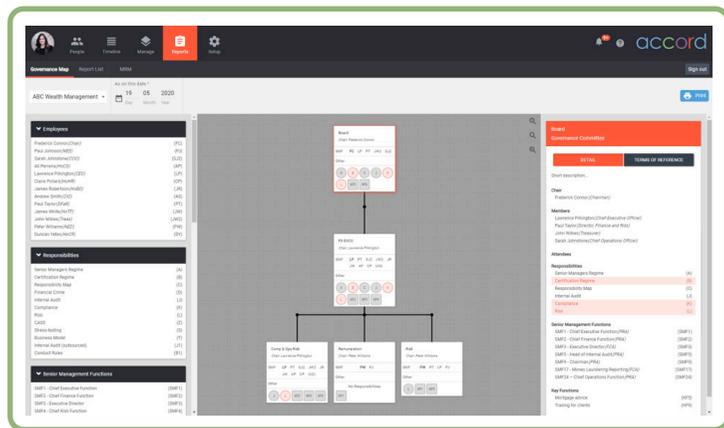


Accord enables the Directory to be managed as part of the wider SM&CR process, so providing a single 'source of truth' across these two related sets of regulation



The Governance component within Accord models and maps the firm's arrangements, containing specific functionality to manage and record:

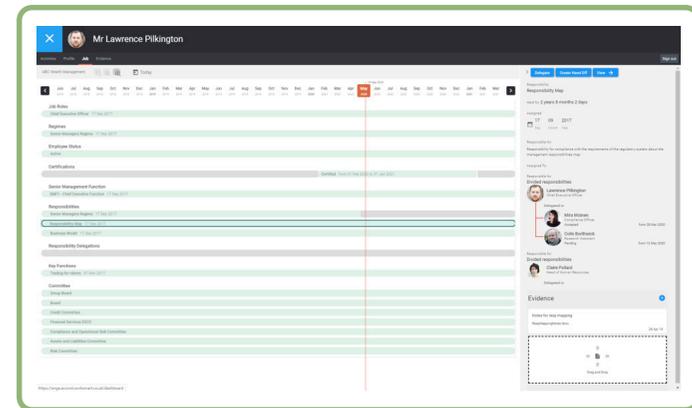
- Committee structures
- Committee terms of reference (TOR's)
- Committee members
- Responsibilities map
- Senior manager functions
- Prescribed and other responsibilities
- Key functions / accountabilities



Committee structures are mapped and include TOR's, memberships, meeting minutes, attendees and agreed actions. Committee structures also reference members' SMFs and individual regulatory responsibilities.

Everything is date and time stamped so past arrangements and decisions can be easily referenced for 'point in time' analysis and reporting.

For individuals, Accord provides a complete picture of their accountabilities and history of SM&CR related actions and activities on a single page.



Activities such as approvals and handovers of a key function or responsibility are recorded together with individual acceptances of accountabilities. Alerts ensure that activities are tracked and completed in a timely manner. All of this makes managing regulatory changes transparent and simple.

Accord's reporting capability provides central teams with real time oversight of the firm's compliance with the SM&CR rules including, importantly, exceptions. The inbuilt workflow capability combined with the ability to create and manage detailed regulatory records, together with attached evidence enables central teams to have complete oversight and so confidence about compliance with the rules.

# REASONABLE STEPS AND DELEGATION

It is a fundamental requirement of SM&CR that each Senior Manager can evidence the logic and rationale for decisions reached and actions taken. This is known as “Reasonable Steps”.

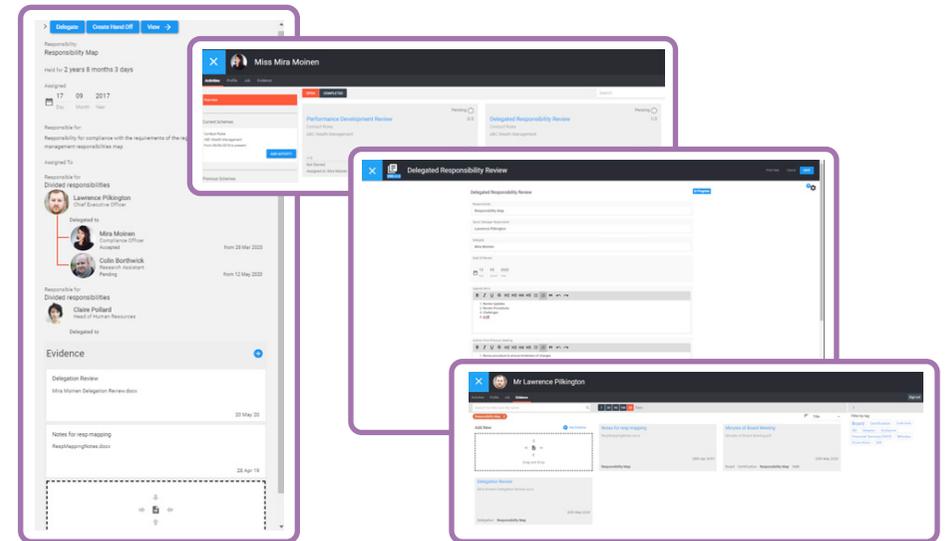
Accord is unique in bringing together wider governance arrangements as noted above, together with the Senior Manager’s individual accountabilities and the evidence of supporting actions, decision-making logic including supporting documentation.

The “Reasonable Steps” component within Accord allows firms and individuals to:

- **Identify and allocate accountabilities**
- **Identify and allocate delegations**
- **Track delegations and issue oversight alerts**
- **Record delegation reviews and actions arising**
- **Create SMF handovers and handoffs**
- **Upload and store relevant evidence per senior manager**
- **Allow senior managers to create personalised Reasonable Steps evidence diaries**

Using the company directory functionality within Accord, senior managers can easily identify the person they wish to delegate to, then add a delegation record together with any supporting evidence / material. Alerts then notify the individual and enable them to engage in a discussion and provide updates, all within the system.

Feedback from customers and our trade body partners has identified that evidencing Reasonable Steps and Delegation is one of the biggest challenges faced by senior managers. Accord provides the capability for these delegations to be easily documented and clearly evidenced so removing this challenge.



To emphasise the importance of being able to evidence “Reasonable Steps”, in a recent webinar on the FCA’s 2020-21 Business Plan, delegates were asked about their regulatory priorities. The results were clear and supported our trade body partners’ assessment:



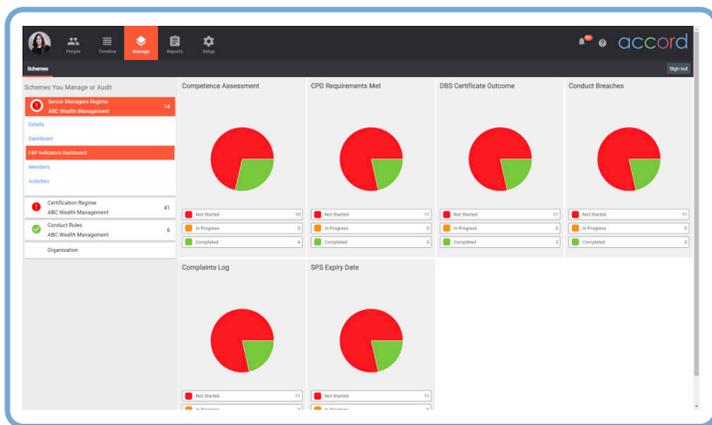
# CERTIFICATION

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Managing the Certification process represents another major challenge for firms. This challenge comes in three parts; deciding which staff will be subject to certification, identifying the 'evidence set' to be used to certify staff and lastly, managing the annual certification process itself.

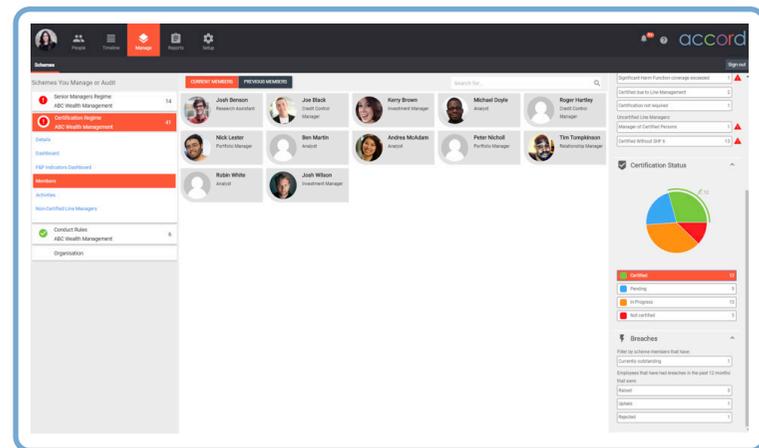
As soon as the job roles subject to certification are identified, Accord handles the rest. Accord enables firms and individuals to link and evidence:

- Significant Harm Function(s) to job roles
- Financial soundness checks
- Employee competence
- Conformance with Conduct Rules
- Performance management
- Internal and external training under taken
- CPD logs / SPS certificates
- Regulatory references
- E-learning undertaken and scores achieved



Accord allocates every individual subject to Certification an annual set of requirements. Alerts prompt the individual to complete the activities required of them to time and standard. The review and approval of completed activities are managed by further alerts to managers/overseers with exceptions and breaches being clearly visible in real time.

Importantly, Accord enables all supporting evidence to be uploaded and, if supporting activities are completed in other systems, such as performance management in the firm's HR system or CPD in the firm's LMS system, Accord can interface with these.



Accord's workflow functionality drives the process to enable firms, large or small, to undertake all required certification activity. Real time alerts aim to ensure that all activities are completed to time and standard, so enabling the accountable Senior Manager to meet their regulatory responsibility in this respect.

# THE DIRECTORY

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Although not part of the original SM&CR requirements, the subsequent introduction of The Directory inextricably links these two pieces of regulation.

The requirement for firms to submit and regularly update the FCA with changes to individuals' records recorded within the Directory is, and will be, a complex and time-consuming activity for many firms. With tight deadlines to notify the regulator when changes occur, firms' only hope of meeting such standards is to employ technology to support the submission process.

That is why we have added new functionality in Accord to manage the requirements of the Directory.

Accord enables firms to gather and record all relevant Directory data within the solution and then output this daily, highlighting any changes, using Accord's in-built reporting tool. This report outputs the data in .csv for easy upload to the regulator's Connect portal.



Accord provides firms with this 'single source of the truth' and with Accord's ability to interface with other systems, e.g. HR, Accord removes the challenges (and so risk of non-compliance) posed by the complexity of the Directory requirements.

The collage illustrates the integration of FCA Directory requirements with Accord's software. It shows the regulatory documents, the user interface for managing directory data, and the resulting CSV report output.



There are seven good reasons why you should consider Accord as your 'one stop' solution for SM&CR:

### 1. Functionality

Because Accord has been built specifically for SM&CR, it provides all the functionality required to comply with both the letter and the spirit of the SM&CR rules.

### 2. User Experience

Accord provides different, intuitive interfaces for all user types:

- **System Administrators – maintaining the system**
- **Central Teams – managing oversight and exceptions**
- **End Users – completing their day to day activities**
- **Executive Managers – viewing dashboards to ensure compliance**

### 3. Interfaces

To reduce the administration even further, Accord also contains a series integration points for simple passing of data with firms' other systems such as HR and LMS.

“ *Not only is their Accord software intuitive, their knowledge and expertise across all areas of the regulatory landscape is exceptional* ”

Craig Pocock, Chief People Officer, City of London Group

### 4. Implementation

Our implementation team have gained their vast experience of multiple implementations across all sectors of financial services including Banking, Insurance, Investment and Consumer Credit. We use a tried and tested process which makes implementation quick and simple to configure and install your instance of the solution. Where relevant, Worksmart's regulatory consulting team are on hand to provide support with a firm's approach and adherence to SM&CR ahead of detailed configuration.

### 5. Support

Once live, our support team are available to provide system administrators with help and guidance on getting the best out of the system.

### 6. Regular Updates

Accord has a clear product development road map and is updated regularly. Also, because Accord has been developed as "Software as a Service" (SaaS), software development updates are deployed centrally.

### 7. Award Winning

Accord has been recognised as the leading SM&CR software by ACQ5 at their Global Awards for the last three years;



To find out more or request a demonstration, contact our helpful team on;  
**01908 613613** or email us at [info@worksmart.co.uk](mailto:info@worksmart.co.uk)