The Individual Accountability Framework

How we can help

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Individual Accountability Framework
An Overview of our services

Grant Thornton understands that the implementation of IAF will be a significant transformation project for all regulated firms in Ireland. Drawing on a wealth of experience garnered from the implementation of the equivalent frameworks in the UK, Australia and Singapore, we can ensure your organisation is set up for success throughout the various stages of compliance.

IAF will apply to all Regulated Financial Services Providers (RFSP), meaning any bank, asset management or insurance company which is regulated by the Central Bank of Ireland. The initial scope of SEAR will include credit institutions, insurance undertakings (other than certain specific categories), and higher risk activity investment firms amounting in total to approximately 150 firms. Every Regulated Financial Services Provider's journey to IAF compliance is different, which is why our offering provides four distinct maturity levels which can be implemented alone as a standalone project or in conjunction with each other.

Our Four Stage Approach

1. IAF Readiness Assessment	2. IAF Scoping & Planning	3. IAF Implementation	4. Assurance

Readiness Review
- Assessment of your firm's readiness to achieve IAF compliance across all components of the framework

Readiness Report
- Communicate key areas to address and how to prioritize

Scoping
- Scoping of impacted entities within the firm and corresponding PCF and CF role holders.

Planning
- Design and creation of plans for required change implementation to reach compliance with the new regime.

Training
- Development of a training plan at individual, level-specific and firm-wide levels for legal entities in scope.
- Provide recommendations on training material for new hires or internal promotions into PCF / Senior Management positions

New Processes & Documentation
- Implementation of all processes and documentation necessary to meet framework standards including creation of MRM and SoRs.

Technology Solution
- Implementation of technology solution for management of IAF where applicable.

Training & Awareness
- Provide a suite of initial awareness and training material for the Board and Executive Management.
- Produce tailored training materials by audience – e.g. SEF-only training, broad firm-wide training
- Conduct workshops of small groups of SEFs
- Deliver Conduct standards training split by the 3 levels

Compliance Review
- Assessment of processes in place to verify your compliance with industry standards.

Assurance Report
- Communicate areas that could be strengthened or gaps identified, and advise on how to address
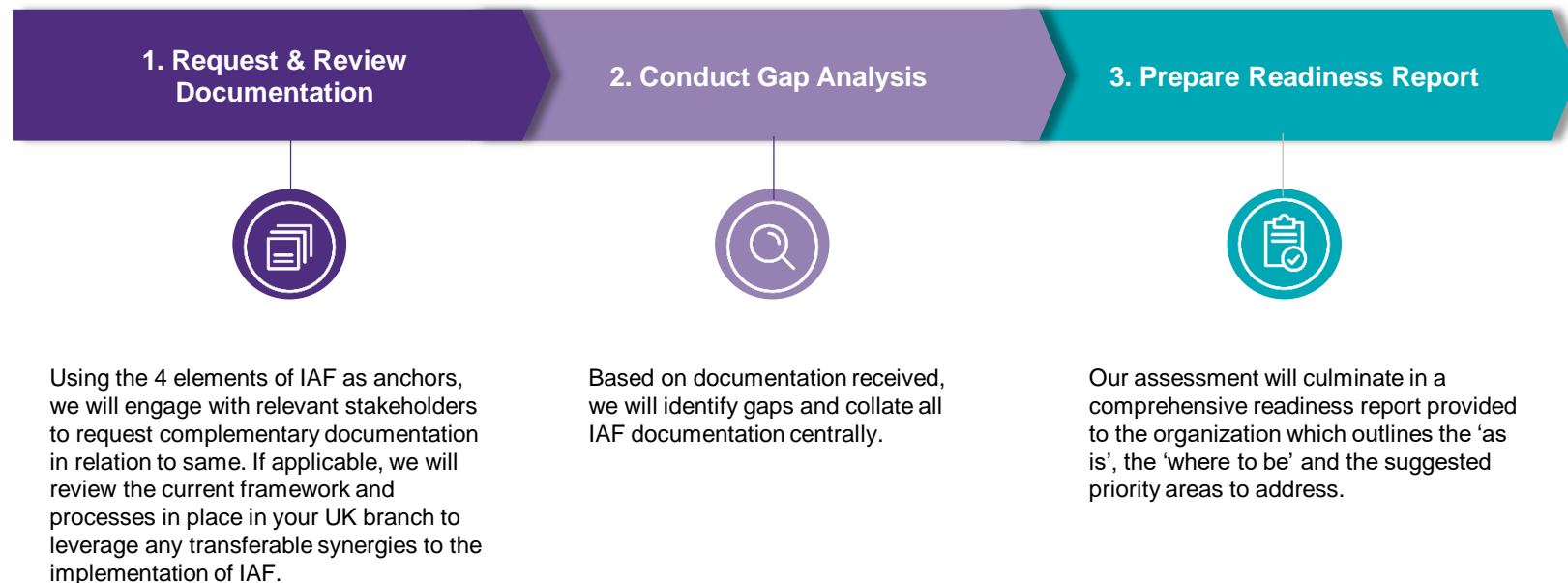
IAF Readiness Assessment
Delivering a comprehensive report on the readiness of the organisation to meet the requirements set out in the IAF

Our business readiness assessment approach has been designed to provide firms with a clear vision of where they are and where they need to be to reach IAF compliance. Utilising our IAF preparedness diagnostic tool, developed through lessons learned and challenges met in the implementation of equivalent regimes abroad, the organisation will be graded in terms of readiness across all key elements of IAF, along with the related operational project prerequisites to facilitate the successful implementation of each. Upon receipt of requested documentation, we will use our IAF readiness tool to conduct a gap analysis to ascertain the level of change required to meet IAF requirements, culminating in the provision of a comprehensive IAF business readiness report

Three Stages of Business Readiness

1. Request & Review Documentation	2. Conduct Gap Analysis	3. Prepare Readiness Report

Using the 4 elements of IAF as anchors, we will engage with relevant stakeholders to request complementary documentation in relation to same. If applicable, we will review the current framework and processes in place in your UK branch to leverage any transferable synergies to the implementation of IAF.

Based on documentation received, we will identify gaps and collate all IAF documentation centrally.

Our assessment will culminate in a comprehensive readiness report provided to the organization which outlines the 'as is', the 'where to be' and the suggested priority areas to address.

IAF Scoping & Planning Support
Transitioning from Planning to Implementation

Our scoping approach is designed to facilitate the transition from IAF planning to implementation. We will initially conduct a review of IAF work completed to date before commencing the scoping of affected entities within the organisational universe and whether these fall under the definition of RFSP. Following establishment of the entities requiring IAF compliance, we will commence the scoping of both PCF and CF role holders in each. We will assimilate all information, queries and considerations and develop a project plan and final advisory report, including recommendations, prioritisation of next steps and a high level risk assessment. The report will also include any observations / gaps identified, including actionable next steps to remediate same.

1 — Scope Your IAF Universe

Sample Activities

- Review and map the current Group entity structure, Corporate Governance, Board, Executive and Committee structures.
- Scope the 'Universe' of impacted entities and people.
- Consider how the legislation may impact outsourced activities.

Outputs

- ✓ Universe scope document
- ✓ Draft MRM.
- ✓ Fitness and Probity Process Review
- ✓ Conduct Process Review

2 — Conduct a Pilot Programme

Sample Activities

- Undertake pilot with sample of SEFs to generate required artefacts and inform broader work and planning.

Outputs

- ✓ Draft Statements of Responsibility for pilot members of the Executive Committee
- ✓ Produce report detailing learnings and observations, to be fed into planning

3 — Produce an Implementation Plan

Sample Activities

- Develop a comprehensive implementation plan.
- Support through the investment planning cycle to ensure adequate budgetary support is obtained to support implementation.

Outputs

- ✓ Strawman Operating Model
- ✓ Comprehensive Implementation Plan
- ✓ Detailed methodology and design report

Implementation of IAF

For organisations who have established their IAF requirements, Grant Thornton can provide support to reach these goals

The implementation phase is suited to those organisations who have undergone both a business readiness assessment and scoping phase to identify the deliverables required to reach IAF compliance. At this stage, PCF and CF role holders have been identified with relevant documentation on each gathered. The organisation would also have identified any technology solution needed in order facilitate the management of proposed IAF changes.

Technology

SEAR | Conduct Standards | Fitness & Probity | Enforcement

Training

Grant Thornton can provide support with implementing all 4 areas of IAF, including critically the creation of a Management Responsibilities Map which displays the governance structure and key responsibilities within the firm. We can also facilitate the enhancement of existing Conduct Standards, Fitness and Probity and Enforcement actions to ensure alignment with IAF. Underscoring all four areas of IAF will be the potential implementation of technology and roll out of training to ensure both successful management and understanding of the framework respectively.

1 | 2 | 3 | 4

Implementation of IAF
Sample activities

Sample activities we can support you with across the four areas of IAF

SEAR

Management Responsibility Map:

- Design the management responsibility map setting out the firm's management and governance arrangements and the allocation of responsibilities across the firm.

Operating Model:

- Create a strawman operating model for the BAU maintenance of the regime following initial implementation.

Reasonable Steps:

- Ensure a Reasonable Steps framework is in place via engagement with SEFs through workshops and the provision of self assessment questionnaires informed by UK equivalent Senior Manager Conduct Rules.

Conduct Standards

Process Maps:

- Facilitate the creation of process maps for conduct events such as conduct rule breaches and code of conduct .policy updates ensuring the organization has a visual representation of key processes.

Technology:

- Implement technology to control, record, and monitor conduct standards.

Training:

- Roll out training across the three conduct standard tiers namely, Common Conduct Standards, Additional Conduct Standards and Standards for Business for non-ancillary staff and ancillary staff where applicable across the organisation.

Fitness & Probity

Review and Enhance:

- Facilitate the enhancement of existing Fitness and Probity processes such as the review of all staff requiring certification, the updating of job descriptions for certified staff and the enhancement of due diligence check processes.

Technology:

- Design processes and controls to ensure the organisation has records of employee certification.

Training:

- Design and rollout training for certified employees to ensure understanding of enhanced fitness and probity measures.

Enforcement

Disciplinary Breach:

- Design a disciplinary breach process map to ensure the organization has a visual representation of the process and review for alignment with IAF.

Regulatory Engagement:

- Design process maps for engagement with regulatory body and escalation of issues to CBI.

1	2	3	4

IAF Solution Review & Assurance
## Review in line with best practices

Having introduced an IAF framework into the organisation, it is important that the implementation undertaken is assessed for key risks across the 'end to end' IAF process. These risks include the internal governance and oversight of IAF application in the organisation, compliance with the regime in the organisation and maintaining adherence to the regulation when accountabilities are subject to handover between incoming and outgoing role holders. The audit is essential in ensuring that the application of IAF remains considered and comprehensive during and post implementation and after the transition of the project to BAU.

Internal Governance and Oversight

Grant Thornton can review the manner in which the IAF framework will be governed within the organization and identify what needs improvement and what is a satisfactory application of the framework.

Engagement with SEFs

Grant Thornton will engage with a subset of SEFs within the organization to assess the level in which they are IAF cognizant and provide a management awareness rating.
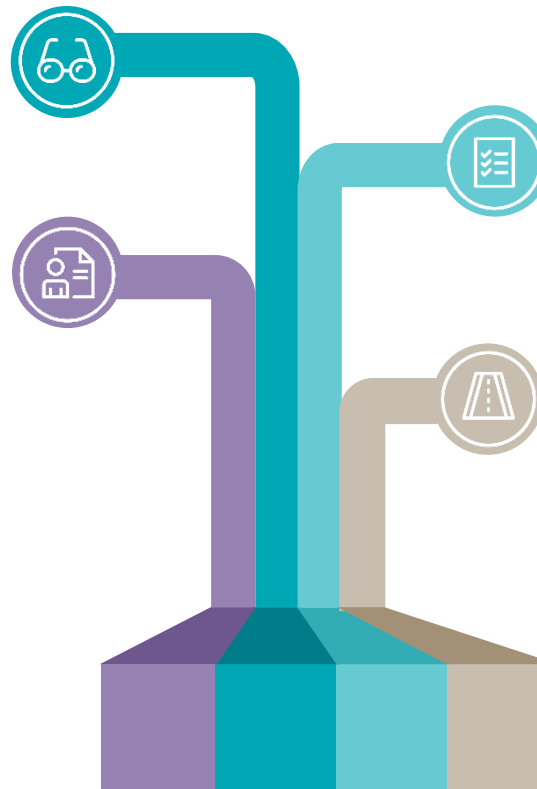
Implementation Assurance - Compliance with IAF

Having extensive experience of IAF and the implementation of the UK equivalent regime, Grant Thornton can provide an assessment of the level of compliance the organisation has achieved with the framework.

Post Implementation - BAU Practices

As the project transitions to BAU, Grant Thornton can provide a health check on how the frame work is ran day to day culminating in a control environment rating.

| 1 | 2 | 3 | 4 |

Why Grant Thornton
Relevant Expertise

Grant Thornton recognises that implementing IAF may prove to be onerous and time consuming for firms. We understand the practical operational aspects of IAF and our team have direct experience of the challenges experienced and lessons learned in implementing the framework in Ireland and equivalent regimes abroad. We have led multiple IAF engagements in Ireland and can develop and run programmes that will ensure you are fully compliant with IAF in the most efficient manner possible.

C-Suite Experience	International Market Insights	Regulatory Expertise	IAF Technology Experience
Grant Thornton brings authentic client-side experience and a track record of success in the design and delivery of complex, high profile, multi-disciplinary Financial Services programmes.	We have experience in Ireland and abroad in implementing accountability regimes. This practical experience covers readiness, implementation and assurance.	Our team of experts have experience in lead positions within the Central Bank of Ireland and therefore understand the lens through which the regulator will view compliance success.	We have successfully addressed the challenges of providing technology solutions for multiple IAF clients, from the initial RFP process through full implementation and testing.
Amanda Ward joined the firm in 2020 and is a Partner in the firm's Financial Services Advisory unit. Prior to joining Grant Thornton Amanda spent eight years with Danske Bank (Non-Core) finishing as Chief Operating Officer. She has led multiple IAF engagements in Ireland over the last 18 months.	Claire Miller has assisted numerous organisations through the implementation of accountability guidelines in Singapore and conduct risk frameworks in the US. For the past 18 months she has developed practical experience implementing IAF	Kevin Coleman is an experienced regulatory and risk leader with 18 years financial services regulation and risk experience, specialising in professional regulatory risk advisory, including as a former Head of Function in Prudential Regulatory Supervision in the Central Bank of Ireland.	Shane has deep knowledge and awareness of the IAF system landscape and providers, having overseen a number of IAF system engagements in Ireland. He also has a strong knowledge of the accountability technology landscape in the UK.
Amanda Ward Partner Engagement Lead Amanda.Ward@ie.gt.com	**Claire Miller** Director Conduct Risk SME Claire.Miller@ie.gt.com	**Kevin Coleman** Director Regulatory SME Kevin.Coleman@ie.gt.com	**Shane O'Neill** Director Technology SME Shane.ONeill@ie.gt.com

Our team of experts would be happy to discuss your firm's IAF requirements with you at your convenience.

Grant Thornton

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