

Senior management arrangements, Systems and Controls

Chapter 2

Senior management arrangements

2.1 Apportionment of Responsibilities

- 2.1.1** R A *firm* must take reasonable care to maintain a clear and appropriate apportionment of significant responsibilities among its *directors* and *senior managers* in such a way that:

 - (1) it is clear who has which of those responsibilities; and
 - (2) the business and affairs of the *firm* can be adequately monitored and controlled by the *directors*, relevant *senior managers* and *governing body* of the *firm*.

- 2.1.1A** G *Firms* should also consider the additional *guidance* on risk-centric governance arrangements for effective risk management contained in ■ SYSC 21.

- 2.1.2** G The role undertaken by a *non-executive director* will vary from one *firm* to another. For example, the role of a *non-executive director* in a *friendly society* may be more extensive than in other *firms*. Where a *non-executive director* is an *approved person*, for example where the *firm* is a *body corporate*, his responsibility and therefore liability will be limited by the role that he undertakes.

- 2.1.3** R [deleted]

- 2.1.3A** R [deleted]

- 2.1.3B** G [deleted]

- 2.1.3C** R [deleted]

- 2.1.3D** G [deleted]

- 2.1.4** R [deleted]

- 2.1.5** G [deleted]

- 2.1.6** G [deleted]

Insurance distribution activities

2.1.6A

R

A firm carrying on *insurance distribution activities* must allocate to a *senior manager* the function of ensuring the proper implementation of the policies and procedures approved in accordance with ■ SYSC 3.1.11R.

[Note: second paragraph of article 10(8) of the *IDD*]