

Chapter 10C

FCA senior managers regime
for approved persons in
SMCR firms

10C.6A

Systems and controls functions: Finance, risk and internal audit

Introduction

- 10C.6A.1 **G** The *FCA-designated senior management functions* in this section apply even if the *firm*:
- (1) is not required by the *regulatory system* to allocate any of these roles to someone; or
 - (2) is not subject to any requirements of the *regulatory system* dealing with the management of the matters referred to in ■ SUP 10C.6A.3R to ■ SUP 10C.6A.6R.

Seniority

- 10C.6A.2 **G** The *FCA* expects a *firm* to ensure that a person performing a function in this section for a *firm* has sufficient expertise and authority to perform that function effectively. A *director* or *senior manager* would meet this expectation.

Chief finance officer function (SMF2)

- 10C.6A.3 **R** The *chief finance officer function* is the function of having responsibility for management of the financial resources of the *firm*, including reporting directly to the *governing body* of the *firm* in relation to its financial affairs.

Chief risk officer function (SMF4)

- 10C.6A.4 **R** The *chief risk officer function* is the function of having responsibility for overall management of the risk controls of a *firm*, including:
- (1) the setting and managing of the *firm's* risk exposures; and
 - (2) reporting directly to the *governing body* of the *firm* in relation to its risk management arrangements.
- 10C.6A.5 **G**
- (1) Risk controls systems include ones designed to deal with the kinds of matters in the *risk control requirements for SMCR firms*.
 - (2) However ■ SUP 10C.6A.4R applies even if the provisions in (1) do not apply to the *firm*.

Head of internal audit function (SMF5)

10C.6A.6 **R** The *head of internal audit function* is the function of having responsibility for management of the internal audit function of the *firm*, including reporting directly to the *governing body* of the *firm* on the internal audit function.

- 10C.6A.7** **G**
- (1) Internal audit covers the kinds of matters in the *internal audit requirements for SMCR firms*.
 - (2) However **■** SUP 10C.6A.6R applies even if the provisions in (1) do not apply to the *firm*.