

Operational Resilience Self-Assessment

The new rules and guidance relating to operational resilience and outsourcing will apply to a broad range of firms including banks, building societies, designated investment firms, insurance firms, e-money, and payment services firms. Firms that are dual regulated face the complexity of applying both the FCA and PRA's rules, including the potential requirement to set different impact tolerances to comply with the regulators' different drivers

Regulators expect firms will be prepared to demonstrate an understanding of important business services, how they are delivered, and the maximum downtime your customers and the market can withstand by March 2022. Are you ready?

- A** How well do you adhere to this requirement now?
- B** How well do you adhere to this requirement in Jan 2022?
- C** How well do you adhere to this requirement in March 2022?

Requirements	Today	Jan. 2022	Mar. 2022
Have you identified your important business services?			
For each business service, have you identified:			
How much customers are served?			
How much revenue is generated?			
How often do internal or external risk events affect your customers?			
How many customers are effected by these events?			
Is the impact individual or systemic?			
How do internal or external risk events impact your bottom line?			
In aggregate, how much do these events impact your bottom line?			

Requirements		Today	Jan. 2022	Mar. 2022
Have you mapped the end-to-end delivery of your important business services?				
	Do you have a complete understanding of how these important services are delivered, inclusive of third parties and their third parties?			
	Do you understand the key assets and processes necessary for service delivery?			
	Do you understand where you have redundancy if an asset or process were no longer available?			
	Have you outlined single points of failure?			
	Do you have a plan in place to remediate single points of failure or points of vulnerability?			
Have you set the impact tolerances for each important business service?				
	Do you understand the impact if that important business service is no longer available? (see questions above)			
	Have you assessed the maximum duration of time that the important business service can be disrupted before systemic impact occurs?			
	If a disruption were to happen anywhere in the delivery chain, what is the maximum expected downtime for the service?			
	What is the delta between the maximum duration of time that the market can withstand and maximum expected downtime for the service?			
	How have you arrived at these estimates?			
Have your third parties also identified and mapped the delivery of key services?				
	Do they have a complete understanding of how these important business services are delivered?			
	Do they understand the key assets and processes necessary for service delivery?			
	Do they understand where you have redundancy if an asset or process were no longer available?			
	Have they outlined single points of failure?			
	Do they have a plan in place to remediate single points of failure or points of vulnerability?			

Requirements		Today	Jan. 2022	Mar. 2022
Are you documenting your progress against the milestones outlined by UK regulators in the form of a self-assessment?				
Have you established a governance strategy with senior business leadership?				
	Does your board approve important business services, impact tolerances, and results of self-assessment?			
	Does your leadership team sponsor the change management projects required to improve the resilience posture of the firm?			
	Has your leadership team established a governing protocol for ongoing management of your firm's operational resilience?			

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