

# Testtoday20221207111654

## Internal Audit Planning Memorandum



### Audit Objective

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### Audit Scope

The scope of this audit will include, but not be limited to, the following key areas of focus:

### Audit Approach

IWM Southern Europe - CS Italy Spa [2019 Audit Plan] - 04. Reputational Risk ● 2.5

### Level 2 Risks

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### Out of scope RAIs

Rating	Risk Assessment Intersection	Rationale
No intersections have been taken out of scope since this audit was Accepted		

### Potential Impact Assessment

Indicative PIA				Final PIA			
1	2	3	4	1	2	3	4

### PIA Override Rationale

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### Issue and Action Verification

No Verification Issues/Actions have been selected for this audit.

### Group Risk Themes

Group Risk Theme	Budget %
Conflicts of Interest Framework	2

### Group Risk Theme Coverage Summary

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### Audit Recipients

Accountable Executive	Niels External, Stakeholder, Appian, NON IA
MRCC (Testtoday20221207111654)	Jessica Conner, None, CSA

### In Scope MRCC Indicators

MRCC Type

MRCC

MRCC Title

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MRCC and MRCC-Change additional information

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Out of Scope MRCC Indicators

MRCC Type

MRCC

MRCC Title

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Disposition to Compliance Program

MRCC Indicator	Description	Rationale for Exclusion
Training	Adherence to mandatory training requirements	
Block Leave	Adherence to Block Leave requirements	
Personal Account Trading	Adherence to Personal Account (PA) Trading requirements: - Policy breaches - PA trading volumes	
Gifts & Entertainment	Adherence to Gifts and Entertainment requirements	
Lines of Defence	Clarity, maturity and demonstrability of the Lines of Defence model	
Written Communications	Adherence to Electronic Communications requirements - Written communication reviews - Dissemination of proprietary information to personal email	
Cross-border	Adherence to cross-border requirements	
		7 items

Issue Identification, Remediation and Challenge

MRCC Indicator	Description	Rationale for Exclusion
Risk and Control Environment Awareness	Identification and escalation of known issues impacting the risk and control environment of a particular business/ function/ department	
Prior Audit and Regulatory Action Implementation	Approach to resolution of remediation actions (integrity of approach and timeliness)	
MyIncidents	Escalation and reporting of operational loss incidents - Volume of operational loss incidents - Adequacy of escalation and lessons learned procedures	
Governance Forum Effectiveness	Effectiveness of BRCM, FRCM, Pulse and other governance forums as a challenge function	
Reputational Risk and New Business	Adherence to the Reputational Risk Policy and Pre-Trade Approval Requirements	
		5 items

Supervisory Discipline

MRCC Indicator	Description	Rationale for Exclusion
Supervisory Processes and Handoffs	Adequacy and effectiveness of supervisory processes, clarity of handoffs, and evidence of challenge	
Supervisory Tools and Management Information	Adequacy of supervisory tools available to management, use of management information and evidence of challenge	
Supervision Span	Breadth of supervision and capability to adequately and effectively manage areas of responsibility	
Supervisory Framework Maturity	Maturity of supervisory framework, breadth of supervisory activities and benchmark against best practice	
Outsourcing	Effectiveness of supervisory activities executed provide oversight to outsourced relationships	
Information Technology	- Exceptions to IT Policy - Other considerations including volume of INC tickets, Problem tickets, Breakglass instances and unjustified use.	

MRCC Indicator	Description	Rationale for Exclusion
Security	- Cyber security awareness and attitude towards phishing attacks - Logical access management (e.g. Global Access Review System, GARS) - Inappropriate access and/or failure to process access removal requests	
Credit Risk	Credit risk (including breaches) management	
Market Risk	Market risk (including breaches) management	
Cancels & Corrects	Cancel and correct management	
IPV Variance	Management of price verification variances	
		11 items

Personnel Disposition and Engagement

MRCC Indicator	Description	Rationale for Exclusion
Auditee Response to Internal Audit Review and Regulatory or Industry Guidance	- Instances of non-cooperative/ obstructive behaviour during the audit - Insufficient consideration of regulatory or industry guidance (e.g. regulator letters)	
Employee Composition and Deployment	Balance of permanent and contingent workers (consultants, contractors, temporary personnel)	
Engagement Score	Level of engagement indicated by staff survey responses, including specifically, culture-related questions	
Personnel Turnover	Levels of personnel turnover, especially early tenure (departures <24 months)	
Disciplinary Incidents	Instances of disciplinary incidents	
		5 items

Client Focus

MRCC Indicator	Description	Rationale for Exclusion
Client Complaints and Litigation	Volume and nature of client complaints and extent and nature of litigation	
Treat Customers Fairly	TCF Principles e.g. rate manipulation, mispricing, poor selling tactics etc.	
Client Feedback	Nature of client feedback	
Client Outcomes, Suitability and Appropriateness	Adherence to Suitability and Appropriateness requirements	

Market Conduct

MRCC Indicator	Description	Rationale for Exclusion
Trade Surveillance	Volume and nature of trade surveillance breaches	
Watch/ Restricted List	Volume and nature of watch/ restricted list breaches	
KYC Documentation	Volume and nature of KYC documentation breaches	

Group Strategy objective supported by the scope

No Group Strategies have been selected for this audit.

Budget, skills and expertise

Total Audit Budget

0 days

Budget Breakdown

Skill	Budget (days)
No items available	

Satheesh Kaliappan  
Accountable Chief Auditor

Georgios Yfantidis  
Responsible Head of Audit / Audit Director

Skill

Budget (days)

Auditors

Name	Role	Days Scheduled
Satheesh Kaliappan	Accountable Chief Auditor	-
Georgios Yfantidis	Responsible Head of Audit / Audit Director	-
Annie Liu	Engagement Concurring Reviewer	-
Automation Account 1	Auditor	-


Why we have the right budget, skills and expertise

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Key Milestones

Key Milestones have not been set for this audit

Engagement Concurring Reviewer Decision

Is an ECR Required?	Engagement Concurring Reviewer
 Yes	Annie Liu

ECR Assessment Rationale

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Other Relevant Issues

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Material Legal Entities

No material legal entities are covered in this audit

Regulatory Requirements

No regulatory requirements are covered in this audit

CATI Applications

No critical applications are covered in this audit.

External Third Parties

No critical external third parties are covered in this audit.

Intra-Group Third Parties

No critical internal third parties are covered in this audit.

Change Projects and Programs

No change projects and programs are covered in this audit

Models

No critical models are covered in this audit.

Prior Audit Coverage

Retrospective Review

Is this a Retrospective Review?

 Yes

Additional Information

Will this audit response rely on the work of others?

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Other Relevant Information

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