



PwC CASS competency

FCA rules require senior management of investment firms to take reasonable steps to ensure that their CASS auditor has the required skill, resources and experience to perform its functions. Before undertaking any CASS assurance role, we must also be satisfied that those who are to perform the engagement, including the CASS engagement leader, have had appropriate training and will have the appropriate competence and capabilities. This note provides a summary of PwC skill, resources and experience.

FCA have previously expressed a concern about audit firms which are not able to dedicate the necessary resources to CASS. PwC is in a very different position with the largest CASS assurance practice in the UK – typically signing more than 500 CASS opinions in a calendar year. We have unrivalled experience of working with firms across all sectors, including many of the leading asset managers, banks, brokers, custodians and capital markets firms. We have an integrated team of CASS specialists to promote consistency of rule application/interpretation, a network within which our audit teams can consult, expert panels for the most significant issues and a market leading audit methodology. Overall, we apply the same professional approach, audit methodology and review principles as we would to any other assurance engagement.



Specifically at PwC we have:

- A specialist team of over 40 individuals delivering CASS audits and advisory projects, operating out of London, Glasgow, Edinburgh and Leeds.
- A dedicated support team of over 60 staff in Belfast trained in CASS audit procedures.
- A dedicated CASS risk & quality function having regular meetings with the FCA's CARD team to discuss industry issues and interpretations for CASS purposes, with these findings raised through training or other medium for engagement teams.
- Comprehensive training programme including:
 - Core training for all staff involved in CASS work covering CASS principles & objectives, different types of firms, application of rules and exemptions and audit requirements. This is provided as an e-learn package to deliver just-in-time training and was updated in 2018.
 - Annual updates for experienced staff covering learnings from previous engagements and internal quality reviews, regulatory developments (rule changes, regulator priorities, industry issues etc.)
 - Regular newsletters, web-casts and drop-in sessions.
- Tailored work programmes, templates and guides for engagement teams which are reviewed and updated annually. We use our technology tool, Aura, to drive consistency of methodology and approach through the enforcement of standardised work schedules and assurance methodologies. What we have developed through Aura is comprehensive and is key to ensuring that teams address all the right areas.
- A comprehensive internal guide to the interpretation and application of the CASS handbook rules.
- Specialist support for engagement teams through allocated CASS specialists (SME) and independent engagement quality control reviewers (Quality Review Partner or QRP). All reasonable assurance (positive opinion) engagements have an allocated CASS SME and QRP. Additional specific training is provided to CASS SMEs and QRPs. All limited assurance (negative opinion) engagements which rely on CASS exemptions have an allocated CASS specialist (SME).
- Weekly meetings of our CASS Working Group which to discuss industry developments and audit issues. Comprising CASS specialists, risk management and legal experts, this forum enables us to debate and reach consensus on the appropriate application of CASS rules, and is essential in bringing knowledge of topical issues, and consistent application of the rules across all our clients.
- CASS Technical Panels held as required to resolve judgemental or contentious matters on individual client engagements and to agree the 'PwC position' on industry issues and interpretation of rules.
- Independent quality reviews of completed CASS audit engagement files performed annually as part of the firm's internal quality control procedures.
- Internal quality control policies and procedures which are assessed under PwC global standards, ISQC 1, and other applicable standards.

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