

Using the Compliance Function

The Key has a number of in-built Compliance functions. This has historically been limited to high-risk cases being highlighted in the Compliance tab in the product area however has now been enhanced to allow users more control over what products are highlighted as well as improving reporting.

The Key Compliance functions are:

- **Setup > Compliance:** Compliance High Risk Indicators can now be set at a firm level as well as selecting the risk factor associated with a product
- **Admin > Compliance:** displays a list of cases highlighted as high risk (and therefore requiring a compliance check) and cases with outstanding adviser actions
- **Reports > Compliance:** a number of compliance reports can be run based on product information recorded

Notes

- *The Compliance functions detailed above are only available to Users designated as Compliance Officers within the **Setup > Users > Roles** area. All users however can view the **Product > Compliance** tab to see cases highlighted as high risk*
- *The high risk indicators and case checks identified within the Key are for a firm's internal use only for their own monitoring (if required) and are not used by the Sesame Business Monitoring Unit when identifying their own cases for review*

Compliance Scoring

Setup is managed within the **Setup > Compliance** area and is divided into two tabs: **Risk Types** (relating to product features that either exist or do not exist, and therefore require only a single score) and **Mortgage Scoring** (where different bandings are possible, i.e. case commission, loan amount and LTV).

Risk Types

The **Setup > Compliance > Risk Type** area lists the possible high risk business indicators along with a score box for each. When an item is ticked as a high risk indicator, a score is required (the default is 10). Scores can range from 0 (where an item is not a high risk indicator) to a maximum of 99.

To set a high risk indicator tick the associated box and enter the score required.

The screenshot shows the 'Compliance' setup screen for 'Echo Mortgages Ltd'. The 'Risk Types' tab is selected, and a red box highlights the list of indicators. The indicators are organized into two columns: 'Mortgage High Risk Business Indicators' and 'Insurance High Risk Business Indicators'. Each indicator has a checkbox and a score box.

Indicator	Score
<input checked="" type="checkbox"/> Term extends beyond normal retirement age	10
<input checked="" type="checkbox"/> Single applicant cases for married couples	10
<input checked="" type="checkbox"/> Self Cert	10
<input checked="" type="checkbox"/> Equity release	10
<input type="checkbox"/> BTL	0
<input checked="" type="checkbox"/> Adverse credit cases	10
<input checked="" type="checkbox"/> Advice Given Equals No	10
<input type="checkbox"/> Oll Panel	0
<input type="checkbox"/> Right To Buy	0
<input checked="" type="checkbox"/> Interest Only	10
<input checked="" type="checkbox"/> Where pre-existing policies are being replaced	

Below the list, there are additional settings:

- Automatic File Checks on product: Application
- Include Insurance in random product checks
- Mark product for checking where score equals or exceeds: 10
- Create task to compliance officer for all cases to be checked
- Start Date for compliance checks: 14/09/2011 <Today

Mortgage Scoring

The **Setup > Compliance > Mortgage Scoring** area details those high risk elements that can support a banding.

This functionality will enable a different score to be applied to different bands of the supported high risk indicators (currently LTV, case commission and loan amount) as shown below.

The screenshot shows the 'Compliance' screen for 'Echo Mortgages Ltd' with 'Mortgage Scoring' selected. The 'Banded Items' table is highlighted with a red box and contains the following data:

Firm name	Type	Area	Minimum	Maximum	Score
Echo Mortg...	Product	Loan Amount (£)	500000.00	9999999.00	10
Echo Mortg...	Product	Loan to value (LTV) %	85	90	10
Echo Mortg...	Product	Loan to value (LTV) %	90	95	20
Echo Mortg...	Product	Loan to value (LTV) %	95	150	30
Echo Mortg...	Product	Case Commission (£)	5000	10000	10
Echo Mortg...	Product	Case Commission (£)	10000	99999	20

The total **Case Commission** is set at Sale level and not individual product level therefore if commission due across a number of products within a Sale exceeds the threshold a compliance score will be generated.

Click on **Add** to select a new banding to be applied and the associated score.

The bottom section of the Setup > Compliance screen provides additional criteria on which to base any checks

The screenshot shows the 'Compliance' screen for 'Echo Mortgages Ltd' with 'Mortgage Scoring' selected. The bottom section is highlighted with a red box and contains the following settings:

- Automatic File Checks on product: Application
- Include Insurance in random product checks
- Mark product for checking where score equals or exceeds: 10
- Create task to compliance officer for all cases to be checked
- Start Date for compliance checks: 14/09/2011

- **Automatic File Checks on Product:** Select from Application or Completion date. This is the date the Key will check whether any criteria have been met after the relevant date has been entered
- **Mark Product for checking when score equals or exceeds:** this is the threshold score above which a case will be highlighted for checking in the **Product > Compliance** area
- **Create task to compliance office for all cases to be checked:** this box can be ticked to create a task for the Compliance Officer when a case exceeds the Threshold selected. The **Compliance Officer** must be associated to the adviser within the **Setup > Users > Roles** area.
- **Start Date for Compliance checks:** enter the date that compliance checks should start from
- **Include Insurance in random product checks:** tick the box if insurance products are to be included in compliance checks

Viewing a Compliance Score for a Particular Product

The Compliance score can be viewed within the **Product > Product Details > Compliance** area.

An entry will be created if the compliance score of the product exceeds the Threshold set in the **Setup > Compliance** area following the addition of an Application / Completion Date and closure of the Product screen.

The screenshot shows the 'Product Details (New Business)' window. The 'Compliance' tab is active. The 'Compliance Audit Details' section shows 'Audit Check Required' checked and 'Compliance Check Completed' set to '<Today'. The 'Comments' field contains the text 'LTV over 85.00%' and 'Exceeds risk threshold score of 10'. A red box highlights a button labeled 'Compliance Score = 10'. Below this, there is a 'Follow up actions required by Advisor' field and an 'Actions response required by' field set to '<Today'. The 'Completed' field is also set to '<Today'.

Clicking the **Compliance Score** button will open a dialogue box listing all the high risk indicators associated with the score.

The screenshot shows the 'Compliance Score' dialog box. It contains a table with the following data:

Description	Score
LTV over 85.00%	10

At the bottom right of the dialog box, there is a 'Total Score' field showing '10' and a 'Close' button.

The remainder of the Compliance screen can be completed as required to record the date any compliance check is completed, any follow up actions required by the adviser and associated target date and the date completed.

Admin > Compliance

The **Admin > Compliance** area is used to list any outstanding file checks required and provides basic details of the associated product. This can be filtered to 1) a specific application period, 2) by Adviser, 3) cases require checking and 4) cases awaiting adviser actions.

The screenshot shows the 'Administration - Compliance' window. At the top, it says 'The Key v3.7.19 (KC0000)'. The main area is titled 'Administration - Compliance' and has a sub-tab 'Incomplete File Checks'. There's a summary section with a checked box for 'Summary of submitted business for selected period'. The date range is '03/09/2011' to '09/01/2012'. It shows 'Cases marked for checking 8.1%' and 'Cases checked 0%'. Below that, there are filter options: 'Cases requiring checking' (selected) and 'Cases with outstanding adviser actions'. The 'Filter By' section includes 'Adviser' (Ian Murphy), 'Firm name' (Echo Mortgages Ltd), and 'Compliance Officer'. A table follows with columns: Adviser, Type, Basis, Application, Effective Date, Client, Compliance officer, and Date Checked. The table contains 8 rows of data. At the bottom, there are three buttons: 'Print List', 'Open Client', and 'Open Product'.

Adviser	Type	Basis	Application	Effective Date	Client	Compliance officer	Date Checked
Ian Murphy	Insurance	Buildings/Contents	08/09/2011		Owe, Nigel	(none entered)	
Ian Murphy	Mortgage	Purchase	14/10/2011	14/10/2011	Dean, John	(none entered)	
Ian Murphy	Mortgage	Purchase	17/10/2011		Bean, Jean	(none entered)	
Ian Murphy	Insurance	Term Assurance	31/10/2011		Capon, Dan	(none entered)	
Ian Murphy	Mortgage	Remortgage	04/11/2011		Capon, Dan	(none entered)	
Ian Murphy	Mortgage	Purchase	09/11/2011	09/11/2011	Da Vinci, Leonard	(none entered)	
Ian Murphy	Mortgage	Purchase	19/11/2011		Blaw, Paul	(none entered)	
Ian Murphy	Insurance	Term Assurance	02/12/2011		Fellow, Jane & F	(none entered)	

Click on the **Open Client** or **Open Product** button to open the associated record. The **Print List** will export the information into Excel.

Reports > Compliance

There are 4 reports available within the **Reports > Compliance** area:

- Compliance Scoring Report
- Mortgage Business written within date range where documents created out of sequence
- Complaints Report
- Insurance Premium Report

Compliance Scoring Report – provides an overview and breakdown of scores for all products marked for compliance checking

Mortgage Business written within date range where documents created out of sequence – provides details of products within a date range where key documentation is recorded as completed out of sequence, 1) where KFI date is less than the Fact Find, 2) where the KFI date is less than the IDD

Complaints Report – primarily designed for directly regulated firms who have to submit returns to the FSA but can also be used to view details of Complaints where this information is being recorded within the **Client > Admin > Complaints** area

Insurance Premium Report - primarily designed for directly regulated firms who have to submit returns to the FSA but can also be used to view the total insurance premiums paid within a period.