SICSIC ADVISORY
FINANCIAL SERVICES RISK & REGULATION

OUR SOLUTIONS

Operational resilience: Demonstrating compliance and managing future change

August 2025

Since 31 March 2025, the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA) expect firms to treat operational resilience as business as usual. The regulators are no longer focused on firms' initial implementation projects but are instead looking for evidence that resilience is fully embedded into their organisations.

Firms must now demonstrate they can remain within their board-approved impact tolerances for each important business service during a severe but plausible disruption. For many, this requires independent assurance that their framework is effective.

For firms that have recently grown, a change in status to an enhanced firm under the Senior Managers and Certification Regime (SM&CR) brings them into the scope of the operational resilience rules without the benefit of a transition period.

Now is a good time to stand back and review how well operational resilience is embedded within your firm and provide assurance to your Board that your operational resilience can withstand a severe disruption and meet PRA and FCA expectations. We support firms by providing assurance on existing frameworks and implementation support for newly in-scope firms.

Assessing your resilience framework

For firms that worked to meet the 2025 deadline, this is a good time to assess the effectiveness of their operational resilience framework. Boards and senior managers need confidence that the implemented controls meet regulatory expectations and provide a true picture of the firm's resilience.

We can support you with:

- Reviewing your self-assessment: We provide an independent view on the structure, content, and quality of your self-assessment documents to ensure they give the board a clear and accurate understanding of your firm's operational resilience.
- Performing deep dives into specific areas: We can assess key components of your framework, from the identification of important business services (IBS) and the setting of impact tolerances to the severity and sophistication of your scenario testing.
- Benchmarking your approach: Using insights from eight industry-wide surveys and hands-on support to multiple firms, we can benchmark your impact tolerances and overall readiness against your peers.
- Assessing governance and oversight: We review how operational resilience is embedded into your governance framework and the quality of board-level challenge and reporting.

> *"We engaged Sicsic Advisory for a final readiness and maturity review of our Operational Resilience programme in advance of the 31 March 2025 deadline. Their expert team quickly uncovered gaps and approaches that could have been improved. Through their engaging and accessible methods, particularly, their realistic, tech-led scenario testing, they transformed our readiness. In just three months, we not only closed the gaps but also energised our entire business around protecting customers. We are now confident in our resilience and consider Sicsic Advisory a vital partner to keep us ahead of the curve."*
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> COO, Large Life Insurer

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Maintaining and embedding resilience

Operational resilience is not a one-off project. The regulatory landscape and firms continue to develop. Upcoming rules on operational incident and third-party reporting will require firms to enhance their capabilities further. We support clients to maintain their resilience and prepare for future requirements.

We can support you with:

- Reviewing your ongoing scenario testing programme to ensure it continues to raise in maturity and provide valuable insights.
- Examining the information and reports provided to management and your board.
- Evaluating your internal and external communication strategies for responding to a disruption.
- Partnering with your internal audit or second-line assurance functions to deliver cost-effective, independent assurance on a co-sourced basis.
- Reviewing the operational resilience impacts of planned changes to your business model

Implementation support for newly in-scope firms

If your firm is transitioning to become an enhanced SM&CR firm, you must comply with the operational resilience rules, often within a short timeframe. To assist you, we can bring all our insights and experience of advising and supporting firms navigate operational resilience requirements in order to establish a proportionate and effective framework quickly. With specialist knowledge of the insurance market, we can help focus your programme and expedite your journey to compliance.

We can support you with:

- Programme design: We help you translate the regulatory requirements into a practical implementation plan tailored to your firm's size and specificities with realistic timelines and resourcing.
- Framework development: We provide advice and support in developing the core elements of your framework, from identifying important business services to designing a proportionate scenario testing programme.
- Assurance along the way: We work alongside your implementation team and provide assurance at various stages of your project.

What should firms do next?

Boards should seek assurance that their firm is meeting the regulators' expectations on operational resilience. Firms that are not confident in their position should take action.

Why Sicsic Advisory?

Sicsic Advisory have a broad range of skills and experience to support your firm in assessing your current state of operational resilience, whether it meets regulatory expectations, and suggest potential remedial actions.

Our team of senior consultants have experience with advising on design, implementation and assurance of operational resilience programmes. They take the time to get to know your business' strengths and challenges and can work with you to ensure your specific needs are met – helping you develop pragmatic solutions which build on your existing capabilities and avoid common pitfalls.

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References:

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PRA Consultation Paper 17/24

Senior Managers and Certification Regime

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