

## Significant Audit Firm Recovery and Resolution Plan Criteria

CRITERIA	MINIMUM STANDARD	GOOD PRACTICE
<i>Oversight</i>	<ul style="list-style-type: none"> <li>• Clear accountability for Recovery Plan ownership and invocation.</li> </ul>	<ul style="list-style-type: none"> <li>• A dedicated Existential Crisis Committee with clear lines of responsibility and scope.</li> </ul>
<i>Strategy</i>	<ul style="list-style-type: none"> <li>• Firm's rationale for recovery and resolution is clear.</li> </ul>	<ul style="list-style-type: none"> <li>• A strategy document exists for recovery and resolution.</li> </ul>
<i>Critical Functions</i>	<ul style="list-style-type: none"> <li>• Recovery Plan identifies firm's key functions.</li> </ul>	<ul style="list-style-type: none"> <li>• Full methodology for identifying firm's critical functions and core services.</li> </ul>
<i>Existential Crisis Scenarios</i>	<ul style="list-style-type: none"> <li>• Clear existential scenarios identified.</li> </ul>	<ul style="list-style-type: none"> <li>• Existential scenarios are play booked with cumulative financial, operational and regulatory impacts.</li> </ul>
<i>RRP Document</i>	<ul style="list-style-type: none"> <li>• Recovery and resolution sections of the contingency plan are clearly labelled as separate sections of the business continuity management plan.</li> </ul>	<ul style="list-style-type: none"> <li>• A standalone Recovery and Resolution Plan document exists to focus the firm's attention on the unique 'existential crisis' elements of this Plan.</li> </ul>
<i>Recovery Options</i>	<ul style="list-style-type: none"> <li>• Recovery options are clearly identified.</li> </ul>	<ul style="list-style-type: none"> <li>• Recovery options explicitly linked to short and medium-term funding options.</li> </ul>
<i>Resolution Triggers</i>	<ul style="list-style-type: none"> <li>• Clear triggers for resolution are identified.</li> </ul>	<ul style="list-style-type: none"> <li>• Min Standard, plus Plan considers impediments to resolution with mitigants.</li> </ul>
<i>Public Interest</i>	<ul style="list-style-type: none"> <li>• Resolution Plan is framed around protecting the public interest.</li> </ul>	<ul style="list-style-type: none"> <li>• Min standard, plus Plan considers conflicts, audit quality and competition.</li> </ul>
<i>Regulatory Environment</i>	<ul style="list-style-type: none"> <li>• Recovery Plan references the need to adapt to the changing regulatory environment.</li> </ul>	<ul style="list-style-type: none"> <li>• Recovery Plan is a fluid document, with real-time changes made as required.</li> </ul>
<i>Exercising the Plan</i>	<ul style="list-style-type: none"> <li>• Testing of recovery and resolution components of contingency plans has been undertaken.</li> </ul>	<ul style="list-style-type: none"> <li>• End-to-end, integrated testing of full contingency plan (including recovery and resolution) are undertaken.</li> </ul>

