LLOYD'S

Delegated Authority Auditor Registration Onboarding Process

This document has been produced by Lloyd's for information only and it is intended to provide general guidance for delegated authority auditors and managing agents on their roles and responsibilities under the auditor registration onboarding process. It also highlights the ongoing oversight carried out by Lloyd's and the SLAs for each task within DAM.

For further information on the auditor registration process / audit coordination and for all new audit firms looking to start their applications, please contact Lloyd's directly via email at: delegatedauthorities@lloyds.com.

Auditor Registration: Origins and Purpose

The Auditor Registration initiative was established to ensure that delegated authority auditors consistently meet the market's standards for conducting independent reviews. These audits are carried out through the Delegated Audit Manager – an online platform designed to streamline and standardize delegated authority audits.

The registration process gives managing agents confidence that coverholders and delegated claims administrators (DCAs) are being audited by qualified professionals. Registered auditors must demonstrate the necessary skills, experience, and ongoing competence to perform high-quality delegated authority audits.

Continuous Education – requirement to complete key staff training and evidence CPD learning

To maintain high standards across the audit community, all auditors must complete key staff training and provide evidence of Continuing Professional Development (CPD).

The Request for Information (RFI) section within Delegated Audit Manager offers a secure and streamlined way to:
• Log each auditor's qualifications and training history
• Upload relevant policies and procedures
• Submit certificates and CPD evidence

To meet Lloyd's minimum registration standards, auditors must:
• Complete relevant in-house or external training (e.g. CII Broker Assess or equivalent)
• Upload certificates of completion to Delegated Audit Manager
• Provide evidence of at least 15 hours of CPD annually
• Training records are centrally registered by Lloyd's via the annual RFI submission. However, Managing Agents are responsible for reviewing and approving the suitability of each auditor's qualifications when selecting their annual audit panel.

Lloyd's offers a range of free e-learning modules and webinars to support auditors' professional development, including:
• UK-specific modules: Financial Crime, Conduct, and Complaints
• CII-accredited webinars: Eligible for CPD hours
• These resources are available to all registered auditors and can be used to meet CPD requirements.

Suitable Processes – requirement to evidence a well-established key policies and procedures

- Auditors must self-certify in Delegated Audit Manager (DAM) that all information provided in their Request for Information (RFI) is true and accurate. Lloyd's centrally registers all documents via the annual RFI submission in DAM. However, the responsibility for reviewing and approving the suitability of auditors' individual policies and procedures remains with managing agents, as they select their auditor panel each year.

- Once the RFI task is triggered in DAM, the auditor has 14 days to submit the required information. If the task is not completed within the SLA, it will automatically expire, and a new task will need to be initiated for the auditor.

- Auditors on the DAM panel must upload and update annually, under individual RFIs, their internal policies and procedures, including (see next page):

Document	Requirement
Professional Indemnity Policy Certificate	Must confirm the audit firm is covered for auditing services and/or third-party liability
Business Continuity Plan	Outline procedures for critical operations, disaster recovery, and communication.
Conflicts of Interest Policy and Log	Documented policy and maintained log of any conflicts
Data Protection Policy	Comprehensive measures to safeguard data in compliance with regulations
Privacy Notice	Clear and accessible notice outlining how personal data is handled
Information Security Policy	Procedures and controls to ensure secure handling of information
Quality Assurance Process	Documented process to maintain and monitor audit quality standards

Ongoing Oversight

- All registered auditors are required to comply with the established Service Level Agreements (SLAs). Performance against these SLAs is monitored by both Lloyd's and managing agents using the reporting functionality within Delegated Audit Manager (DAM).

- Lloyd's monitors auditor performance against the SLAs embedded within DAM, as well as the ratings provided by managing agents.

- Lloyd's oversees ongoing performance for both registered auditors and managing agents. Any underperformance against SLAs is communicated to auditors through monthly escalations of overdue tasks. Additionally, this information is shared with managing agents prior to the commencement of annual audit scheduling.

- Escalations are conducted monthly, specifically on the third Thursday of each month. During this process, the Lloyd's Delegated Authority (DA) team will contact auditors via email regarding any overdue tasks within the Delegated Audit Management (DAM) system. The tasks subject to escalation include Audit Site Visit, Update Quote and Auditor Actions.

SLAs – requirement to comply with the task deadlines set in Delegated Audit Manager

▪ Due to a workflow nature of the audit coordination and multiple stakeholders' involvement in the process, Service Level Agreements (SLAs) have been established and are imbedded within Delegated Audit Manager. Please see below for example of main SLAs currently in use: