

Analysis of the implementation of reliability requirements of the internal control and governance system of EMIs and PIs



5

selected institutions that were already operating



Assessment of documents and other information submitted



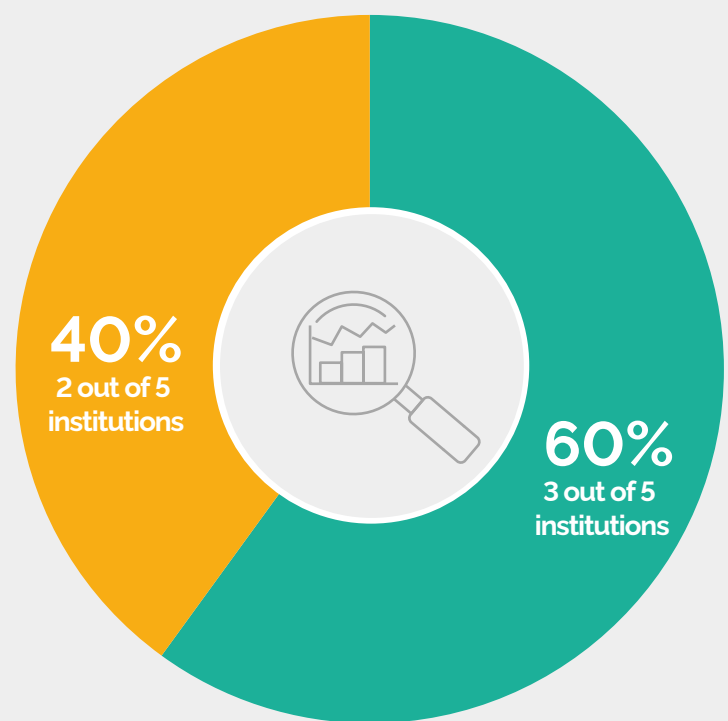
Assessment of compliance of institutions' governance system with the general requirements for governance arrangements set by the Bank of Lithuania (requirements of Resolution No 03-106 of the Board of the Bank of Lithuania of 23/07/2020)

General assessment results*

Due to the applied evaluation logic, 1 means compliance with the requirements and 4 means non-compliance with the requirements.

Assessment of institutions by area

	Organisational structure	Governance arrangements	Functions of the management body	Risk management environment	Implementation of risk management
Institution 1	● ● ○ ○	● ○ ○ ○	● ● ○ ○	● ● ● ○	● ● ○ ○
Institution 2	● ● ○ ○	● ● ○ ○	● ● ○ ○	● ● ○ ○	● ● ○ ○
Institution 3	● ● ● ○	● ● ● ●	● ● ● ○	● ● ● ○	● ● ● ○
Institution 4	● ● ● ○	● ● ● ○	● ● ● ○	● ● ● ○	● ● ● ○
Institution 5	● ● ○ ○	● ● ○ ○	● ● ○ ○	● ● ○ ○	● ● ○ ○



Organisational structure	Governance arrangements	Functions of the management body	Risk management environment	Implementation of risk management
<p>✓ Articles of Association are registered in the Register of Legal Entities; rules of procedure of the board; working arrangements of management bodies; proper granting of powers.</p> <p>⚠ Documents are absent or incomplete and not reviewed periodically; no proper delegation of operational functions to third parties ensured.</p>	<p>✓ Internal control and risk management policies (3-level control system), business continuity plan, periodic testing, responsible persons appointed.</p> <p>⚠ Internal audit independence not ensured, absence of policy for the assessment of eligibility of members of management bodies or key function holders for the positions.</p>	<p>✓ Descriptions of organisational and operational structure developed; staff policy developed; procedures for the control of decision making are established.</p> <p>⚠ No internal control policy; no criteria for the provision of information, responsibilities of staff are not established and/or IT solutions in providing information and reports are not specified.</p>	<p>✓ Internal control policy properly developed with all policy components.</p> <p>⚠ Risk management strategy not developed or is deficient; no maps, registers of risks and incidents are not filled in; no risk management improvement plans.</p>	<p>✓ Process, progress and stages of risk assessment are clear; exhaustive risk identification and assessment approaches; procedure of performance of risk assessment is periodically reviewed and updated.</p> <p>⚠ Operation strategy is not developed or not approved; no annual risk report is drawn up; no register is filled in; no method, means and time limits of risk management are specified.</p>

- 1 High (comply with the requirements)
- 2 Average (mainly comply with the requirements)
- 3 Low (partly comply with the requirements)
- 4 Very low (do not comply with the requirements)