

Procedures, roles and responsibilities

FI ESMS

Note: This table has been developed to guide FI's when designing procedures and defining responsibilities. The table is an example and is not comprehensive (no description of procedures or roles).

		PROCEDURES/ACTIVITIES		ROLES AND RESPONSIBILITIES	
		DESCRIPTION (Sample of activities forming part of the procedure)	REFERENCES AND TOOLS	OPERATIONAL	OVERSIGHT
TRANSACTION STAGE	SCREENING	<ul style="list-style-type: none"> Comply with FI exclusion list and E&S Policy. Identify E&S inherent risks and categorisation. Confirm applicable E&S standards. Plan DD and allocate resources. Prepare CC papers (if appropriate). 	<ul style="list-style-type: none"> FI's E&S policy/exclusion list. Categorisation guidance. Screening/high-level checklists. 	<ul style="list-style-type: none"> Define role of the E&S Coordinator (e.g. assign the transaction E&S categorisation). Define the role of E&S Officer(s). Define role of the Relationship Manager and / or Credit Team. 	<ul style="list-style-type: none"> E&S Manager, as appropriate (generally, the E&S Manager will not get involved at this stage unless there are major issues). CC: Discuss key E&S issues and approve DD budget, as applicable (if there is a CC Screening meeting).
	DUE DILIGENCE	<ul style="list-style-type: none"> Assess E&S risks and opportunities. Assess client's CCTR. Engage with consultants (if appropriate). 	<ul style="list-style-type: none"> Site visit and DD checklists/questionnaires. Terms of reference for consultants. E&S Action plan template. 	<ul style="list-style-type: none"> Define role of the E&S Coordinator. Define the role of E&S Officer(s). Define role of the Relationship Manager and / or Credit Team. 	<ul style="list-style-type: none"> E&S Manager, as appropriate (generally, the E&S Manager will not get involved at this stage unless there are major issues).
	APPLICATION AND STRUCTURING	<ul style="list-style-type: none"> Provide input for the CC (define what needs to be included). 	<ul style="list-style-type: none"> Credit Committee E&S template. 	<ul style="list-style-type: none"> Define role of the E&S Coordinator. Define the role of E&S Officer(s). Define role of the Relationship Manager and / or Credit Team. 	<ul style="list-style-type: none"> E&S Manager, as appropriate. CC: Approve/reject the proposed transaction.
	TRANSACTION APPROVAL AND EXECUTION	<ul style="list-style-type: none"> Negotiate E&S terms with client for inclusion into the loan agreement(s) (or equivalent document). 	<ul style="list-style-type: none"> Loan agreement template/drafting guide. 	<ul style="list-style-type: none"> Define role of the E&S Coordinator. Define the role of E&S Officer(s). Define role of the Relationship Manager and / or Credit Team. Define role of the legal team. 	<ul style="list-style-type: none"> E&S Manager, as appropriate. CC may be contacted if significant issues arise or if the conditions of approval are not met.
	MONITORING AND REPORTING	<ul style="list-style-type: none"> Monitor E&S action plan and compliance with applicable standards. Monitor client's E&S performance and provide oversight/guidance/assistance. Manage unforeseen events. Engage with investors, and clients. Demonstrate E&S performance against FI requirements. 	<ul style="list-style-type: none"> Client' E&S reporting template/questionnaire. Site visits. Internal Portfolio E&S Monitoring and Reporting Template. E&S reporting templates to investors and other stakeholders (including serious incidents). 	<ul style="list-style-type: none"> Define role of the E&S Coordinator. Define role of the E&S Officer(s). Define role of the Relationship Manager/Portfolio Manager. Define role of the legal team. 	<ul style="list-style-type: none"> E&S Manager, as appropriate (for major issues). Regular reporting to relevant committee (i.e. Risk Committee, E&S Committee, Board, CC). Portfolio/CC to be informed of any significant issues. Executive Management/Board and relevant committees to oversee.
	PERFORMANCE MANAGEMENT	<ul style="list-style-type: none"> Evaluation of the adequacy of the FI's ESMS as a whole. Approval and implementation of changes to the ESMS. 	<ul style="list-style-type: none"> ESMS evaluation guidance. Questionnaires to get feedback from various teams. 	<ul style="list-style-type: none"> Define role of the E&S Coordinator. Define role of the E&S Officer(s). Define role of the senior member accountable for the ESMS (i.e. E&S Manager). 	<ul style="list-style-type: none"> E&S Manager. Executive Management/Board Member.
	EXTERNAL STAKEHOLDER ENGAGEMENT	<ul style="list-style-type: none"> Report on implementation and progress of FI ESMS and the E&S performance of the FI and its clients to investors. 	<ul style="list-style-type: none"> Reporting frameworks and templates. Stakeholder engagement guidance. 	<ul style="list-style-type: none"> Define role of the E&S Coordinator. Define role of the E&S Officer(s). Define role person acting as Investor Relations/Communication Officer (if appropriate). 	<ul style="list-style-type: none"> E&S Manager, as appropriate.