



# Supply Chain Compliance

## FCSA Accreditation: **your ready-made PSL**

FCSA accreditation removes the complexity, time and cost required to implement a compliant Preferred Supplied List (PSL).

Every FCSA Accredited Member (not to be confused with a self-certifying FCSA Associate Member) has already undergone the toughest testing in the industry, by independent regulated assessors - at no cost to your organisation.

The result? Assurance that your supply chain is as robust as it can be. Peace of mind that any FCSA Accredited Member you choose to work with, operates at the highest industry standards for your benefit and protection. Reduced risks and increased value to your organisation.

## Why trusted Preferred Supplier Lists are critical

As recruitment firms face ever increasing pressure to conduct their business responsibly and compliantly, a reliable Preferred Supplier List can offer:

- Protection against financial and reputational risks
- Reduced administration and operating costs
- Improved brand recognition
- Increased value and appeal to investors and customers
- Greater sales and market share

Developing a compliant and dependable PSL is no small challenge. Regulations governing the sector and supply chain are complex and ever-changing. Distinguishing between organisations that pay lip-service to compliance, and those that are fully committed, is difficult, costly and time-consuming. Getting it wrong can carry serious implications for any recruitment business.

## About the FCSA

FCSA is the UK's largest independent trade association for contractor accountancy and umbrella company providers. It works to raise the standards of the supply chain in an unregulated sector.

FCSA is a not-for-profit organisation. Our corporate governance structure adheres to trade association best practice, including:

- Non-profit making, limited by guarantee
- No financial or commercial conflicts of interest
- Fully owned by its Members
- Wholly independent CEO appointed by its Members

# What makes the FCSA Accredited Membership unique?



## 1. FCSA Accredited Members are assessed against a published Code of Compliance, produced by our advisors, Ernst & Young, in consultation with HMRC.

The FCSA Code of Compliance, published on the FCSA website, is the most stringent and comprehensive compliance code in the industry. It includes sections on:

- Governance, corporate structure and financial stability checks
- Relationship with agency
- Relationship with contractor
- Umbrella employment operations
- Accountancy support operations
- Self-employment operations
- Required documentation and evidence

Importantly, no FCSA Accredited Member is allowed to operate Offshore Schemes, Loan Schemes, Trusts, Managed Services Companies Schemes, Pay-day-by-Pay models, or similar.

## 2. Every FCSA assessor is a regulated firm independent of the FCSA

FCSA assessors are appointed to the assessment panel based on a strict selection process. This is to guarantee their independence, understanding of the sector and alignment with the FCSA's mission to raise compliance standards across the UK recruitment supply chain. They are regulated independent firms contracted directly with the FCSA and not with any prospective or present FCSA Accredited Member. FCSA assessors are experts in the industry.

FCSA assessors currently include:

- **EY**
- **BDO**
- **Saffery Champness**
- **EY** (solicitors)
- **Brabners** (solicitors)

## 3. Audit reviews for FCSA Accredited Membership are rigorous and ongoing

To achieve FCSA Accredited Member status, firms undergo a rigorous compliance audit against the FCSA Code of

Compliance. This is conducted on an annual basis by regulated accountants and/or solicitors. Documentation and supporting evidence is submitted in advance of the review, alongside in-depth site visits and desk reviews as required.

Firms who do not reach the required compliance standards within the allotted timescale are suspended until full compliance is achieved.

## 4. Audit review findings are submitted to HMRC in an open book accounting policy

In a show of complete transparency, FCSA assessors submit their audit review findings to the FCSA, the member firm and HMRC.

HMRC do not approve, endorse, or lend their name or logo to any firm, model or arrangement. However, the FCSA review report is used by HMRC as a factor in determining risk assessments. It is also referenced for routine inspections of FCSA Accredited Members.

## 5. FCSA Accredited Membership represents the pinnacle of supply chain compliance

FCSA Accredited Member status is widely recognised as the industry's compliance gold standard for contractor accountancy and umbrella companies. It is the only accreditation standard recognised and endorsed by all of the UK's leading recruitment industry bodies, including REC, APSCo and TEAM.

*"We are happy to recommend to all REC members who use or are looking to use a third party supplier of contractor accountancy or umbrella services, to use FCSA Accredited Members to minimise their risk."*

**Kevin Green** CEO of REC

We are actively promoting supply chain due diligence with Managed Service Providers, commercial hirers and public sector bodies.