

The Risks of Outsourcing in Banking

A 2-day Seminar

Course Description

Globally regulators have been raising concerns that outsourcing has not been appropriately managed within financial institutions impacting their regulatory scope. The EBA issued revised guidelines on outsourcing in February 2019. These important guidelines raise a number of important issues which any financial firm would seek to address. This course takes delegates through each of the requirements and considers what this is likely to mean in practice.

Learning Objectives

Delegates would gain a thorough understanding on these new EBA guidelines and what this is likely to mean in practice for financial institutions.

Who Should Attend

- Risk Managers
- Internal Auditors
- Business Managers
- Compliance staff
- Controls staff
- Senior management

Methodology

Classroom training plus discussions

Knowledge Pre-Requisites

None



Course Outline

Session 1: Introduction

- The background to the paper
- Compliance and Reporting Obligations
- Subject matter, scope and definitions
- Implementation

Session 2: Proportionality

- The guidance
- What this means in specific cases

Session 3: Assessment of Outsourced Functions

- Assessment
- Criticality or important functions

Session 4: Governance Framework

- Sound governance arrangements and third-party risk
- Sound governance arrangements and outsourcing
- Outsourcing policy
- Conflicts of interests
- Business continuity plans
- Internal audit function
- Documentation requirements

Session 5: Outsourced Process

- Pre-outsourcing analysis
- Supervisory conditions for outsourcing
- Risk assessment of outsourcing arrangements
- Due diligence
- Contractual phase
- Sub-outsourcing of critical or important functions
- Security of data and systems
- Access, information and audit rights
- Termination rights
- Oversight of outsourced functions
- Exit strategies
- Other matters

Session 6: What this means in Practice?

- Putting this together
- Building a control structure
- Implementing governance procedures

END

