

GRCConnect

PROBE
Partners' Rating, OnBoarding and Evaluation



Globalisation, new customer expansion and technology advancement have propelled outsourcing consumption in the Financial Services Industry (FSI) and Financial Institutions (FIs) are engaging outsourcing service providers to help fulfil their non-core operational needs while they focus on their core and strategic competencies to achieve business objectives.

In this highly-regulated industry where information technology is a key enabler for business strategies, external service providers supported FIs in many aspects including application processing, middle and back-office operations, information systems hosting, IT maintenance, business continuity and disaster recovery.

Whether FIs outsource to a single partner or multiple vendors who jointly provide complementary services; domestically-based provider(s) or those located in another geographical region, it is imperative for FIs to optimise these outsourcing relationships for operational efficiency.

Outsourcing risks can manifest in the form of operational risks arising from a service provider failing to perform in the supply chain; or compliance risks when the outsourced service providers breach security requirements or are incapable of complying with legal and regulatory requirements. It can also be in the form of concentration risks when an institution becomes too highly dependent on a service provider. As such, FIs should ensure that interdependency risks arising from multiple outsourcing arrangements are adequately mitigated.

A secure and integrated platform that helps FIs manage their relationships with service providers and mitigate the risks associated with outsourcing is necessary.

CHALLENGES

- Outsourcing arrangements are becoming more complex with multiple levels of sub-contracting relationships
- Due diligence process can be complicated by varied qualitative and quantitative factors for initial screening and continuous evaluation
- Outsourcing arrangements give rise to different aspects of risks that could interplay and cause uncertainties
- Adverse development in material outsourcing relationships can influence the continuity of a FI business and stability of the financial market
- Ever-evolving sanction lists and regulations increases the risk profile of outsourcing arrangements

SOLUTION

- NCS leverages on MetricStream's best-of-breed Governance, Risk & Compliance (GRC) platform to create GRConnect-a suite of solutions contextualized to cater for the needs of FIs in Singapore and the region.
- NCS' GRConnect PROBE (**P**artners' **R**ating **O**nBoarding and **E**valuation) takes reference from the Monetary Authority of Singapore's Guidelines on Outsourcing to help FIs manage their relationships with service providers and the risks associated with outsourcing.



FEATURES

PROBE supports a comprehensive and intelligent process to identify, assess, mitigate and monitor the risks associated with outsourcing. It allows FIs to conduct due diligence by providing functions to:

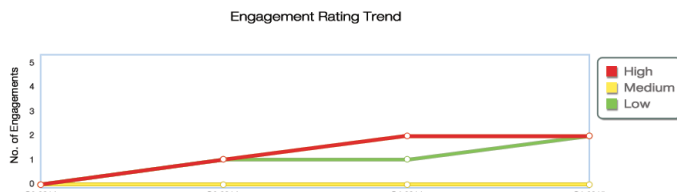
- Contextualize screening, approve and evaluate service providers against risk appetite for different engagement types
- Perform periodic assessments of the materiality and risks of outsourcing relationships against approved risk appetite
- Relate different areas of concerns to flag out non-consistencies and potential signs of onerous outsourcing arrangements

Rating by Risks



- Analyse and manage the impact of outsourcing arrangements on the overall risk profile of FI

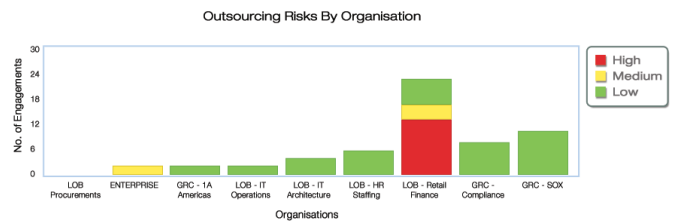
Engagement Rating Trend



BENEFITS

- Streamlines due-diligence, onboarding, real-time monitoring, risk assessments and documents interactions with service providers
- Allows FIs to gain valuable intelligence and visibility into outsourcing relationships for greater risk awareness and to make informed business decisions

Engagement Rating Trend



- Ready integration to multiple external trusted data sources for independent reviews and market feedback on service providers
- Extensible to be a comprehensive IT-GRC solution with NCS' GRConnect TRIAGE (Technology Risk Identification, Assessment and Governance Engine) where outsourcing risks relating to the service provider can be evaluated, and technology risks relating to the services and products provided by the same service provider can be treated
- Seamless integration with MetricStream's applications on outsourcing including:
 - Document Management System: Maintain outsourcing agreements, licenses, certifications and their validity periods
 - Compliance Management: Determine the degree of oversight required for the service providers
 - Policy Management: Review of set policies and procedures
 - Business Continuity Management: Achieve a higher state of business continuity preparedness