

Off-shoring / Outsourcing Assurance

Off-shoring / Outsourcing Risks Vs. Controls

Wrong selection of Supplier / processes / Applications?

Lack of unity Of minds. Expectation Alignment?

Dishonor of Obligations, Information security?

Resource / Billing Inaccuracies, Leakages?

Failure to realize benefits, Reverse flow of knowledge?

Risks



Phases

Strategies & Planning

Transition (Knowledge Transfer)

Execution (Steady State)

Execution (Value add State)

Programme Closure

Strategy Due-Diligence

Transition Advisory

Continuous Assurance

Continuous Assurance

Continuous Assurance

Control Measures

Strategic Alignment

Process Alignment

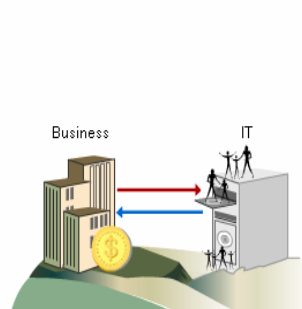
Cultural & Performance Alignment

Value Alignment

Smooth Reverse Transition

Desired Results

The Need for Independent Outsourcing Oversight

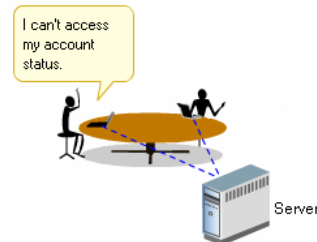


Strategic Alignment



Poor Security Assurances

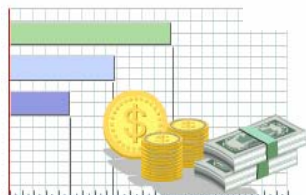
Security Assurance



Execution Assurance



Relationship Assurance



Project Execution Time

Value / Cost Assurance



Compliance Assurance

Outsourcing organizations require a structured, independent and competent assurance throughout the outsourcing / off-shoring relationships. This would help the organization to have checks and balances to realize the objectives.

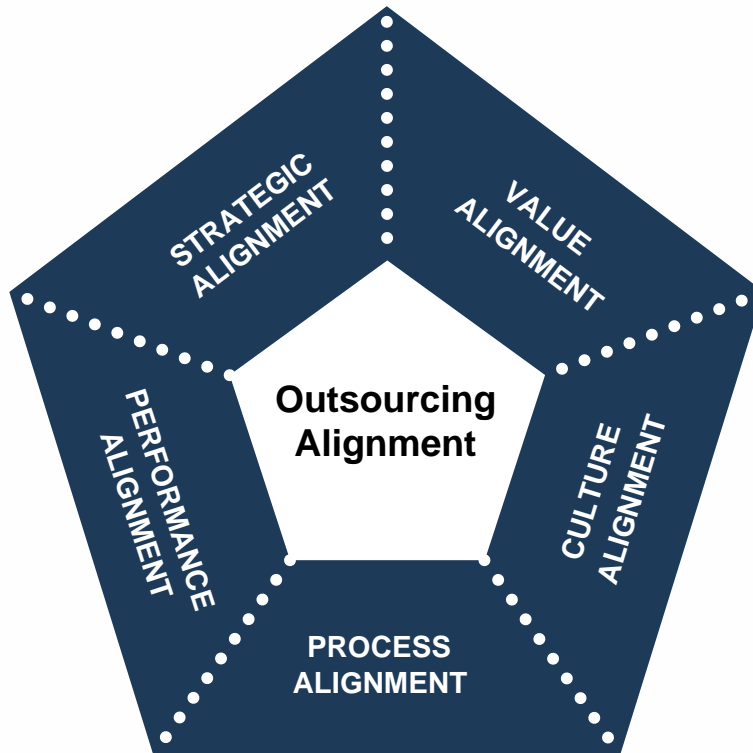
We have the competence to provide assurance services to the organizations to ensure that the outsourcing relationships realize the anticipated benefits.

The focus areas of Outsourcing Assurance

Outsourcing Assurance is a management process to provide a **independent comfort** to management that Outsourcing engagement **processes** are **effective** and **efficient** enough to provide the **desired results** envisaged at the beginning of the outsourcing engagement. Also, to **provide** identified **material weaknesses** in the outsourcing processes either at Outsourced organization or at supplier end.

This assurance function should be **established** at **strategic checkpoints** to provide the **required alignment** in the following focus areas:

- Strategic Alignment
- Value alignment
- Performance alignment
- Culture alignment
- Product alignment



Why Outsourcing Assurance focus on these areas?

Strategic alignment

Focuses on ensuring the **linkage of business and outsourcing plans**; on defining, maintaining and validating the **outsourcing value proposition**; and on **aligning outsourcing operations** with enterprise operations

Value alignment

Is about executing the **value proposition** throughout the outsourcing cycle, ensuring that **supplier** delivers the **benefits against the outsourcing strategy**, concentrating on optimising costs and proving the intrinsic value of outsourcing

Culture alignment

Focuses on bridging the cultural gaps between two organization

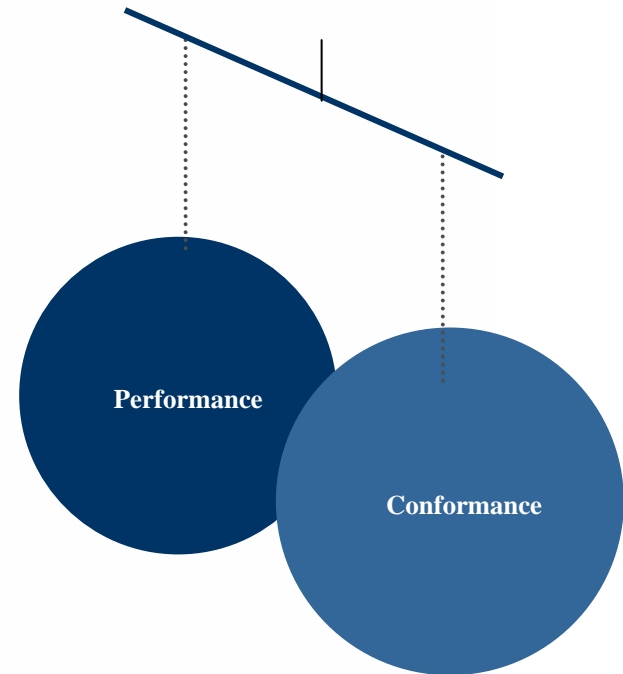
Process alignment

Focuses on ensuring required **process infrastructure** is **established** and **implemented** and **institutionalized** to have **transparency** in outsourced processes. Ensure that these processes are **improved continually** and aligned to **outsourcing objectives**

Performance alignment

Tracks and monitors strategy implementation, project completion, resource usage, process performance and service delivery, using, for example, scorecards that **translate strategy into action** to achieve **goals measurable beyond conventional accounting**

- ⦿ **Conformance**
 - Adhering to Laws, Regulations, Legislation, Policies and Procedures, audit requirements, etc.
- ⦿ **Performance**
 - Improving Performance Score card, Outsourcing efficiency and effectiveness, growth, etc.



Outsourcing Assurance aims to balance conformance and performance goals

Outsourcing Governance Stakeholders



Board and executive

Set direction for outsourcing, monitor results and insist on corrective measures

Business management

Defines business requirements for outsourcing and ensures that value is delivered and risks are managed

Supplier management

Monitors outsourcing services as required by the Business Management

Assurance services

Provides independent assurance services to demonstrate that outsourcing delivers what is needed

Outsourcing management

Delivers and improves outsourcing services as required by the Client Management

Risk and compliance

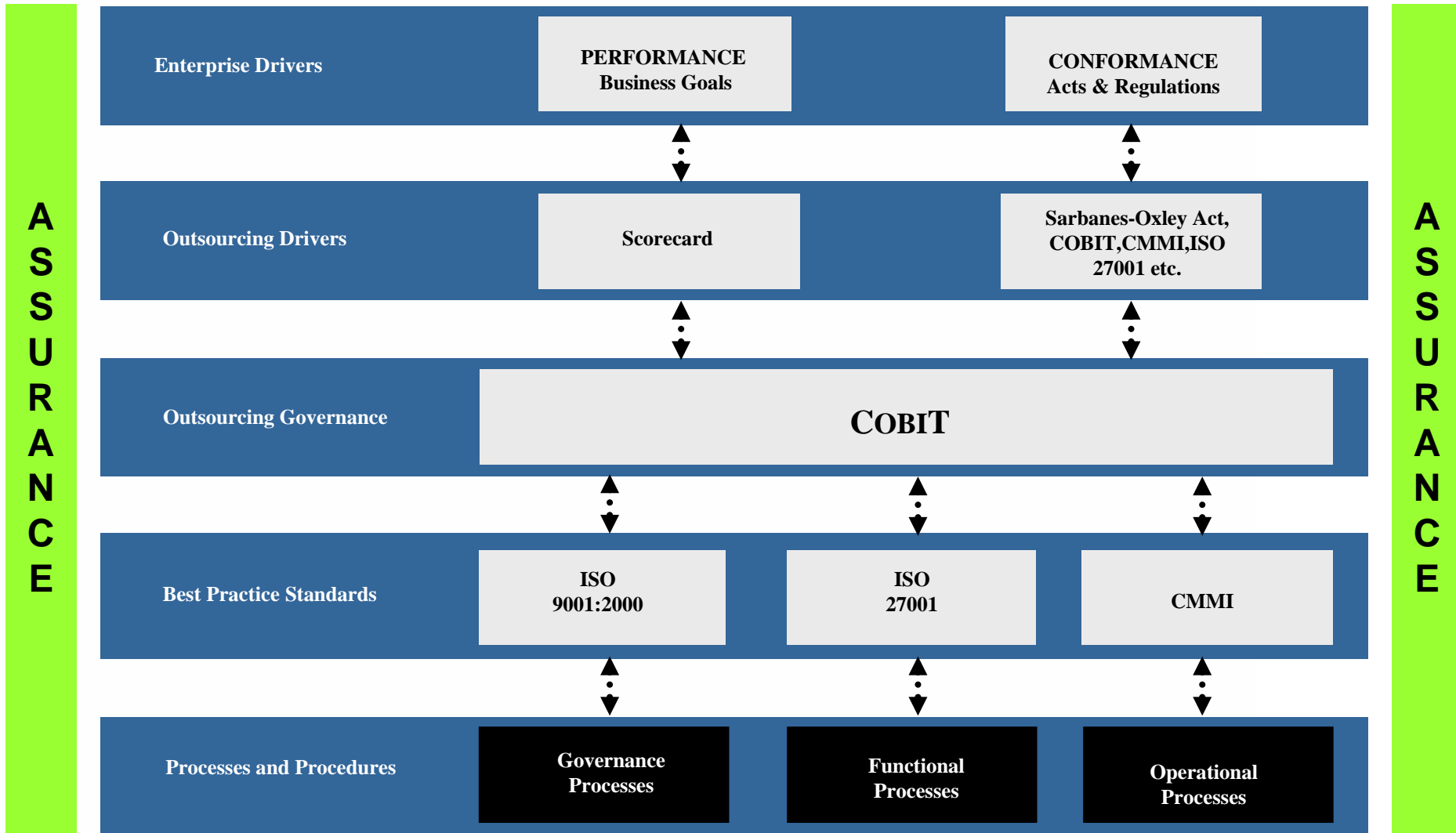
Measures compliance with policies and focuses on alerts to new risks

 **Supplier**

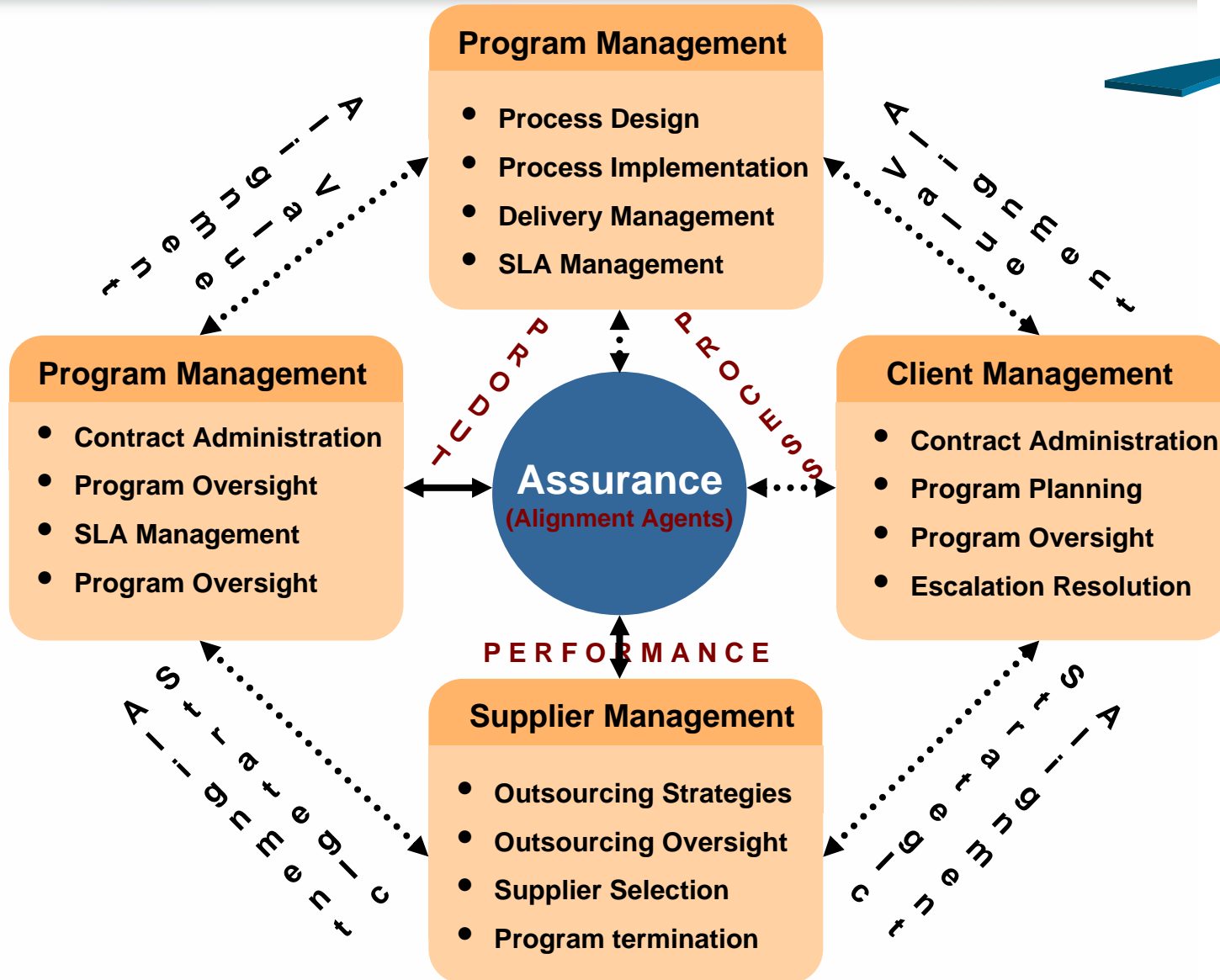
 **Service Buyer**

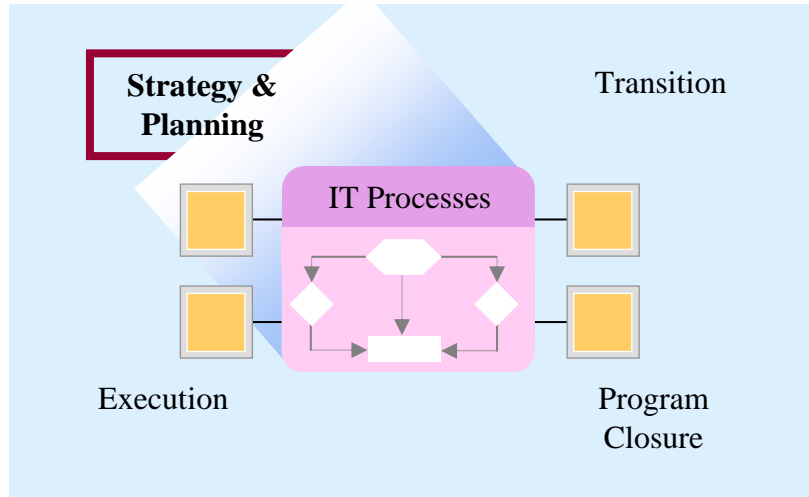
 **Independent Assurance**

Outsourcing Assurance Framework



Alignment Agents





Deliverables

Report on Strategies
Due Diligence Reports
Supplier selection process review report
Information Security Assessment report
Systems & Processes assessment Report
Contract Review Report

Strategy & Planning

Strategy reviews

Planning reviews

Supplier Selection reviews

Supplier infrastructure due diligence

Suppliers Human Resources due diligence

Suppliers Process infrastructure due diligence

Supplier readiness due diligence

Contract negotiation / re-negotiation (Pricing)

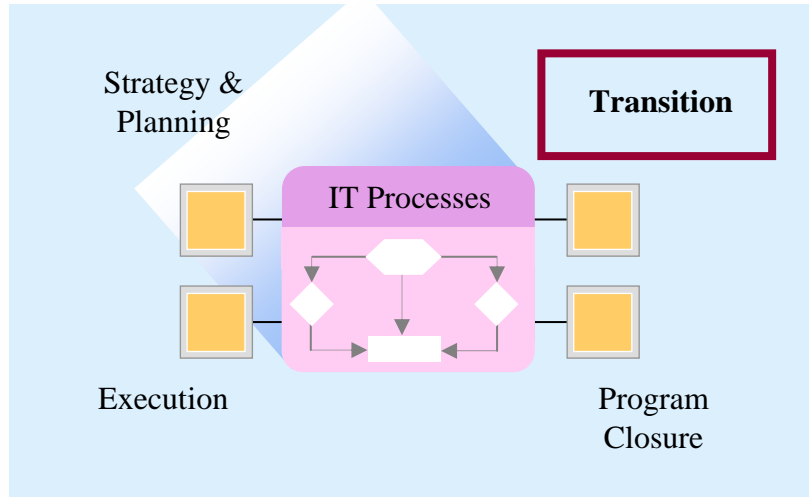
Information Security and Privacy assessment

Effort estimation review

Outcome

Right Pricing is established
Strategy and Planning verified
Suppliers' claims validated
Risks towards security assessed
Human resources claims assessed
Outsourcing (Supplier) readiness assessed
Outsourcing (Customer) readiness assessed





Outcome

Effective transition strategy
Efficient transition strategy
Process infrastructure readiness
Program transition health status
Pilot project validation
Supplier readiness against the plan
Risk assessment and mitigation



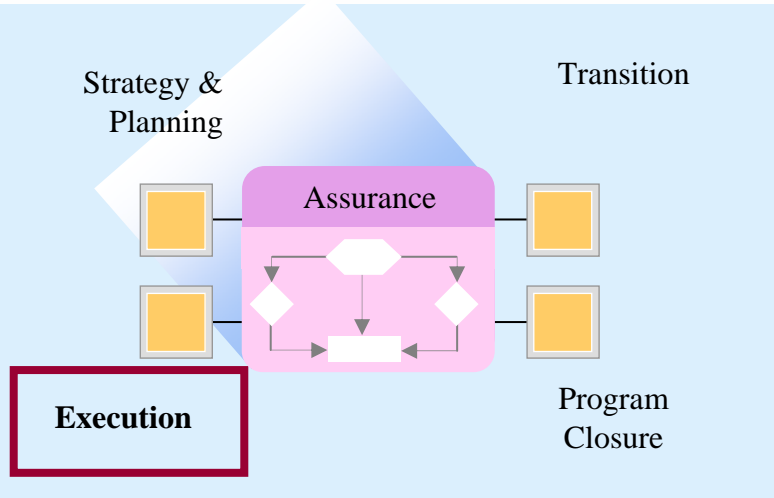
Deliverables

Review Reports (Processes in transition)
Process documentation (if required)
Review report on Knowledge transfer
Establish On-site Oversight mechanisms
Review of Staffing
Audit reports (Transition Phase)

Transition

Transition Planning review
Transition Schedule review
Program staffing review
Knowledge transfer execution audit
Pilot project execution review
Program & Project Planning Process definition
Program & Project execution Process definition
Quality Assurance Process definition
Quality Control process definition
Information Security process definition

Assurance Scope (Execution)



Deliverables

Process advisory
Process Audit reports
Information Security audit reports
Billing verification report

Execution

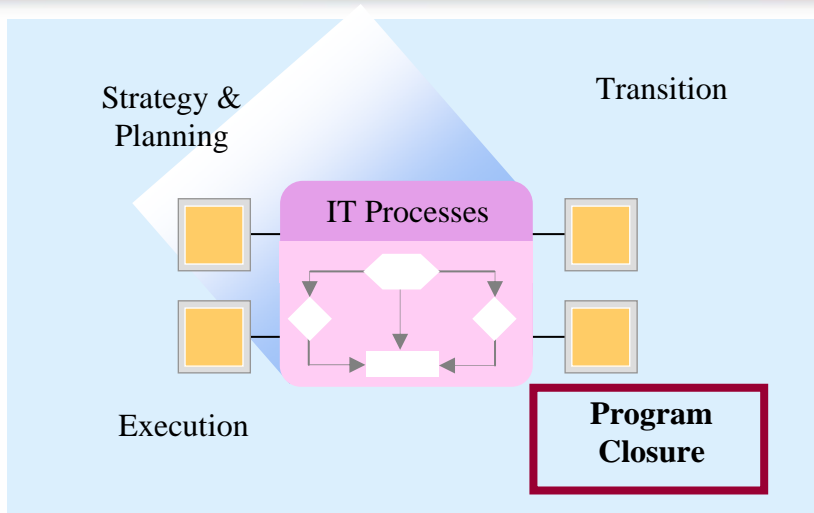
- Periodic Audit of Contractual obligations
- Periodic Audit of Information Security processes
- Periodic Audit of process implementation
- Periodic Audit of Service Level Agreements
- Periodic Audit of deviations, escalations
- Periodic Audit of Supplier's infrastructure
- Periodic Audit of Billing Account

Outcome

Alignment of execution processes
Alignment of info. Security requirements
Independent Program status
Process improvements
Contractual obligations by supplier
Risk identification & Mitigation
Accurate billing as per contract



Assurance Scope (Program Closure)



Deliverables

Review Reports
Validation Reports
Audit report

Outcome

Smooth reverse transition
Compliance to regulations, laws etc.,
Effective reverse knowledge transfer
All assets are returned



Program Closure

Reverse Transition Planning
Reverse Transitioning
Contract, Regulatory compliance
Program sign-offs
Program closure

Any Queries ?

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