

Transaction Operations Horizontal Transaction Operations Supplier Control Obligation (SCO)

Control Title	Control Description	Why this is important?
Standard Operating Procedures	<p>The Supplier must have documented Standard Operating Procedures (SOP) describing the steps to operate customer transaction processing, including where relevant: manual controls to be operated, authorisation limits, escalation steps and service level agreements. Standard Operating Procedures must be embedded within the team undertaking the process and staff must be trained in line with their responsibilities. The Supplier must review, refresh, and sign off all Standard Operating Procedures at least annually. Where appropriate, the Standard Operating Procedures must be updated where a change has occurred to the underlying process to ensure they are reflective of the amended process. Procedures must be approved by someone with sufficient authority, independent of the author, with evidence retained to demonstrate review and approval.</p>	<p>To prevent the risk of an unintentional error in the execution of a customer transaction resulting in untimely or inaccurate processing which may lead to Customer harm or financial and non-financial impact to the bank.</p> <p>Failure to document Standard Operating Procedures, could also result in</p> <ul style="list-style-type: none"> • Staff not being aware of their responsibilities when processing customer transactions • Barclays may not be able to gain confidence that the Supplier has adequate documented procedures to respond to risk associated with customer transaction processing.
Accuracy and completeness of Customer Transaction Processing	<p>The Supplier must ensure that accuracy and completeness of all customer transactions is maintained throughout the transaction lifecycle. The Supplier must have controls in place to reduce the risk of inaccurate or incomplete processing. The Supplier must manage this risk by implementing an appropriate mix of the below preventative and detective controls:</p> <ul style="list-style-type: none"> • Maker-checker / dual authentication controls prior to completion of transaction. • Segregation of duties • Reconciliation process - Customer books and records reconciled against relevant general ledger daily, to monitor duplicate and erroneous transactions. • Exception reports must be generated in line with a pre-defined frequency and identified exceptions must be reviewed with appropriate action taken within the prescribed timescale. Evidence of review and action must be maintained. 	<p>To prevent the risk of an unintentional error in the execution of a customer transaction resulting in inaccurate processing which may lead to Customer harm or financial and non-financial impact to the bank, such as reputational damage or regulatory fine /censure.</p> <p>If this requirement is not implemented, Barclays may not be able to gain confidence that the Supplier has the adequate controls to ensure that the integrity of customer transactions is maintained throughout the transaction cycle.</p>
Quality Assurance of Customer Transaction Processing	<p>Where regular independent Quality Assurance checks are being performed, the Supplier must have a documented framework containing frequency of testing; sample size and selection; risk assessment of products or processes; tolerance or 'pass' rates; and reporting of results. Testing must be carried out independently of the processor. Where quality</p>	<p>To prevent the risk of an unintentional error in the execution of a customer transaction resulting in untimely or inaccurate processing which may lead to Customer harm or financial and non-financial impact to the bank, such as reputational damage or regulatory fine /censure.</p>

	assurance is undertaken, the Supplier must attest at least annually that a documented framework is in place, reviewed and meets the minimum requirements.	
Authorisation throughout customer transaction life cycle	<p>The Supplier must ensure that limits of authority are established, documented and transactions processed by, and approved by, colleagues with sufficient authority, depending on the value and nature of the transaction.</p> <p>The Supplier must review both manual and system-based limits of authority at least annually or when there is change to a process to ensure they remain appropriate.</p>	<p>To prevent the risk of an unintentional error in the execution of a customer transaction resulting in inaccurate processing which may lead to Customer harm or financial and non-financial impact to the bank, such as reputational damage or regulatory fine /censure.</p> <p>This requirement confirms the validity of customer transaction instructions by ensuring that the different level of authority provided throughout the transaction is aligned with the business established and approved delegation of authority.</p>
Timeliness of Customer Transaction Processing	<p>The Supplier must ensure that time bound process steps are identified and documented with SLAs monitored where required, as agreed with Barclays. The Supplier must have controls in place to reduce the risk of delayed processing and ensure time bound activities have appropriate oversight. The Supplier must manage this risk by implementing an appropriate mix of the below preventative and detective controls:</p> <ul style="list-style-type: none"> • Service Level Agreements (SLAs) • Task completion controls such as queue monitoring and checklists. 	<p>To prevent the risk of an unintentional error in the execution of a customer transaction resulting in untimely processing which may lead to Customer harm or financial and non-financial impact to the bank, such as reputational damage or regulatory fine /censure.</p> <p>If this requirement is not implemented, Barclays may not be able to gain confidence that the Supplier has the adequate controls to ensure that the timely execution of customer transactions is maintained throughout the transaction cycle.</p>