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COURSE BROCHURE

Bank Board Oversight of Control Functions and Related-Party Lending Training Course

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New York

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Ref: 3006_113972 **Date:** 4 – 8 January 2027 **Location:** New York **Fees:** 7900 GBP

Bank Board Oversight of Control Functions and Related-Party Lending is a 1-week training course for bank board members, company secretaries and control function heads who must challenge risk, audit and compliance reporting and build a Board Oversight Calendar and Reporting Pack Specification. Supervisors and investors now judge banks on how well directors question insider exposures, pay and control independence. Jupiter Prime Training offers this course on bank board oversight.

Why Bank Board Oversight Matters Now

Three pressures shape bank board oversight today. Supervisory expectations of directors have sharpened, so boards must show real challenge of risk reports. Investors and depositors watch lending to insiders and connected groups closely. Pay structures for senior bankers face scrutiny for rewarding short-term risk taking. A bank whose board oversees these areas well keeps capital, licence and reputation secure. A passive board invites concentrated losses and enforcement action. The course rests on recognised principles for bank boards set by international banking supervisors.

Who Gains Most from Bank Board Oversight

- Those who sit on bank boards and approve risk appetite, large exposures and pay policy
- Those who chair or serve on risk, audit and remuneration committees
- Those who run the board secretariat and assemble papers, minutes and annual calendars
- Those who lead risk, compliance or internal audit and report directly to a committee
- Those who sit on boards of finance houses, insurers or investment firms with similar duties

A bank sending a director, its company secretary and control function heads gains most, as they can rebuild committee reporting lines together.

Bank Board Oversight Capabilities

Participants practise the questions, papers and approvals through which a bank board controls risk takers and insiders, including tests of control function independence.

- Assess whether risk committee papers allow genuine challenge of exposures — risk committee chair
- Test the independence of the chief risk officer, compliance head and chief auditor — board
- Apply arm's-length tests to related-party loans before approval — credit approval decisions
- Weigh variable pay design against risk outcomes and deferral options — remuneration committee

- Specify the contents of a board reporting pack and its escalation triggers — company secretary
- Calculate the board's own skills gaps against fit-and-proper expectations — nomination committee

Key Bank Board Oversight Terms

- Related Party — a director, major shareholder, senior officer or entity linked to them whose dealings with the bank need special approval.
- Arm's-Length Terms — pricing and conditions no more favourable than those offered to an unconnected borrower of similar risk.
- Control Functions — the risk, compliance and internal audit units that monitor and test the bank independently of business lines.
- Fit and Proper — the expectation that each director has the integrity, skill and time to oversee a bank prudently.
- Malus and Clawback — arrangements that reduce unvested pay or recover paid awards when losses or misconduct come to light.
- Board Reporting Pack — the standard set of reports, dashboards and exceptions the board receives before each meeting.

Bank Board Oversight Day by Day

Day 1: The Bank Board's Distinct Duties

- Depositor Protection Duty — Why Bank Directors Carry Wider Obligations
- Board and Committee Charters — Allocating Oversight Between Forums
- Risk Appetite Statement — Board Approval and Limit Cascading
- Fit and Proper Assessment Matrix — Director Suitability and Renewal
- Board Skills and Time Commitment Review — Closing Composition Gaps

Day 2: Independence of Control Functions

- Reporting Line Design — Direct Access of Risk Heads to Committees
- Chief Risk Officer Appointment and Removal Rules — Board Protection
- Control Function Budget and Staffing Approval — Resourcing Independence
- Private Committee Sessions — Hearing Control Heads Without Management
- Internal Audit Plan Approval — Coverage of High Risk Areas

Day 3: Related-Party and Insider Lending

- Related-Party Register — Identifying Connected Persons and Groups
- Arm's-Length Pricing Test — Comparing Insider Terms With Market Loans
- Recusal at Credit Committee — Removing Conflicted Directors From Approvals
- Aggregate Insider Exposure Limits — Monitoring Concentration Against Capital
- Write-Off and Restructuring Approval — Treating Troubled Insider Loans

Day 4: Remuneration and Board Reporting

- Variable Pay Structure — Balancing Bonus, Deferral and Risk Adjustment
- Malus and Clawback Triggers — Acting on Losses and Misconduct
- Material Risk Taker Identification — Scoping Pay Rules to Key Staff
- Board Reporting Pack Design — Dashboards, Exceptions and Breach Reports
- Escalation Thresholds — When Management Must Alert the Board

Day 5: Practising the Board Oversight Calendar and Reporting Pack

- Commercial Bank Insider Loan Case — Applying Arm's-Length Tests
- Insurer Board Pay Review Simulation — Testing Malus and Clawback Triggers
- Control Head Private Session Role Play — Probing Independence Concerns
- Risk Committee Paper Critique — Rating Clarity and Challenge Points
- Board Oversight Calendar and Reporting Pack Specification — Final Draft

Applying Bank Board Oversight After the Course

- Compare the related-party register with recent credit approvals and report any insider loan approved without recusal or arm's-length evidence.
- Schedule a private session between the risk committee and each control function head and record the independence concerns raised.

Bank Board Oversight Questions FAQ

What is bank board oversight and why does it matter now?

Bank board oversight is how directors question and approve risk, insider lending, pay and control arrangements. It matters now because supervisors and investors increasingly hold directors personally answerable when insider loans, poor pay design or weak control functions lead to losses.

Which roles gain most from bank board oversight of control functions and related-party lending?

Bank directors, committee members and company secretaries gain most. Heads of risk, compliance and internal audit also gain, since their independence is central.

How does bank board oversight differ from a general corporate board course?

It addresses duties found mainly in banks: protecting depositors, controlling insider lending and aligning banker pay with risk. A general board course covers strategy and director duties across all sectors without this prudential focus.

What do you bring back from bank board oversight training?

You bring back a drafted oversight calendar and reporting pack specification. It sets out what each committee reviews and when.

Bank Board Oversight: The Way Forward

The Board Oversight Calendar and Reporting Pack Specification first informs which reports the risk committee demands at its next meeting and how insider exposures are flagged. The company secretary maintains it, while directors and control heads use it. After a full cycle of meetings, revisit whether escalation thresholds brought the right exceptions to the board early enough.