10TH HOUSE

Playbook | Outsourcing Australian Financial Planning Firms

Admin Assistants & Paraplanners – ASIC / AFSL Aligned Operating Framework

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Purpose of This Playbook

This playbook exists to support Australian Financial Planning Firms that are considering or operating an outsourced delivery model for:

- *Financial Planning Admin Assistants*
- *Financial Planning Paraplanners*

The objective is to ensure outsourcing is executed in a way that:

- *Preserves AFSL accountability*
- *Protects best-interest duty*
- *Maintains audit-ready governance*
- *Reduces operational load without increasing regulatory risk*

Outsourcing is permitted under Australian regulation - loss of control is not.

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Regulatory & AFSL Context

Australian financial planning firms operate under:

- *The Corporations Act 2001*
- *ASIC Regulatory Guides and enforcement expectations*
- *AFSL licence conditions*
- *Best-interest duty and record-keeping obligations*
- *Ongoing audit, monitoring, and breach-reporting requirements*

ASIC does not prohibit outsourcing.
However, ASIC expects firms to demonstrate:

- *Clear role separation*
- *Effective supervision*
- *Documented procedures*
- *Strong record-keeping*
- *Retained accountability*

This playbook is designed to align directly with those expectations.

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Core Principle:
Outsourcing Is a Governance Decision

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Outsourcing Is a Governance Decision

Under an AFSL:

- *Advice cannot be outsourced*
- *Accountability cannot be delegated*
- *Compliance oversight must remain local and demonstrable*

Outsourced resources operate as support personnel, not decision-makers.

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Roles Suitable for Outsourcing (With Boundaries)

4.1 Financial Planning Admin Assistant (Outsourced)

Permitted Activities

- *Client onboarding administration*
- *Identity verification and AML documentation*
- *CRM / Xplan data maintenance*
- *Platform paperwork and follow-ups*
- *Authority to Proceed tracking*
- *Implementation coordination*
- *File completeness checks*

Explicitly Excluded

- *Providing financial advice*
- *Explaining or interpreting recommendations*
- *Communicating advice to clients*
- *Making discretionary decisions*

AFSL Rationale

Admin Assistants must operate strictly within documented administrative procedures and must not cross advice boundaries.

4.2 Paraplanner (Outsourced)

Permitted Activities

- *Drafting Statements of Advice (SoA) and Records of Advice (RoA)*
- *Translating adviser strategy into documentation*
- *Preparing compliance justifications and file notes*
- *Maintaining consistency between SoA and Xplan*
- *Supporting advisers under supervision*

Explicitly Excluded

- *Strategy creation or modification*
- *Advice approval*
- *Client recommendation authority*
- *Compliance sign-off*

AFSL Rationale

Paraplanners support advice preparation but do not own the advice. Ultimate responsibility always remains with the adviser and licensee.

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What Must Never Be Outsourced

The following responsibilities must remain within the Australian entity:

- *Financial advice*
- *Strategy determination*
- *Client recommendations*
- *Compliance approval*
- *AFSL accountability*
- *Breach reporting decisions*

Outsourcing supports execution — not authority.

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System Governance & Record-Keeping (Audit Critical)

Systems such as Xplan form part of the firm's official compliance record.

ASIC and external auditors typically review:

- *Data accuracy and consistency*
- *Authority records*
- *File notes and rationale*
- *Version control*
- *Audit trails*

Governance Standards

- *All data stored centrally (no local storage)*
- *Changes documented and traceable*
- *Documents categorised correctly*
- *No "silent fixes"*
- *Access restricted by role*

Silent corrections or undocumented changes are considered governance failures.

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Best-Interest Duty & Advice Integrity

Outsourced staff must:

- *Work strictly from adviser instructions*
- *Escalate unclear or incomplete strategies*
- *Never "fill gaps" with assumptions*
- *Document discussions and changes*

Compliance Principle

If a task affects advice quality, suitability, or client outcomes, escalation is mandatory. Speed does not override best-interest duty.

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Supervision & Oversight Expectations

AFSL holders must demonstrate:

- *Active supervision of all staff (including offshore)*
- *Clear reporting lines*
- *Documented procedures*
- *Ongoing monitoring and review*

Effective Supervision Includes

- *Two-layer review (offshore + adviser)*
- *Defined escalation protocols*
- *Periodic quality checks*
- *Documented feedback and remediation*

Outsourced staff are treated as an extension of the licensee's operating environment, not independent third parties.

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Escalation & Incident Management

Outsourced resources must escalate immediately when:

- *Authority to Proceed is missing*
- *Data inconsistencies are identified*
- *Instructions are unclear*
- *Errors are discovered (including internal errors)*
- *Timelines conflict with compliance requirements*

Escalations must be:

- *Timely*
- *Documented*
- *Transparent*
- *Action-oriented*

Failure to escalate is considered a systemic risk.

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Relationship Management & Trust

Successful offshore models depend on predictability and transparency, not speed.

High-trust offshore resources:

- *Communicate clearly in writing*
- *Adapt to adviser communication preferences*
- *Document assumptions and changes*
- *Ask questions early*
- *Respect adviser authority*

Trust erodes when:

- *Assumptions are made*
- *Advice boundaries are crossed*
- *Errors are hidden*
- *Speed is prioritised over governance*

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Onboarding & Early-Stage Controls

For the first 30–60 days:

- *Start with lower-risk tasks*
- *Enforce two-layer reviews*
- *Use templates and examples*
- *Encourage questions*
- *Conduct regular file reviews*

Early structure prevents long-term compliance issues.

Measuring Outsourcing Success (AFSL Lens)

Success should be measured by:

- *Reduction in adviser administrative load*
- *Improvement in documentation quality*
- *Fewer compliance rework items*
- *Cleaner audit outcomes*
- *Predictable turnaround times*

Cost savings are secondary to risk reduction and consistency.

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Common Outsourcing Failures to Avoid

***For the first 30–60 days*:**

- *Hiring based on resumes alone*
- *Treating paraplanners as advisers*
- *Allowing silent fixes*
- *Weak system discipline*
- *Poor escalation culture*
- *Speed-first execution*

Each of these increases regulatory exposure.

How 10th House Pty Ltd Supports AFSL-Aligned Outsourcing

10th House Pty Ltd is an Australian-registered entity governed by Australian law, supported by a global delivery capability.

***Our framework includes*:**

- *Scenario-based vetting (not resume screening)*
- *Clearly defined role boundaries*
- *System and audit-trail discipline*
- *Structured onboarding playbooks*
- *Ongoing governance and quality oversight*

We are designed to support regulated Australian financial services firms, not generic offshore delivery.

ASIC does not assess where work is performed.

ASIC assesses control, supervision, documentation, and accountability.

Outsourcing can be compliant, scalable, and effective — when governance is engineered into the model.

This playbook exists to ensure exactly that.

Lets Build a **Business**

That Performs **Everyday**

Your success is just a call away

Get in touch with Our Experts...

10TH HOUSE

We're here to listen, guide, and create solutions that matter.
Let's explore the possibilities together.

Let's talk.

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