



**Focusing on Current Trends:
Avoiding Potential Impacts of a Disruption
Western Bankers Association**

October 2021

1911

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250+

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- 2020: Lessons Learned & Planning Gaps
- Looking Ahead and BCP Focus
- Q&A

What did we experienced during COVID-19 that we hadn't considered in previous planning?

LESSONS
LEARNED



- Pandemic Planning became significant around 2006
- Historically, best practice stated that pandemic planning should prepare for approximately 50% of workforce to be unavailable
- Unique requirements not previously considered:
 - Stay-at-home orders
 - Number of people working remotely
 - Daycare closures
 - Distanced learning practices
 - State quarantine requirements limiting travel
 - Layoffs/furloughs
 - Economic Impacts
 - Mental health

Outsourcing/Third-Party Providers

- Revisit critical vendor due diligence:
 - What are their backup plans?
 - Staffing shortages
 - Tracking third parties geographically
 - Understand how interruptions may impact contractual obligations and service-level agreements (SLAs)

Cybersecurity

- Attackers never let a tragedy go to waste
 - Increased phishing and malware campaigns
 - Security monitoring is likely not at 100% strength during a large event with distractions
- Endpoint controls

Communications (Internal and External)

- Frequency
- Message must be appropriate for audience
 - Content
 - Correct Level of Detail
- Reputational considerations
- Not always included in DR Testing

MAJOR Financial Institution outage 2019

- Automatic power outage in data center caused by smoke condition as a result of routine maintenance activities
- Mobile and Online banking down for hours
- Customers had no visibility of balances
- Could not pay mortgages and other bills
- Second outage in course of a month



Lynne Jones
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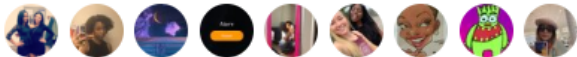
Follow



It's too early in the morning for [REDACTED] to be ruining people's lives. Mobile app ... down. Website account access... down. Account access by phone... down. Folks cards are getting declined. ATMs are screwed up. I'm almost shamed to admit that I still bank with them.

4:47 AM - 7 Feb 2019

369 Retweets 870 Likes



62



369





870


Disclosure on BCP


- Critical processing is rerouted to alternate processing locations that are a significant distance away from the primary processing location. This rerouting can generally achieve recovery within 4–6 hours of the declaration of activation.
 - The issue happened Thursday morning and issues continued into Friday
 - Is 4-6 hours a reasonable expectation?



The Importance of Communication


We apologize to our customers who may be experiencing an issue with our online banking and mobile app. Thanks for your patience while we research this issue. If you are impacted, please check back here for updates.


♥ 1,464 10:06 AM - Feb 7, 2019 



💬 1,869 people are talking about this 


 


We're experiencing system issues due to a power shutdown at one of our facilities, initiated after smoke was detected following routine maintenance. We're working to restore services as soon as possible. We apologize for the inconvenience.


♥ 1,059 1:44 PM - Feb 7, 2019 

💬 2,296 people are talking about this 

We want our customers to know that this is a contained issue affecting one of our facilities, and not due to any cybersecurity event. We apologize for the inconvenience caused by these system issues, and any  fees incurred as a result of these issues will be reversed.

♥ 1,014 10:18 PM - Feb 7, 2019 

💬 2,269 people are talking about this 



- The situation was incredibly unique
- Not one of high probability
- Statistically speaking, “disasters” are location specific
 - This scenario considers that our facilities and data centers are unaffected (even if we can’t necessarily access the facilities to full capacity)
 - Technologies are up-and-running and haven’t been affected by a “disaster”
- Clients have a higher level of tolerance in situations that also directly affect them

- We had warning of the onset
- Although minimal, we had time to prepare and adjust
- The rate of change was still more gradual than things would be in other types of “smoking hole” disasters
- We had the benefit of learning from our peers and vendors about their response efforts and communications
- We still need to be sure we’re considering scenarios that would impact our facilities and data centers
 - People can’t work from home if there are widespread power issues

Looking Ahead

November 2019, the Federal Financial Institutions Examination Council (FFIEC) released a new handbook specific to Business Continuity Management.

Resiliency vs. Recovery

The specific pandemic section was removed:

- “Pandemic” is still mentioned in the Risk Assessment and Business Impact Analysis sections
- Reduction in staff woven throughout

March 6, 2020

FFIEC releases interagency statement to supplement the 2006 pandemic guidance:

<https://www.ffiec.gov/press/pandemicguidance.pdf>

- Booklet Restructuring
- Replaced the term “financial institutions” with the term “entities”
- Clearer references back to NIST, FEMA, and other authoritative sources (ISO)
- Clarified the linkage between enterprise risk management (ERM) and BCM
- Elevated maintenance and improvement as an important component of the BCM lifecycle
- Integrated relevant concepts from Appendix J into the body of the booklet
- Board Reporting
- Business Continuity Testing & Exercises

Incident Management

- Real time to ensure critical details are not missed
- Assign responsibility for documentation and tracking
- Must include action items/takeaways with responsibility and timelines

Operational Changes

- How does a remote work force change our concept of “location” and preparing for loss of facilities?
- Does a remote work force allow us to expand our geography of searching for talent?
- How does flexible work hours change the way we adapt our continuity plans and load balancing?

Personnel Recovery

- Don't put all eggs in the remote basket!
- Recovery strategies must be reviewed to consider regional events with wide spread power outages
- Planning for different scenarios
 - Loss of facility(ies)
 - Regional outages/impacts
- Generators don't always support full capacity

Why is your **Business Impact Analysis (BIA)** crucial to identifying your recovery priorities?

Your **BIA** can help:

- Prioritize functions based on impact to the organization
 - Financial
 - Operational
 - Customer/Reputational
 - Legal
 - Data
- Monitor impacts to the organization against your risk appetite
- Identify critical resources necessary to continue functions
 - People
 - Hardware
 - Applications/Systems
 - Forms/Reports
 - Non-technology supplies
 - Vendor dependencies
- Determine which functions can be suspended in order to allocate resources to those that are more critical

Risk Assessment

- Ensure enough variety of threats are considered
- Cybersecurity
- Forces us to assess numerous scenarios
- Validate controls
- Consider incorporating “Remote” as a location
- Understand how regional events affect probability and impact ratings



Testing

- Testing Policy
- Multi-year testing plan
- Scripts specific to each test
- New guidance differentiates between tests and exercises
- Proves that you can do what you say you can
- Identifies gaps critical to keeping the environment current with operations

Many ways to achieve “testing”

- Evacuation Drills
- Communication Drills
- Structured Walkthrough Exercise
- Simulation Tabletop Exercise
- Technology Recovery Test

Updates to BCP and Re-testing

- Update BCP accordingly following any test or incident
- Close gaps
- Re-test identified gaps

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