



Pandemic Planning

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Regulator Expectations

- FDIC and NCUA have similar expectations for pandemic planning
- Pandemic plans need to have additional dimensions compared with traditional business continuity plans
- Plans should be tested and approved



Traditional Business Continuity and Disaster Recovery Plans

- Geographic
- Facility
- System
- Short duration
- Reactive



Pandemic Plans

- People centric
- Long duration / multiple waves
- Interdependent infrastructure
- Proactive

FFIEC Advisory

- Establish an ethic of infection control
- Establish contingency plans
- Establish mechanisms (where possible) to allow workers to deliver essential services from home
- Establish partnerships with others to provide mutual support during a pandemic
 - Good start with today's session



Pandemic Controls

- Isolation
- Quarantine
- Social Distancing
- Furlough Employees
- Change Movement Patterns



Pandemic Considerations

- Panic
- People may want physical control of cash
 - Liquidity plans to meet demands
 - ATM limits



PREPARE

- **P**lanning
- **R**esources
- **E**valuation
- **P**eople
- **A**lliances
- **R**eview
- **E**xperience

Planning

- Identify and prioritize essential business functions
 - Performing a “gap analysis” that compares existing business processes and procedures with that is needed to mitigate the severity of potential business disruptions resulting from a pandemic;
- Forecast absences
- Consider family issues
- Examine inbound/outbound supply/service chain
- Determine interdependencies
- Communicate with State and Federal agencies
- Coordinate communication protocols
- Provide technology for communication protocols
- Plan for media and public relations
- Identify trigger points (WHO, economic, etc)
- Consider essential business support for community
- Exercise and training

Resources

- Board of Directors need to authorize sufficient resources
 - Equipment
 - Supplies
- Need to be prepared

Resource Links

- FFIEC BCP Handbook
 - <http://www.ffiec.gov/ffiecinfobase/index.html>
- FFIEC: Lessons Learned from Hurricane Katrina
 - http://www.ffiec.gov/katrina_lessons.htm
- FFIEC Interagency Advisory: Pandemic Preparedness
 - FIL 25-2006
- Homeland Security: Pandemic Influenza – Guide for Critical Infrastructure and Key Resources
 - http://www.fsscc.org/reports/20060706_CI_KR_Pandemic_Guide.pdf
- Basel Committee on Banking Supervision – High Level Principles for Business Continuity
 - http://www.fsscc.org/reports/20060706_CI_KR_Pandemic_Guide.pdf
- Letter to Credit Unions 01-CU-21 Disaster Recovery and Business Resumption Contingency Plans
- Letter to Credit Unions 06-CU-10 NCUA's Information System and Technology Program - Business Continuity Planning Questionnaire
- Letter to Credit Unions 06-CU-06 Influenza Pandemic Preparedness
- Risk Alert 06-Risk-01 Disaster Planning and Response
- NCUA Rules and Regulations Sections 748 and 749 (ncua.gov)

More Resources - FLU.GOV

- FFIEC BCP HANDBOOK APPENDIX D
- PANDEMIC PLANNING
- **INCORPORATING PANDEMIC RISK INTO THE BUSINESS IMPACT ANALYSIS**
 - The potential effects of a pandemic should be a part of the financial institution's overall BCP business impact analysis (BIA). The BIA should:
 - Assess and prioritize essential business functions and processes that may be affected by a pandemic;
 - Identify the potential impact of a pandemic on the institution's essential business functions and processes, and supporting resources;
 - Identify the potential impact of an pandemic on customers: those that could be most affected and those that could have the greatest impact on the (local) economy;
 - Identify the legal and regulatory requirements for the institution's business functions and processes;
 - Estimate the maximum downtime associated with the institution's business functions and processes that may occur during a pandemic;
 - Assess cross training conducted for key business positions and processes; and
 - Evaluate the plans of critical service providers for operating during a pandemic. Financial institutions should evaluate the plans and monitor the servicers to ensure critical services are available. Financial institutions may wish to have back-up arrangements to mitigate any risk. Special attention should be directed at the institution's ability to access leased premises and whether sufficient internet access capacity is available if telecommuting is a key risk mitigation strategy.

More resources

- World Health Organization (WHO) levels of pandemic



Microsoft Office
d 97 - 2003 Docur

- Small Business Preparedness guide



Microsoft Office
d 97 - 2003 Docur

Evaluation

- Contingency plans need to be in place and tested
- Annual testing is standard and testing results should be provided to the Board
 - A robust program should incorporate testing of:
 - Roles and responsibilities of management, employees, key suppliers, and customers;
 - Key pandemic planning assumptions;
 - Increased reliance on online banking, telephone banking, and call center services; and
 - Remote access and telecommuting capabilities



People

- Staff and officials should be trained and ready to respond
- Need to know roles and responsibilities
- Designate a public relations contact
- Should have an emergency contact list with home/cell numbers of key personnel



Alliances

- Establish relationships with other organizations
 - Vendors
 - Mentors
 - Shared branching

Review

- Update internal plans for effectiveness
 - As systems, departments, and key personnel change, so should your pandemic plan
 - Want to review on continual basis so everyone is up-to-date before the disruption occurs
 - Communicating and disseminating the plan and the current status of pandemic phases to employees

Experience

- Incorporate lessons learned
 - Info gleaned from previous and current pandemics
 - Avian Flu
 - Swine flu (2000 cases at Washington State Univ)
 - Info gleaned from internal testing
 - Info published from FDIC, FFIEC, NCUA, and trade organizations



Response Phase

- Employ risk-management strategies
- Track individual worker risk
- Enforce worker protection strategy
- Enforce workplace protection strategy
- Restrict travel
- Assess impact



Things to think about

- Personnel
- Communication
- Technology issues
- Facilities
- Electronic payment systems
- Liquidity concerns
- Manual operations
- Other considerations based on each financial institution



Access to funds

- Customers/members need to have access to cash
- If branches shut down, need notice where they can go
 - Shared branching network
 - ATM locations
- Need controls/limits in place

Summary

- Pandemic planning involves a continuous, process-oriented approach that includes a BIA, a risk assessment, risk management, and risk monitoring and testing

- Questions ??

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