



Office of Thrift Supervision
Department of the Treasury

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Rescinded with the issuance of [CEO 241](#).

January 29, 2003

MEMORANDUM FOR: CHIEF EXECUTIVE OFFICERS

FROM:

Richard M. Riccobono

SUBJECT:

Information Technology Examination Handbook –
Information Security Booklet

On January 29, 2003 the Office of Thrift Supervision joined the other federal banking agencies in issuing updated information security guidance in the form of a new Information Security Booklet. The Information Security Booklet was issued through the Federal Financial Institution Examination Council (FFIEC) and is the first in a series of booklets that will completely update and replace the *1996 FFIEC Information Systems Examination Handbook*. The attached FFIEC press release describes the handbook update process.

The increase in reliance on technology by financial institutions and their customers in recent years has also increased their exposure to security threats. Adoption of effective security processes can help ensure that financial institutions maintain effective safeguards against such threats. The Information Security Booklet provides a comprehensive security framework for thrifts and their technology service providers. The framework focuses on implementing a security risk management process that identifies risks, develops and implements a security strategy, tests key controls, and monitors the risk environment. This framework also stresses the important roles that senior management and boards of directors play in this process by emphasizing their responsibility to recognize security risks in their financial institution and effectively mitigate security risks to the extent possible by assigning appropriate roles and responsibilities to management and employees.

The booklet incorporates action summaries throughout the narrative portion that highlight high-level control processes applicable to all thrifts. The booklet also reinforces the Office of Thrift Supervision's expectation that thrifts and their service providers that outsource some or all information processing must establish an oversight function to ensure that the service providers implement an effective information security risk management process. Examiners will use the booklet's workprogram as appropriate, based on the risk and complexity of the thrift's or technology service provider's operations.

The new Information Security Booklet is being distributed electronically by the FFIEC agencies and may be downloaded at www.ffiec.gov/guides.htm. This site provides an on-line and printable version of the booklet, audio presentations related to the IT Examination Handbook

update process and the Information Security Booklet, the Information Security Workprogram and other resources.

Chapter 14, Security – Physical and Data, of the *1996 FFIEC IS Examination Handbook* is rescinded with the issuance of this new Information Security Booklet.

Questions regarding this booklet should be directed to your regional OTS office or to Robert E. Engebret, Director, Technology Risk Management, (202) 906-5631.

Attachment



Office of Thrift Supervision

NEWS

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FEDERAL FINANCIAL REGULATORS RELEASE INFORMATION SECURITY BOOKLET, FIRST IN A SERIES

WASHINGTON – The Federal Financial Institutions Examination Council today issued revised guidance for examiners and financial institutions to use in identifying information security risks and evaluating the adequacy of controls and applicable risk management practices of financial institutions.

The safety and soundness of the federal financial industry and the privacy of customer information depend on the security practices of banks, thrifts and credit unions. The Information Security Booklet describes how an institution should protect and secure the systems and facilities that process and maintain information. The booklet calls for financial institutions and technology service providers (TSPs) to maintain effective security programs, tailored to the complexity of their operations.

Today's guidance is the first in a series of updates to the *1996 FFIEC Information Systems (IS) Examination Handbook*. These updates will address significant changes in technology since 1996 and incorporate a risk-based examination approach.

The FFIEC currently plans to issue the updates in separate booklets that will ultimately replace all chapters of the 1996 Handbook and comprise the new *FFIEC Information Technology (IT) Examination Handbook*. In addition to the booklet on information security issued today, future booklets will address business continuity planning, supervision of technology service providers, electronic banking, IT audit, payment systems, outsourcing, IT management, computer operations, and systems development and acquisition.

The FFIEC agencies plan to distribute these booklets electronically to financial institutions and TSPs. The documents will be available on the Internet through the FFIEC's InfoBase application. InfoBase will include each booklet in Adobe Acrobat PDF file format, as well as an online version with links to various resource materials, and an orientation to the handbook update process.

The electronic version of the Information Security Booklet is available at www.ffiec.gov/guides.htm.

The FFIEC is composed of the five federal financial regulators: Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, National Credit Union Administration, the Office of the Comptroller of the Currency and the Office of Thrift Supervision.

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The Office of Thrift Supervision (OTS), an office of the Department of the Treasury, regulates and supervises the nation's thrift industry. OTS's mission is to ensure the safety and soundness of thrift institutions and to support their role as home mortgage lenders and providers of other community credit and financial services. For copies of news releases and other documents, visit the OTS web page at www.ots.treas.gov.