



Office of Thrift Supervision
Department of the Treasury

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MEMORANDUM FOR: CHIEF EXECUTIVE OFFICERS

FROM:

Scott M. Albinson

SUBJECT:

Information Technology Examination Handbook
Supervision of Technology Service Providers Booklet and
Business Continuity Planning Booklet

The Office of Thrift Supervision has joined the other federal banking agencies in issuing updated guidance in two new booklets entitled *Supervision of Technology Service Providers* and *Business Continuity Planning*. The booklets are issued through the Federal Financial Institutions Examination Council (FFIEC) and are the second and third in a series that will completely update and replace the *1996 FFIEC Information Systems Examination Handbook*.

The *Supervision of Technology Service Providers Booklet* provides procedures to assist examiners in reviewing the risk management processes employed by you and your service providers and it summarizes the OTS's risk-based approach to supervision, the examination process, and the methodology for assigning examination ratings. This guidance reemphasizes the fact that a thrift's management and board of directors have the ultimate responsibility for ensuring that outsourced activities are conducted in a safe and sound manner and that such activities are conducted in compliance with applicable laws and regulations. With the issuance of the *Supervision of Technology Service Providers Booklet*, the OTS rescinded Chapters 2 through 7 of the *1996 FFIEC Information Systems Examination Handbook*.

Since financial institutions play a crucial role in the nation's economy, it is important that thrifts are capable of restoring information systems, operations, and services quickly after an adverse event. Effective business continuity planning can ensure that you are prepared to respond to events such as natural disasters, human error, and terrorist activities. The *Business Continuity Planning Booklet* provides guidance, procedures, and other resources to assist our examiners in reviewing and evaluating the business continuity planning processes of thrifts and their technology service providers. The results of these reviews will assist you in ensuring the continuing availability of critical financial systems and services. With the issuance of the *Business Continuity Planning Booklet*, the Office of Thrift Supervision rescinded Chapter 10, *Corporate Contingency Planning*, of the *1996 FFIEC Information Systems Examination Handbook*, and *Supervisory Policy 5, Interagency Policy On Contingency Planning For Financial Institutions*.

The new booklets are being distributed electronically by the FFIEC agencies and may be downloaded at <http://www.ffiec.gov/guides/htm>. This site provides on-line and printable versions of all of the booklets in the series that have been published to date, as well as audio presentations related to the IT Examination Handbook update process, the booklets, and other resources.

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