

## MEMORANDUM

To: Subscribers to *Data Management: PC/LAN Administration Manual*

From: Sheshunoff Information Services

Subject: Highlights

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We hope that you found the 06.1 update to be helpful and informative. Enclosed is your 07.1 update to your subscription to *Data Management: PC/LAN Administration*. This manual continues to provide policies and operational guidance for network security and administration. This updated addresses the following new topics:

- *Information authentication.* Chapter 4 has been enhanced with the inclusion of policy information addressing authentication controls and requirements. This information is critical to banking systems as regulatory agencies express growing concern about information security controls versus levels of identity theft. Effective year-end 2006, financial institutions should have dual authentication controls in place, or similar security control methodology in order to protect customer data. This is a critical sample policy to consider for each financial institution.
- *Information security tools.* In addition, the Information Security Policy in Chapter 4 has been enhanced with addition of various sample information security management tools, including sample reports, organizational charts, action plans, and security intrusion reporting forms.
- *Email forwarding.* The E-Mail Activities Policy has been modified with the addition of a section on automatic forwarding of e-mails. The level of potential risk and the ongoing rise in intrusion attacks warrants management to periodically review, and if necessary, provide further enhancements to a financial institution's e-mail policy and related procedures.
- *Internal control checklists.* Chapter 7, Self-Assessment of PC/LAN Operations, has been expanded with the addition of the following internal control checklists:
  - General Internal Controls Evaluation for PC/LAN Systems Checklist
  - Information Attacks
  - Network System Availability
  - Loan Systems Requirements Checklist

These checklists are valuable management tools to assess the level of internal controls and systems protections in place within the institution. Through periodic review, e.g., annual reviews, new systems, changes to existing systems, staff turnover, and other potential changes that may have occurred without addressing controls, may be assessed through the internal review process. Internal self-assessments are viewed by regulators as a primary step towards proactive monitoring and self-correction.

- *Agency issuances.* To further guide managers and staff, the regulatory agencies have continued to develop issuances and reference material. For example, regulatory agencies are also noting the level of concern with web linking and software patches, and related PC/LAN administration, as evidenced by recent regulatory issuances. These reference materials have been added to the manual in the Appendix section.