

MEMORANDUM

To: *Bank Data Processing Policies and Procedures* Customers
From: Sheshunoff Information Services
Subject: Highlights

Enclosed is the most recent update to *Bank Data Processing Policies and Procedures*. Information security and controlling access to confidential information is a primary concern for all financial institutions. It's not just a matter of watching over files, documents, and data access, but also, keeping track of data processors and service providers. For many institutions, one of the solutions has been to outsource information security monitoring and oversight to a third-party service provider. While the vendor promotes numerous controls and advertises excellent data tracking, before taking this route, its imperative financial institution management carefully evaluate the vendor, the vendor's track record, and the vendor's capabilities to not only monitor information security, but also upgrade security protection.

This update provides the following:

- Outsourcing Information Security Policy
- Outsourcing Information Security Procedures Checklist

Each of the procedures steps and supporting checklist questions regarding outsourcing information security build upon a pragmatic approach to structured information security. The controls review further highlights critical focus areas for ensure information security.

In addition, this update includes a detailed Password Security Policy with guidance on information security risk management. Through adoption and utilization of focused password controls to address cited information security risks, a financial institution should be better prepared to address any future information attacks.