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TO: Kansas Chartered Credit Unions
SUBJECT: Business Continuity Management

BUSINESS CONTINUITY MANAGEMENT

Disasters in Kansas? Of course!! When the unthinkable happens (notice that I didn't say "if"), will you be ready? Maybe a February ice storm that brings down trees and power lines? Or the June tornado that levels every one of your branches? How about an EMP bomb seen in the movies? Many scenarios can be imagined, but it is incumbent upon credit unions to have the capability to provide services to their members when needed.

Business Continuity Management is the process for management to oversee and implement resilience, continuity and response capabilities to safeguard employees, customers, and products and services. Cyber events, natural disasters or man-made events can interrupt an entity's operations and have an even broader impact on the financial sector.

KDCU has adopted a regulation which states that "(e)ach credit union's board of directors shall develop and maintain a current written contingency and business recovery plan." [K.A.R. 121-2-1\(a\)](#). The regulation goes on to outline the plan requirements, e.g., identify critical products and services, assess and prioritize the credit union's exposure, address data reconstruction, etc. The plan must be reviewed and approved by the board on an annual basis. The review and approval should be reflected in the board minutes. K.A.R. 121-2-1(d).

Where to start? There is more involved than what can be covered in this bulletin, but one place to start is the FFIEC's recently updated [Business Continuity Management booklet](#), which is part of the FFIEC IT Examination Handbook. The mere change from "plan" to "management" reflects a change in expectations for credit union operations.

The FFIEC booklet takes a deep dive into many areas, including management and governance, to provide guidance to financial institutions. For example, it addresses the preparation of a Business Impact Analysis. This analysis involves identifying the potential impact of disruptive events to your functions and processes. It allows your credit union to identify and analyze gaps in critical processes that could prevent it from being able to serve members. Identification can be made of interdependencies among critical operations, departments, personnel, services and the functions with the greatest exposure to interruption. As a companion to that process, your credit union can then identify resources that warrant further protective measures. More importantly, the credit union's analysis should include financial and other resource costs needed to recover and restore business functions and processes.

What else? Personnel. Risk management. Event management. Third party service providers. Data center recovery. Don't forget exercises and testing. Board reporting. These should give you an idea of the scope of the management plan.

Obviously, as referenced above, this is a topic that cannot be covered in one bulletin; however, it does require the attention of credit union management. It would be beneficial to address this issue with your Board of Directors.