



Office of Thrift Supervision
Department of the Treasury

Richard M. Riccobono
Deputy Director

1700 G Street, N.W., Washington, DC 20552 • (202) 906-6853

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 <http://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