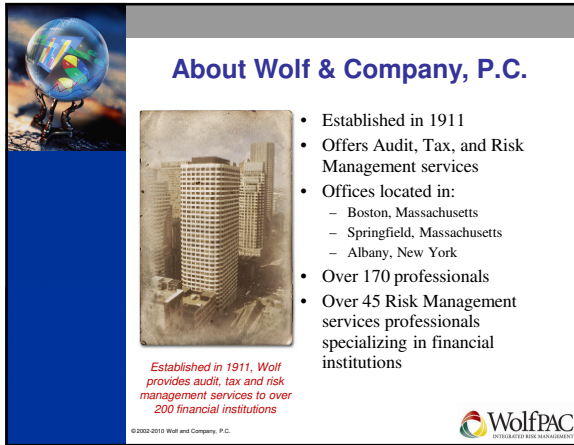




L. Randy Marsicano, CISA
IT Assurance Manager


July 13, 2010



About Wolf & Company, P.C.

- Established in 1911
- Offers Audit, Tax, and Risk Management services
- Offices located in:
 - Boston, Massachusetts
 - Springfield, Massachusetts
 - Albany, New York
- Over 170 professionals
- Over 45 Risk Management services professionals specializing in financial institutions

Established in 1911, Wolf provides audit, tax and risk management services to over 200 financial institutions





Risk Management Group

Provides services to over 200 organizations:

- IT Assurance
- Internal Audit
- Compliance
- WolfPACsm Integrated Risk Management


Committed to industry excellence:

- Our professionals are certified CPAs, CISAs, CIAs, CISSPs, CRCMs, and JDs

Industry expertise:

- WAN & LAN network engineering
- Regulatory & legal services
- IT operations & management
- Financial accounting
- Information security
- Enterprise risk management







Presenter

Randy Marsicano, CISA

- IT Manager for Wolf's IT Assurances group
- Certified Information Systems Auditor (CISA)
- Over eighteen years of information security experience
- Experience in Commercial and Financial industries
- Frequent speaker on Risk Management

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Agenda

- Challenges of Compliance
- WolfPAC Benefits
- IT Risk Assessment Training
 - Identify technologies and hardware
 - Assign users to perform risk assessments
 - Manage global questionnaires
 - Perform the IT risk assessment
 - Document controls in place to mitigate potential risks
 - Generate reports for executive management review and/or regulatory review.
- Best Practices

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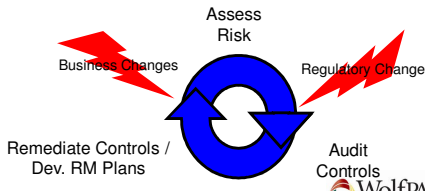


Risk Assessment / Audit Lifecycle


Assess: An estimate of the likelihood of adverse events.


Audit: Examination and validation of controls.

Remediate: The process of rectifying control deficiencies noted during the Audit process.



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Risk Management Challenges

- Each regulatory mandate adds another project initiative
- There is generally little coordination or integration of these projects
- The ongoing maintenance and update is difficult and rarely a top priority
- Mechanisms to centralize risk assessment data from these projects is complex

Result: Stale data and questionable ongoing value




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WolfPACsm Benefits

- Assess risks and controls online and view centralized results across the enterprise
- Inventory core technologies and business processes once, and reuse for each risk management initiative
- Compare your risk profile against industry practices
- Receive timely WolfPACsm updates as the business and regulatory environment changes

Bottom Line: Speed. Accuracy. Validation.




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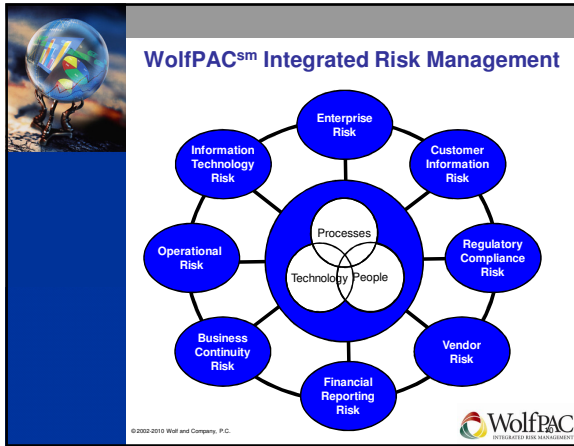
Risk Assessment & Compliance: A Historical Perspective

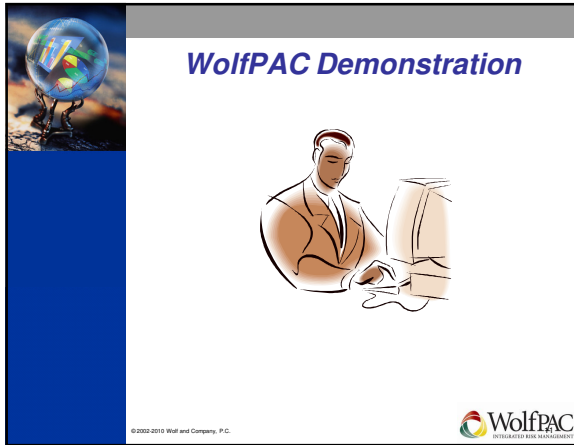
Why is WolfPAC Unique?

- Origins lay in IT Risk Assessment
- IT threats already defined
- Technical subject simplified through easy to use question & answer methodology
- Questions tie to likelihood and impact of IT risk and controls
- Creates an integrated, automated approach to risk & controls assessment across the Bank's enterprise




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-
- Best Practices – User Training**
- Performed through completing a questionnaire
 - Key Messages:
 - Same questions apply to each technology to ensure apples-to-apples comparison
 - Complete the comments for any response that is not apparent (e.g., "tell a story")
 - Control objectives are mandatory if a control exists. Examiners are unsympathetic to brief or incomplete control descriptions.
- The WolfPAC logo is in the bottom right corner.





Best Practices: Linking Technologies

ALL TECHNOLOGIES should be linked to Hardware devices

- Link business applications, their underlying database, and operating system to the hosting device
- Link Internet based applications to the Internet Router hardware device
- Link third party applications, such as the core processor or FedLine Advantage system, to the outermost perimeter device that connects them to the vendor's location
 - - e.g., Fiserv Core Processor links to Fiserv router
 - FedLine Advantage links to FedLine Advantage VPN device
- Virtual Machines – Link all applicable technologies

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Best Practices: Reviewing Results

Perform a reasonableness review of detail ratings

1. Earnings: High if process financial transactions
2. Capacity: High if many events (Firewall, ATM, Teller, Deposit capture)
3. Change: High if new system within last 6 months or patched monthly
4. Complexity: High if system input AND system outputs
5. Control Exceptions: High if complex permission parameters

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Best Practices: Reviewing Results

6. Availability: High if customer facing or supports primary banking functions
7. Outsourcing: High if ASP or fully outsource support
8. Emerging Technology: High if > v-2 or significantly non patched
9. Data Confidentiality: High if stores or transmits customer NPP1
10. Regulatory: High if used for filings or consistent target of examiner audit. Should be consistent with data confidentiality risk.

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Best Practices: IT RA Governance Policy

- Complete RACI Chart
- Develop IT Audit Plan (4 years)
- Remediation Plan
- Document your update process
 - New technologies
 - Audit/Examiner results
 - Changes in business use/functionality

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Thank you!

Questions?

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Upcoming Webinars

July 22, 2010	FASB Revenue Recognition Rules for Multiple Deliverable Arrangements
July 27, 2010	Financial Controls Testing: Identifying FDCIA key controls
August 10, 2010	What's New in WolfPAC 2.7?

To inquire about our upcoming webinars, or to suggest future topics, contact:

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Client Webinar: WolfPACSM IT Risk Assessment Training

July 13, 2010

