Century Date Change
Event Management Planning Checklist
Office of Thrift Supervision

OIG-CA-00-003 November 29, 1999

Office of Inspector General

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DEPARTMENT OF THE TREASURY
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OFFICE OF
INSPECTOR GENERAL

November 29, 1999

MEMORANDUM FOR ELLEN SEIDMAN, DIRECTOR
OFFICE OF THRIFT SUPERVISION

FROM: Dennis S. Schindel
Assistant Inspector General for Audit

SUBJECT: Checklist for Evaluating Century Data Change Event Management Planning

The Office of Inspector General (OIG) has concluded its preliminary evaluation of written plans and procedures developed by the Office of Thrift Supervision (OTS) for the Century Date Change (CDC) rollover period. This review effort is part of our continuing oversight of CDC event management efforts at both OTS and the Office of the Comptroller of the Currency (OCC).

The purpose of this phase of our review was to assess OTS' progress in developing viable CDC rollover plans. As such, we reviewed OTS' draft "Y2K Event Plan for Industry Oversight" dated October 12, 1999. Based on discussions with OTS Y2K staff in the latter part of October, we understand that OTS plans are still being finalized.

We are taking the opportunity to provide you with the attached checklist we developed as a tool for reviewing CDC plans and procedures. The checklist was developed from various sources including CDC review guidance prepared by the U.S. General Accounting Office and the Offices of Inspector General of the Federal Reserve Board and the Federal Emergency Management Agency. The checklist also incorporates considerations that came to our attention during our observation of OCC's November 1999 CDC testing exercise.

The checklist covers CDC planning elements such as plan development, leadership and staffing, communication, and response procedures. We attempted to structure checklist elements to provide broad coverage of CDC planning in general as well as coverage of OTS's unique role as the supervisor of federally insured thrifts.

We realize that each agency's needs in terms of event management planning are unique and that OTS management has insight into its organizational needs that are not apparent to the outside observer. Nonetheless, we hope you will find this document useful as you finalize your CDC planning.

The OIG will continue to monitor OTS' CDC planning efforts. We hope to observe OTS' upcoming tabletop and other CDC exercises between now and the end of the year.

Given the urgent nature of Y2K, we are not asking OTS for an official written response to this memorandum. Instead, oral comments were obtained from OTS' National Y2K Coordinator during the discussions cited above. Similarly, OTS is not subject to the audit resolution process per Treasury Directive 40-01 in this instance given the consultative nature of the attached document.

We appreciate the courtesies and cooperation provided to our auditors. If you wish to discuss the attached checklist, you or a member of your staff may contact me at (202) 927-5400 or Benny W. Lee, Director, Program Audits at (415) 977-8810 x222.

Attachment

Cc: Lynnwood G. Campbell
Director, Internal Review

CDC EVENT MGMT PLANNING CHECKLIST			
No.	**Question**	**Yes/No/NA Date**	**Note**
National Event Management (EM) Plan Development			
1.a.1	Has the agency established a Y2K EM planning team?		
1.a.2	When was the team formed and held its first discussions?		
1.a.3	Does the team have a charter that clearly defines its roles or responsibilities?		
1.a.4	Has a clear definition of the overall agency responsibility during the Y2K EM period been developed?		
1.a.5	Does the team comprise members from:		
	Agency senior management		
	Regional Office management		
	Institution supervision and examination		
	IS examination		
	Legal		
	Resource management		
1.a.6	Does the team report to the Head or Deputy Head of the Agency?		
1.a.7	When is a 1st draft of the plan due?		
1.a.8	When is the plan due to be finalized?		
1.a.9	Has the National Plan been communicated to the field?		
1.a.10	Has the National Plan been developed in conjunction with regional plans?		
1.a.11	Has the National FI Supervisory Plan been prepared in coordination with the Agency internal Y2K plan?		
Local Event Management Plan Development			
1.b.1	Does each Regional Office have a Y2K EM planning team?		
1.b.2	Is the team structured similarly to the agency team?		
1.b.3	Has each Regional Office prepared a written local EM plan?		
1.b.4	When are the regional plans due to be finalized?		
Implementation Testing			
2.a.1	Will advance testing of the EM process occur? If yes, when?		
2.a.2	Where practical, will advance testing cover planned responses to Y2K events, both systemic		

CDC EVENT MGMT PLANNING CHECKLIST			
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	and individual institution?		
2.a.3	Will advance testing of Agency and Regional EM control centers (EMCC) occur? If yes, when?		
2.a.4	Will advance testing occur early enough to allow implementation of necessary changes to the process or in the operations of either type of center.		
2.a.5	Is more than one round of testing planned? Will subsequent rounds cover different scenarios? Will these rounds include 1/1/00, 1/3/00, and/or other scenarios?		
Third Party Review			
2.b.1	Will the national and/or local EM plans be communicated to the industry?		
2.b.2	Will the industry be given an opportunity to provide feedback on the plan(s)?		
2.b.3	Will independent, third party review of both national and local plan(s) occur? If so, when?		
2.b.4	Will the national and/or local plans be shared with other Federal or State regulators?		
2.b.5	Is agency QA staff involved in EM planning and/or implementation?		
2.b.6	Does outside review occur early enough to incorporate recommendations?		
EM Plan Policies/Scope			
3.a.1	Does the plan have a statement of overall EM policies?		
3.a.2	Does the plan identify its scope relative to business functions and geographic coverage areas?		
3.a.3	Is consideration given to the declaration of a national emergency by the President?		
3.a.4	Is consideration given to the consequences of a concurrent cyber-terrorist attack, civil disturbance, or natural disaster?		
3.a.5	Is consideration given to how non Y2K events would change activities covered by the plan or alter responses to specific events? I.e. the impact of cyber attacks, civil disturbances, or weather.		
3.a.6	Are those changes and/or responses identified and planned?		
3.a.7	Does the plan address an unusual flow of cash to and from institutions before, during, and after 1/1/00?		
3.a.8	Are functions, issues, or activities not covered by the plan identified and reasons for exclusion given?		

CDC EVENT MGMT PLANNING CHECKLIST			
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3.a.9	Do the policy and scope decisions appear reasonable?		
EM Plan Assumptions			
3.b.1	Are overall planning assumptions identified?		
3.b.2	Are specific national and regional planning assumptions identified?		
3.b.3	Do the planning assumptions appear reasonable?		
EM Timelines			
3.c.1	Is the time period covered by the plan clearly identified?		
3.c.2	Does the plan address 2/29/2000 and other key post 1/1/2000 dates?		
3.c.3	Is the timeliness of an agency response to any event clearly identified?		
EM Leadership			
4.a.1	Does the plan describe in general how agency personnel will be assigned for responding to a Y2K event?		
4.a.2	Is the senior official (decision-maker) in charge of EM activities throughout the period of the plan clearly identified?		
4.a.3	Is the chain of command clearly delineated?		
4.a.4	Have specific duties been assigned for all personnel involved in the EM implementation process?		
4.a.5	Does the plan clearly specify the level of autonomy and decision making vested in individuals involved?		
4.a.6	Does the plan clearly delineate authority, responsibility and duties for:		
	Receiving and distributing Y2K related information?		
	Deciding that a Y2K event has occurred or is imminent?		
	Initiating an agency response to each Y2K event?		
	Communicating response decisions and instructions to the field?		

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	Carrying out response procedures?		
	Monitoring response activities to ensure the response is appropriately implemented?		
4.a.7	Has consideration been given to ensuring that key decision-making personnel have needed information from the agency's examination data base?		
4.a.8	Has consideration been given to providing a laminated document delineating the duties of each position to facilitate a smooth transition between work shifts or to accommodate last minute changes in assigned duties?		
4.a.9	Will participants in the EM process be provided a readily available list of phone numbers and locations of key people?		
EM Staffing			
4.b.1	Does the plan describe specific staffing requirements and how requirements will be met:		
	at Agency HQ?		
	at Regional Offices?		
	at other locations?		
4.b.2	Does the plan provide a list of assigned personnel with locations, phone and pager numbers?		
4.b.3	Does the plan describe training that EM implementation personnel will receive to prepare them to respond timely and appropriately to a Y2K event?		
4.b.4	Has backup staffing based on workload needs been identified, availability determined and incorporated in the plan?		
4.b.5	Have personnel issues been identified and resolved?		
4.b.6	Do allocated resources appear adequate?		
Resource Management			
4.c.1	Have resource needs been clearly identified in terms of facilities, equipment, communications, transportation, food and water, lodging, utilities, supplies, and security?		
4.c.2	Has regional input been obtained in determining the resources needed?		
4.c.3	Does the plan describe in general how these resources will be allocated for responding to a Y2K event?		

CDC EVENT MGMT PLANNING CHECKLIST			
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4.c.4	Does the plan describe what factors will be used to determine how resources are to be allocated?		
4.c.5	Does the plan describe which officials will make resource decisions?		
4.c.6	Does the plan describe the timeframes that resources will be needed?		
4.c.7	Does the plan describe when allocation decisions will be made?		
4.c.8	Have activities under the EM plan been adequately budgeted for?		
4.c.9	When will needed resources be available?		
4.c.10	Have appropriate procurement requisitions been made?		
4.c.11	Will a procurement specialist be available to arrange for resource needs during the Y2K event?		
4.c.12	Does emergency procurement authority exist and has it been assigned/delegated?		
4.c.13	Will these resource decisions be made and action(s) taken in sufficient time?		
4.c.14	Does it appear that resources are adequate and effectively allocated?		
Communications Network			
4.d.1	Will the agency establish an agency EMCC? If so, when?		
4.d.2	Will the agency establish regional EMCCs? If so, when?		
4.d.3	Will backup for Agency and Regional EMCCs be established?		
4.d.4	Will the agency establish means to communicate with:		
	State and local agencies/officials?		
	Other Federal regulators?		
	Other Federal agencies?		
	Industry representatives?		
	Media representatives?		
4.d.5	Will backup means of communicating with outside parties be established?		
4.d.6	Will primary and backup means of communication be tested? If so, when?		
4.d.7	Will a backup computer loaded with the encryption software for transmitting FFIEC reports be provided and tested?		
4.d.8	Will encryption software also be available at a backup site?		

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Communication Procedures			
4.e.1	Does the plan identify normal procedures for communication to/from the agency?		
4.e.2	Does the plan identify backup procedures for communication to/from the agency?		
4.e.3	Will a hot line be provided for the most critical communication?		
4.e.4	Does the plan distinguish between Emergency vs. Non-Emergency types of messages?		
4.e.5	Does the plan provide a list of contacts within the agency?		
	For both internal and external purposes?		
	And a means of contact both on-duty and while on call?		
4.e.6	Does the plan provide a list of contacts with other agencies, such as FDIC, FRB, FEMA, OCC/OTS, State regulators, and other Federal or State agencies?		
4.e.7	Does the plan identify who initiates event reporting?		
4.e.8	Does the plan provide for timely reporting in a consistent format?		
4.e.9	Does the plan establish *not later than* times for reporting to the ICC and/or FFIEC?		
4.e.10	Does the plan establish a fallback procedure for ICC and/or FFIEC reporting if sufficient information is not flowing up the agency command center?		
4.e.11	Does the plan provide for both positive and negative event reporting?		
4.e.12	Does the plan identify procedures for reporting information up/down/across the reporting chain?		
4.e.13	Does the plan establish regular reporting intervals?		
4.e.14	Does the plan include procedures for providing information to the Public or to Financial Institutions?		
4.e.15	Does the plan provide for preplanned public messages developed in advance for different possible situations?		
4.e.16	Has consideration been given to distinguishing between national and regional press releases?		
4.e.17	Does the plan identify particulars for these preplanned messages: e.g., To Whom, When, and based on which triggers?		
4.e.18	Does the plan provide for monitoring news sources?		

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4.e.19	Will regional and field offices be required to submit data on individual office infrastructure (i.e., access to the office, status of electricity, etc.) prior to submitting data on supervised institutions?		
Event Monitoring			
5.a.1	Does the plan provide for monitoring domestic financial institution activities, including the collection of financial institution data:		
	Between the 12/30/99 to 1/8/2000?		
	Between 2/27/2000 and 3/4/2000?		
	During other periods?		
5.a.2	If yes, does the plan:		
	Identify the institutions that will be watched?		
	Identify the systems (such as inter-bank transfer lines) that will be watched?		
	Identify the data that will be gathered?		
	Identify the officials that will receive the data?		
5.a.3	Does the plan provide for monitoring banking and other financial activities in foreign countries to collect early warning information (i.e., to identify threatening events or situations that will have fallout on banking in the U.S.):		
	Between 12/30/99 and 1/4/2000?		
	Between 2/27/2000 and 3/2/2000?		
5.a.4	If yes, does the plan:		
	Identify the countries that will be watched?		
	Identify the institutions that will be watched?		
	Identify the systems (such as inter-bank processing systems) that will be watched?		
	Identify the data that will be gathered?		
	Identify the officials that will receive the data?		
5.a.5	Does the plan specify at what point a foreign Y2K event will trigger a response by the agency?		
5.a.6	Does the plan identify the extent of monitoring of financial institutions being conducted at the state level?		
5.a.7	Does the plan identify the extent and means of communicating with state monitoring efforts?		
5.a.8	Does the plan indicate whether the agency will have examiners on site at large or challenged institutions?		

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5.a.9	Has consideration been given to documenting the reasons why an institution's status (red, yellow, green) changes in the Y2K database?		
5.a.10	Does the plan provide a means of identifying which institutions are not being reported on in mid-day reporting to ICC/FFIEC?		
5.a.11	Does the plan identify a means of tracking incidents, problems, or crises to closure?		
Detailed Response Procedures			
5.b.1	Does the plan define potential Y2K events?		
5.b.2	Do the defined events include:		
	Y2K and non-Y2K related events in other sectors, including energy, communications, and transportation?		
	Non-Y2K events, such as cyber attacks, civil disturbance, or weather related problems?		
5.b.3	For each defined Y2K and non-Y2K event, does the plan designate a specific agency response?		
5.b.4	For each designated response, does the plan:		
	Establish time frames for implementing the response?		
	Describe response procedures in detail?		
	Specify circumstances for terminating the response?		
	Specify when the response will be terminated?		
5.b.5	Before opening for business, will financial institutions be required to test:		
	MC systems		
	HVAC systems		
	Data transmission systems		
	Inter-branch communication systems		
5.b.6	If yes, does the plan specify:		
	How results will be communicated to the agency?		
	Whether the agency will have examiners on site at large or challenged institutions?		
	When a testing failure will require a response by the agency?		
Coordinated Response Procedures			
5.c.1	Is the agency planning a coordinated response to Y2K and non Y2K events:		
	With other federal regulators?		

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	With state bank regulators?		
	With law enforcement officials?		
	With other entities?		
5.c.2	If yes, does the agency's EM Plan describe methods of coordination with each entity?		
5.c.3	If yes, does the plan:		
	Identify or describe events for which there will be a coordinated response?		
	Specify who initiates the response?		
	Describe the responsibilities of each entity?		
	Identify who to contact in an emergency?		
	Provide names and phone numbers of persons to contact at other organizations, and which official initiates contact?		
5.c.4	Have arrangements for mutual aid been developed:		
	Between agencies?		
	Between regions?		
Post Y2K Activity			
5.d.1	Does the plan take into account dealing with consequences of Y2K problems after 1/1/2000?		
5.d.2	Has a post Y2K "lessons learned" process been developed?		
Miscellaneous Issues			
5.e.1	Have data backup requirements been identified and tested?		
5.e.2	Has the need for and availability of backup replacement equipment (other than communications equipment) been considered? E.g., computers, etc.		
5.e.3	Has coordination with the agency contingency and disaster recovery plan(s) been considered?		
5.e.4	Have all vendor service agreements been assessed for impact on EM operations?		
5.e.5	Has the need for changes in security of the facilities used during the EM period been reviewed?		
5.e.6	In the event of one or more security system failures, will access to facilities be permitted?		
5.e.7	Has the need for increased computer and/or communication system security during the EM period been assessed?		
5.e.8	Has the increased security risk of remote access and access to public web servers during the period been considered?		

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No.	**Question**	**Yes/No/NA Date**	**Note**
5.e.9	Has a means of monitoring, resolving and reporting computer and/or communication network security problems been developed?		
5.e.10	Has a list of emergency contacts been developed? E.g. local utilities, public safety, vendors, consultants, and/or contractors servicing critical equipment?		
5.e.11	Has the agency identified where historical Y2K reports will be maintained?		
5.e.12	Has consideration been given to ensuring that a person knowledgeable in retrieving data from the agency's Y2K data base will be present at the command center during the rollover period?		
5.e.13	Have agency personnel involved in the EM process been prompted to ensure that:		
	cell phones are usable and batteries fully charged prior to 12/31/99?		
	vehicles are serviced and full of gas prior to 12/31/99?		
Overall Plan Attributes			
6.a.1	Are plans well organized, and easy to use?		
6.a.2	Does the plan provide an easy means of finding information?		
6.a.3	Is the approver of the plan and/or person to contact with questions clearly identified in plan?		
6.a.4	Does the plan indicate the nature and frequency of documentation that is to be maintained?		

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