

InfoSight Newsletter

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League InfoSight Highlights:

Regulatory Spotlight - Controls Testing

Over the last year, we have been seeing an examiner focus on “Controls Testing” – a term that has caused some confusion and stress in our credit union community. This Spotlight article is aimed at demystifying the term and providing context about what it is, why it is important, and how [Recovery Pro](#) helps support the Controls Testing process.

Controls Testing

Controls Testing is a component of the Validation and Maintenance portion of your Business Continuity Planning effort but is not exclusive to it. For example, if you have a Clean Desk Policy (which is a Control) to protect sensitive/confidential data and you periodically do a walk-around clean desk check – that is a Controls Test.

In the Business Continuity world, there are a number of Controls Tests you likely already do but that you do not always associate with Business Continuity Testing. Examples include:

- Weekly generator testing
- Fire alarm systems testing
- Sprinkler system testing
- Security alarm system testing

Brainstorming with your team (especially your Facilities team) is an excellent way to identify and capture these.

The Risk Assessment

More controls will be discovered in your Risk Assessment (another Recovery Pro

component) because Mitigation Factors you identify that help reduce the risk of the various threats identified in your Risk Assessment are Controls.

Let's use the Fire threat from a sample Risk Assessment as an example. In the Mitigation Factors (Controls) in place, the credit union sampled included the following:

*“The HQ facility is equipped with **fire sprinklers, fire extinguishers** (Type-based on the nature of each space), IT spaces are equipped with **fire suppression systems**, HVAC have **sensors and dampers to automatically restrict or stop airflow to affected areas**. **Fire alarm systems** will alert the monitoring company, who will notify the fire department. Sites are also equipped with **dedicated lines** for calling out to 911. **Evacuation plans** are in place for all locations. Site maps with evacuation routes are posted throughout the facility and rally points are identified for all locations.”*

All of the listed items in **Red** are Controls. Are they tested regularly? If not, could they be? These, along with Mitigation Factors from other Threats in your Risk Assessment, can be added to your Controls Inventory and your Controls Testing plans.

We hope this helps you understand the concept of Controls Testing, why it is important, and how you can utilize the tools in Recovery Pro to help you identify and develop your Controls Testing plans.

Bill Ashland,
AVP of Business Continuity Planning, Synergent

Observance and Celebration!

April is Autism Acceptance Month

At League InfoSight, we honor diversity and inclusion and embrace everyone's unique abilities!



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News and Alerts!

CFPB: Remarks from Director Rohit Chopra

On April 2, 2024 Director Rohit Chopra made remarks at the White House regarding Data Protection and National Security.

“We are aiming to propose rules this year to ensure that data brokers comply with the Fair Credit Reporting Act. The Act would restrict certain business practices and ensure higher levels of accountability for companies engaged in this business model.”

Read Director Rohit Chopra's statements regarding consumer protections and future rules on the CFPB website.

[Read More](#)

FinCEN Seeks Comments on Customer Identification Program Requirement

The U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) is issuing a request for information (RFI) related to existing requirements for banks under the Customer Identification Program (CIP) Rule to collect a taxpayer identification number (TIN) from a customer prior to opening an account.

[Read More](#)

CFPB Blog: Consumer Reporting Companies Have an Obligation to Correct Errors

The consumer reporting system maintains detailed profiles on millions of Americans. Companies harvest information on people's financial status or record of paying bills and provide that information to consumer reporting companies. Consumer reporting companies then sell this data to companies making employment, credit, and other decisions.

[Read More](#)

CFPB Takes Action to Halt False Claims of 'Free' International Money Transfers

The Consumer Financial Protection Bureau (CFPB) issued a new circular warning remittance transfer providers that false advertising about the cost or speed of sending a remittance transfer can violate federal law. The circular highlights several marketing practices relating to sending international money transfers that may violate the Consumer Financial Protection Act's (CFPA) prohibition on deceptive acts or practices.

[Read More](#)

NCUA Opening 2024 CDRLF Grant Round May 1

Low-income-designated credit unions can apply for 2024 Community Development Revolving Loan Fund grants between May 1 and July 1.

“These grants give eligible credit unions the resources needed to support the financial needs of their members and communities,” NCUA Chairman Todd M. Harper said. “They create new, safe, fair, and affordable financial products and services and expand existing services. They bolster cybersecurity, build capacity, and train new leaders. There are nearly 2,500 low-income credit unions across the country, so there is a lot of potential for putting these grants to work in rural and under-resourced communities.”

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procedures and content are all as
fresh as Springtime

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