



# Safeguarding What Matters

**W**hat happens when your examiner says, “Your security program is NOT compliant.”? What does that really mean and what can you do about it?

As most of us know, credit unions are required to establish an information security program in compliance with the guidelines set out in NCUA Rules & Regulations, Part 748, Appendix A. At the same time many credit unions are not familiar with the details of part 748 and don't have a thorough understanding of the details surrounding what is required to gain compliance. The MemberGuard team fully understands Part 748 and can discuss ways you can address any short comings as well as draft an implementation plan to bring you into compliance.

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Since Southeast Corporate introduced its MemberGuard Regulatory Compliance Service in mid 2009 members have quickly begun to take advantage of the service. Early projects have included GAP analysis and compilation of incident response procedures.

“A GAP Analysis is an excellent starting place,” said Barry Kouns, Southeast Corporates Vice President of Information Security Risk Assessment who leads MemberGuard. “Even though Part 748 Appendix A requires that credit unions do an annual GAP analysis, I find that it makes more sense to start first by thinking about open exam findings in the area of information security,” Kouns explained. “Simply put, we review a credit union’s current security program and compare it to the requirements in Part 748. We can then point out any areas that are not compliant and put together a documented plan that puts the credit union on the path to resolve any vulnerabilities.”

“Sometimes our work starts when a credit union comes to us with open exam findings that they are expected to fix. Other times credit unions don't want to wait until something is wrong, they are getting ahead of the game and want to do a GAP analysis to know in advance where they need to improve. By identifying any weaknesses before a problem occurs they are able to take corrective action. They not only

avoid an exam write up, but their proactive approach prevents the costly and sometimes devastating results of a security breach.”

Tammy Barrett, Chief Financial Officer at Gulf Coast Community FCU in Gulfport, MS saw early on the value in the MemberGuard service.

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to go forward with a GAP analysis, but now we're clearly glad we did. Barry was great to work with and the results that MemberGuard provided exceed my expectations.”

Trust FCU in Chattanooga, TN has also used MemberGuard. “We asked MemberGuard to help us strengthen our information security program, said Charlene Slatton, the credit union’s Operations Manager. “Barry clearly knew what he was doing and didn't waste our time. The work was done quickly, and we came away with the plan we needed to move forward. I'd would definitely recommend the service to other credit unions.”

MemberGuard services center around regulatory compliance and include: Information Security Program Review, Regulatory Exam Mitigation, Security Improvement Planning, Information Security Risk Assessments and Policy and Procedure Review and Development. Recent inquiries have been for vendor management programs. MemberGuard can help credit unions' develop a fully compliant external service provider management program which includes due diligence, contracts and a process for ongoing oversight.

“We're also getting inquiries for penetration testing of credit unions' information technology systems,” said Kouns. MemberGuard's penetration testing helps discover areas of a credit union's network where an intruder from outside the network could exploit security vulnerabilities. As part of the testing a credit is also provided with recommendations on how to mitigate any identified vulnerabilities.

MemberGuard was founded on the belief that the current financial environment demands a credit union-focused, well respected service provider with the best interests of the credit union at heart. Staffed with expertise from Southeast Corporate, MemberGuard team members are recognized experts in providing governance, risk management and regulatory compliance services to the credit union industry. To learn more, contact your Member Relationship Manager.

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*Tammy Barrett, Chief Financial Officer at Gulf Coast Community FCU*

