

**Century Date Change
Event Management Planning Checklist
Office of Thrift Supervision**

OIG-CA-00-003

November 29, 1999



**Office of Inspector General
United States Department of the Treasury**

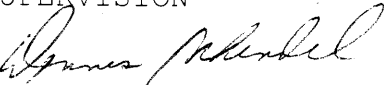


OFFICE OF
INSPECTOR GENERAL

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

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' unique role as the supervisor of federally insured thrifts.

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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		
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

No.	Question	Yes/No/NA Date	Note
	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?		

