



COMPLIANCE SPOTLIGHT

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MUST-READ

What compliance priorities can we anticipate during 2023 regulatory exams? Read BTG's Predictions [here](#).

COMPLIANCE REMINDER

Ensure the Information Security Program report is presented to the Board at least annually, and meets [regulatory requirements](#).

We prepare and protect your organization.

ISSAC Online is a comprehensive Information Security: Strategy, Audit & Compliance software solution designed to exceed regulatory requirements.

Streamline your Vendor Management, Business Continuity & Disaster Recovery, and IT Risk & Compliance Programs in one centralized solution.

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2022 EXAM INSIGHTS & LESSONS LEARNED

As the year comes to an end, we reflect on the areas of concern that examiners focused on more than others. These insights and trends are useful as it identifies compliance areas that should be given more attention and helps prepare credit unions for regulatory exams in the upcoming year.

We have outlined three trending areas of focus in which credit unions have experienced heightened scrutiny during exams this past year:

1. Managed IT Service Provider Relationships:

Credit unions experienced a “deeper-dive” examination of due diligence and monitoring for third parties that manage IT and network systems, as these vendors pose a heightened risk to information systems and cyber security. Due diligence monitoring should include updates to vendor risk assessments, review of the vendor’s cyber resiliency plans and information security policies, assessment of adherence to Service Level Agreements, and review of independent audit results (e.g., SSAE or SOC reports, financial statements, certification attestations, etc.). Credit unions should also ensure managed IT service provider activity, such as access to and changes within systems, are authorized and monitored for appropriateness.

2. Assessment of E-Commerce and E-Payment Systems:

An ongoing focus for credit unions is risk management of electronic banking and electronic payment systems. During the pandemic, there was an increase in the number of users relying on electronic banking services; in which credit unions are expected to assess and monitor for elevated risk. In 2021 and continuing in 2022, there was an increase in exam recommendations issued to perform a formal risk assessment for electronic banking and electronic payment systems. Credit unions should reference [NCUA Examiner’s Guide on Electronic Payment Systems](#) for more information.

3. IT Audit Tracking & Resolution:

Examiners have taken a closer look at the credit union’s process to address results of IT-related exams and audits to ensure findings are addressed in a timely manner based on risk, and to ensure the results are evaluated to enhance IT and cyber controls. Credit unions should ensure a formal and documented process is in place to respond to and track the resolution of exam and audit findings, including reporting to management and the Board as appropriate.

We anticipate that these trending areas of concern will be prominent during 2023 exams and beyond. Contact us for solutions to ensure your credit union is prepared.

◆ Jennifer Connelly McGee