



Federal Reserve's Security and Resiliency Assurance Program

2022 Overview

September 15th, 2022

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

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High-level Overview

The Federal Reserve now requires institutions and service providers that use FedLine Solutions to comply with information security controls and provide an annual attestation standards.

These standards include:

- Assess compliance with security requirements of each FedLine Solution.
- Document a plan to remediate gaps found during the assessment.
- Demonstrate compliance via attestation that an assessment was completed within the calendar year.
- Conduct the assessment and submit attestation by December 31st annually.

Note: Only qualified FI leaders can provide the attestation.





Financial Institutions may have elected to outsource some or all their payment or electronic connections to third-party service providers.



Although the use of third-party service providers is permitted, these outsourcing arrangements do not transfer an institution's obligations or responsibility for complying with required security measures and controls.



A third-party service provider that uses FedLine must also provide their assessment.



Authorized Attestation Signatory



The attestation must be signed by a senior management official or executive officer in charge of electronic payments operations or payments security for your organization.



Whether that person is, or is not, an EUAC will depend on the circumstances of each Credit Union.

Why Does an EUAC Matter?

An “EUAC” or “End User Authorized Contact” is your organization’s designated point of contact, for the Federal Reserve. EUAC's have many responsibilities, but one primary responsibility is to ensure that their organization is familiar and complies with the security procedures that are applicable to all FedLine® Solutions used by the organization.

Yes, you may have more than one. They are the Auditors Primary contact



Who May Complete the Assessment



The self-assessment may be completed by internal staff; however, some organizations may be required to have an independent party conduct or review their self-assessment.



Organizations that have been notified an independent assessment is required (this information is found in the body of your Assurance Program email), the requirement of independence can be satisfied by having:

An independent third party, such as an external audit firm or security consultant, perform the assessment.

An independent internal department/function perform the assessment, such as an internal audit or compliance department (i.e., a function that is not in the reporting line of the senior executive in charge of payment services).



Why Independent Party Assessment

The Federal Reserve determines which organizations will be required to receive an independent assessment based on a variety of factors that may change.

Factors may include but are not limited to:

- FedLine Solutions and specific products used,
- Payment volumes,
- Payment thresholds,
- Current threats, and
- Risk factors.

These factors are reviewed and evaluated periodically and may change over time.



Independent Assessment

“Your organization is requested to perform an independent assessment to ensure compliance with the Security Requirements as outlined in Appendix A of the FedLine Solutions Security and Resiliency Assurance Program Guide.”



Attestation

If your institution is designated to complete an independent assessment or review, you can find this information in black bold text in the body of the email you received

Your organization's compliance statement will include terms that your attesting official is asserting that independent assessment was performed





Service Documentation

FedLine Solutions in Scope

FedLine Web - Provides convenient, easy-to-use access by any credentialed subscriber using a Windows®-based PC that has browser software and an internet connection

FedLine Advantage - Tools necessary to send and receive transactions, view summary-level information, receive alerts and notifications of exceptions, process adjustments and receive billing statements

FedLine Command - A lower-cost option for FedACH customers interested in an unattended solution.

The FedLine Direct - Unattended Internet Protocol (IP)-based access to critical payment services and was designed especially for organizations that seek a secure computer-to-computer interface to Federal Reserve Bank Services



Security Controls and Procedure Categories/Domains:



PC and Operating System Controls



Network Security



Operational Controls



Documentation Management



Assurance Controls

Performing the Assessment

Self Assessment

Internal Self Assessment

If an independent review is not required, Credit Unions are allowed to perform a self assessment.

Credit Unions leverage independent parties to perform the assessment.

External Assessment



Who are Independent Parties

Independent Review

- The Credit Unions Internal Audit Department
- An independent third party, like CLA
- A self assessment that is reviewed by an independent party



History of Communications

The Federal Reserve
notification timeline:

10/15/2020 – Prepare
for the FedLine
Solutions Security and
Resiliency Assurance
Program

1/15/2021 – Complete
the FedLine Solutions
Security and Resiliency
Assurance Program by
December 31, 2021

2/10/2021 – Complete
the FedLine Solutions
Security and Resiliency
Assurance Program

6/1/2021 – Learn How
to get started with the
Security and Resiliency
Assurance Program

8/16/2021 – Has your
organization started the
Security and Resiliency
Assurance Program

Association of Credit Union Internal Auditors

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