

# Trends in Regulatory Findings

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# Saltmarsh, Cleaveland & Gund

## ABOUT THE FIRM

Saltmarsh is one of the largest locally-owned CPA and business advisory firms in the Southeast, serving clients throughout the U.S. and worldwide from offices across Florida and in Nashville, Tennessee.

### SIZE OF FIRM



### OFFICE LOCATIONS

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#### FLORIDA

Ft. Walton Beach  
Orlando  
Pensacola  
Tampa

#### TENNESSEE

Nashville

### AFFILIATIONS

SALTMARSH FINANCIAL ADVISORS, LLC

**Saltmarsh**  
Financial Advisors, LLC

AN AFFILIATE OF SALTMARSH, CLEAVELAND & GUND

THE BDO ALLIANCE USA

AN INDEPENDENT MEMBER OF  
**BDO**  
ALLIANCE USA



### SERVICES OFFERED

Audit & Assurance | Business Valuation | Financial Institution Consulting | Financial Planning | Flexible Spending Plan Administration | Healthcare Consulting | Human Resources Consulting | Information Technology Consulting | Investment Management | Litigation & Dispute Advisory | Managed IT Services | Outsourced Accounting Solutions | Research & Development Tax Credits | Retirement Plan Administration | Tax Compliance & Consulting

### INDUSTRIES OF FOCUS

Community Banking | Construction & Real Estate Development | Credit Unions | Hospitality | Manufacturing & Distribution | Non-Profit Organizations | Post-Acute Healthcare | Professional Employer Organizations (PEO) | Technology & Emerging Growth



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## National Perspective

A common perspective emphasized nationally is “innovation”



- FDIC - “**FDiTech** will promote the adoption of innovative and transformative technologies in the financial services sector”
- OCC - **Office of Innovation** with a Chief Innovation Officer
- Federal Reserve - Center for Financial Innovation and Stability **CenFIS**
- Conference of State Bank Supervisors - **Emerging Payments and Innovation Task Force**
- CFPB - American Consumer Financial Innovation Network (**ACFIN**)
- NCUA

## Why Innovation?

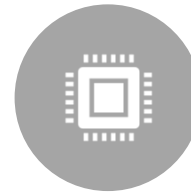
- February 2019 - 5779 tech startups focusing on the financial industry.
- UNISON
- TALA
- Shift to cloud and new technologies
- Decoupling from CORE

*“Every once in a while, a new technology, an old problem, and a big idea turn into an innovation.” - Dean Kamen*

# Common concerns across regulators and asset sizes



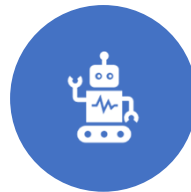
VENDOR  
MANAGEMENT  
(INNOVATION)



CYBER SECURITY  
(INNOVATION)



RISK ASSESSMENT  
(INNOVATION)



REMOTE ACCESS  
MANAGEMENT  
(INNOVATION)



PHYSICAL SECURITY



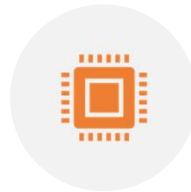
BC/DR

# Vendor Management



- Risk Assess all vendors
- Contractual Review
- Enhance policy to include what is done
- Critical/Significant vendors detail
- Appropriate review / understanding of vendors touching network
- Where is your data?
- Review of new vendors

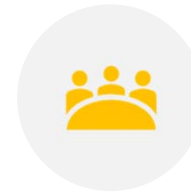
# Cyber Security



TESTING FOR A CYBER INCIDENT



BENCHMARKING PROGRESS TOWARDS MATURITY UTILIZING A STANDARD TOOL (NIST, CAT)



UNDERSTANDING CYBER INSURANCE COVERAGE (BOD LEVEL DISCUSSION)



REPORTING THAT DOCUMENTS AN UNDERSTANDING OF CYBER RISK



FREQUENT TRAINING OF EMPLOYEES AND AT LEAST ANNUAL FOR BOD (MATERIALS)

## Risk Assessment



- Understanding key controls and assuring their continued function
- Document and review risk related to new products, services or vendors
- Risk assessment drives actions of institution (risk appetite)
- Risk weighting



# Remote Access



- Limit access
- Formalized (in policy) documented (with signoff) individuals with remote access.
- Vendor access (how is it logged, approved and monitored)
- Security deployed in a layered manner
- Process in place for adding and removing VPN users timely
- Don't forget email it continues to be the highest threat vector

# Physical Security



## Computer room

- Doors
- Ceilings
- Walls
- Cameras
- Alarms



## Machines

- Encryption
- Inventory
- Destruction

## BC/DR

✓ Full scale testing

🎯 Recovery time and point objectives

🧠 Well documented lessons learned from testing

👥? Pandemic

✍️ Offline

💻 Cyber Incident

📅 Plans and policies remain current, refreshed annually to consider all newly deployed functionality

Questions?