



CONSUMER FINANCE

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About Navigant's Financial Services Consulting Practice

Navigant (NYSE: NCI) provides a wide range of services, spanning from consulting and compliance to litigation and investigative support, to help highly-regulated industry organizations address their most critical business issues. Our Financial Services consulting practice works collaboratively with banking, insurance, and investment management clients to achieve their business objectives by improving operational effectiveness and mitigating compliance risks. Our comprehensive service offering focuses on our clients' key opportunities and challenges including core business operations, technology, human capital, regulatory compliance, strategic transformations, customer service, and business process outsourcing (BPO). We bring deep industry, consulting and technical expertise, and are known for partnering with our clients to realize their business objectives.

IT RISK MANAGEMENT SERVICES

Ever changing Federal mandates and generally accepted financial industry principles drive IT risk management capabilities in every corner of the Financial Services industry. The growing potential for regulatory audit and subsequent enforcement increases the importance of proactively addressing key IT risk management challenges including:

- Developing and maintaining strong data breach detection and prevention capabilities;
- Aligning with third-parties you rely on to deliver products and services to market, and who may have access to your customers' non-public personal information;
- Integrating added controls complexity into internal Compliance functions; and
- Ensuring your business continuity planning reflects your business and outside requirements.

With challenges come the potential for multiple improvement opportunities. Successfully addressing them will increase your competitive advantage and fortify your ability to react to the regulatory environment today and going forward.

GOVERNMENT MANDATES AND FINANCIAL INDUSTRY PRINCIPLES EXAMPLES

Federal Mandates

- Gramm-Leach Bliley Act (GLBA) / Regulation P
- FTC Section 5(a) Federal Financial Institutions Examination Council (FFIEC)
- OCC Bulletin 2001-47 and CFPB Bulletin 2012-13 and FFIEC
- Cyber Security Enhancement Act of 2015

Generally Accepted Principles

- SIFMA BCP (23.603)
- BASEL BCBS239
- Payment Card Industry
- Data Security Standard
- (PCI DSS)

HOW NAVIGANT CAN HELP

The need to meet the current IT Risk Management challenges opens several key improvement opportunities. Navigant can help Financial Services organizations maximize opportunities by:

- Defining data security versus cyber security and risk management approaches specific to each;
- Increasing understanding of the technology environment that supports IT risk management;
- Optimizing controls to better reflect the diversity in stakeholders and their requirements;
- Developing metrics that better indicate the risk status of the Business;
- Developing more relevant reporting to improve Management's ability to run the Business;
- Improving the ability to measure third-party risk; and
- Reducing the data security, operational, and reputational risk from a business continuity event.

KEY PROPOSED LEGISLATION

House

- Data Accountability and Trust Act (HR580)
- Personal Data Notification and Protection Act (HR1704)
- Data Security Act of 2015 (HR2205)
- Cyber Privacy Fortification Act (HR104)

Senate

- Consumer Privacy Protection Act (S1158)
- Cybersecurity Sharing Act (S456 / 754)
- Data Breach Notification and Punishing Cybercriminals Act (S1027)

Navigant's **IT Risk Management Framework** is the backbone of our IT Risk Management Services.



Our experience has shown that robust IT risk management begins with a solid IT Governance foundation, however Navigant's IT Risk Management services can be tailored to specific needs within your organization.

IT Risk Management Framework Components and Related Navigant Services

FRAMEWORK COMPONENTS	RELATED NAVIGANT SERVICES
IT Governance	<ul style="list-style-type: none"> IT Future State Visioning: Strategy and Policy Metrics and KPIs Design and Deployment Budget and Resource Planning Committee Charter Design and Change Management
IT Controls Testing	<ul style="list-style-type: none"> IT Controls Documentation Testing Mechanics Design and Deployment Testing Architecture Planning and Configuration Internal / Regulatory / Third Party Controls Mapping
Business Continuity Planning	<ul style="list-style-type: none"> Incident Management & Contingency Planning Disaster Recovery Scenario Planning and Design Testing (table top, plan work through)
IT Vendor Management	<ul style="list-style-type: none"> Due Diligence Strategic Alignment Ongoing Assessment / Due Diligence Alignment Third-Party Risk Assessment Oversight & Monitoring
Data/Cyber Security	<ul style="list-style-type: none"> Data Transmission and Warehousing Mapping Access Control Systems Review and Reconciliation Data Redaction Control and Design Intrusion Control Evaluation
Reporting	<ul style="list-style-type: none"> Metrics: KRIs & Dashboards Strategy and Design Communication Planning (Internal and External) BI Architecture Configuration and Effectiveness

By working with Navigant to manage IT risks, financial institutions can realize the following potential benefits:

- Improved operational practices based on business and IT alignment
- Better ability to incorporate regulatory changes into operations
- Better ability to respond to regulatory requests and audits
- Improved IT infrastructure ROI
- Clear translation of IT assets to business advantage
- Enablement of IT participation in business strategy
- Clear understanding of infrastructure capabilities which enables future business needs

EXPERIENCE AT WORK

Navigant's Banking professionals have worked with leading financial services companies across the world to improve the implementation, management, and effectiveness of their IT risk environments, as demonstrated in the following examples.

Fortune 100 Financial Services Company - GLBA

Compliance Readiness: Navigant performed an enterprise readiness assessment of compliance with the Gramm-Leach-Bliley Act (GLBA). This effort entailed surveying and interviewing business unit management to assess the current state and recommend measures necessary to fill compliance gaps and establishing protocols and metric reporting tools to ensure consistent communication of objectives, roles and responsibilities, and execution status to business units. In addition, Navigant developed a vendor contract database to identify and obtain missing vendor confidentiality agreements and, if necessary, renegotiate GLBA compliant contracts. Navigant's work increased the company's ability to respond to potential regulatory audits and third-party requests for GLBA compliance.

Mobile Payment Service Provider - Data / Information

Security Assessment: Navigant assessed the technology readiness for a national mobile payments service provider. The review encompassed security elements of the existing platform as well as privacy safeguards and overall compliance with information technology rules and regulations. In the course of the assessment, Navigant uncovered and subsequently presented findings concerning additional operational elements that impacted launch and immediate post-launch management and longer-term operations. In addition, Navigant proposed a series of strategic remediation initiatives to align client's business process, IT tools/ technologies, and operating model to industry best practice.

Financial Services Company - Private Data Gap

Assessment: Navigant was retained by the Corporate Human Resources department of a 40,000-employee enterprise to conduct a gap assessment for privacy, retention and security for employee data. We reviewed all processes and applications for compliance with internal standards and external regulations and laws (e.g. HIPAA, IRS proc 98-25, Gramm-Leach-Bliley), examined over 100 corporate and



outsourced systems, created action plans for all identified gaps, and developed procedures, project documentation, and training material for client staff to continue future reviews. The changes were formally incorporated into Enterprise Compliance and Audit schedules.

Individual Life Insurance business - IT Control

Assessment: Navigant was retained by the Individual Life Insurance business within a large Financial Services firm to complete an assessment of IT controls for a number of key system applications. The review was focused on key systems including both internal and external systems (e.g., Administrative, Actuarial, Cash and Remittance, Compensation and Financial Applications) and included identifying all inbound and outbound interfaces for each system, reviewing and documenting all automated interface controls, reviewing controls for efficiency, and completing a gap assessment. The controls were broken down into five categories (Header, Trailer, Control File, Data Validation, Data Encryption, and Data Transmission) and graded for adequacy with assigned risk levels for each interface based on the number of controls. The results allowed the business to streamline a pending integration with the wealth management line of business.