

Webinar for DPs for Operational Risk Management – advice on Covid19 related issues.

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Moderator:

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Panellists:

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This was the second in a series of webinars to be held over the coming weeks providing updates and a forum to exchange information within the DP peer group. The discussion covered various issues including the following:

1. Outsourcing

- Updates from Delegates every few days are important in terms of providing an update as to how they are being impacted by their subsequent outsourcing to teams by way of example in India, the Philippines, the US, Singapore and how these teams service levels are being impacted in terms of their delivery to the ultimate outsourcer.
- Working from home in India and the Philippines has not been as challenging as it might have been five or eight years ago when these centres started to grow. However, continuous monitoring of those staff technologically enabled to work from home at these centres is an important aspect in ensuring service levels are being maintained. On site visits are not possible at the moment.
- Ongoing, close interaction with service providers is key and the only way to manage through this current crisis.
- Important to get an idea as to whether outsourcers have had to make concessions in terms of the control environment or the process that they have and if they have what does that look like and can these be sustained in the long term?
- Another important element to handle in the current crisis is resilience. Can current work practices be sustained for another three or four months? Will it continue to work as effectively as it has to date?

2. Human Resources

- Important to take time and recognise that the current crisis is impacting people in an unprecedented manner. Vital to have that front and centre in one's mind.
- During other recent crises, i.e. weather events and the financial crisis, employees within organisations outperformed. However, the sustainability in maintaining this outperformance is questionable given the uncertainty as to how long this current crisis will last. People can react very strongly at outset, but flag, particularly if their personal 'bubble' circumstances are challenging.
- Important to focus on the key dependencies. Often, these key dependencies are unexpected within organisations, i.e. junior members of staff. Therefore, it is important to understand who the key dependencies are within organisations and to make appropriate alternative arrangements if for some reason they become unavailable.

- The current crisis is a global crisis. However, various parts of the world are at various stages of the gestation of this virus. Just because, we in Ireland might feel we are at a certain position does not mean that others are in the same position as us. They may be experiencing a different phase of the virus.

3. Business Continuity

- Additional challenge of checking in with outsourced service providers who are simultaneously implementing their business continuity plan (BCP) arrangements.
- Nobody wrote this plan. Individuals and organisations are responding to new challenges and issues on an ongoing basis.
- The Irish Funds Head of Operations Working Group have done a lot of work in compiling a BCP questionnaire which has proved to be useful. Some of the quick learnings out of the questionnaire include:
 - o struggles with Bloomberg terminals in terms of difficulties with ensuring good remote access due to contracting issues and hardware issues. As a workaround, disaster recovery (DR) licences have been pivoted into a terminal;
 - o some firms encountered delays due to contracting issues;
 - o other firms were unable to access their DR sites because the specific terms and conditions of the DR arrangement was that they only could enter the DR site if their own building wasn't accessible. If their building is accessible, then they don't qualify to enter;
 - o new sections have been included in the questionnaire asking firms to comment if there have been increased manual errors;
 - o the questionnaire also asks if there have been increased cyber-security risks when teams are working off home DPNs as opposed to being wired directly into networks;
 - o some functions are still dependent on post and faxes;
 - o depending on certain types of reporting there may be a dedicated PC which has a fob or downloaded digital certificate which isn't readily downloaded to laptops.
- The BCP questionnaire is currently being finalised.
- It is important to have a prepared answer ready for BCP questions and to give the same answer to everyone.

4. A snapshot of the subsequent Q&A:

- Any thoughts on plans for starting to come back out of BCP?
 - o It is important for people to realise that they are not out of BCP just because they go back into their office building;
 - o A lot will be determined as to how the Government eases the current restrictions and how willing people are to engage in social distancing on a long-term basis;

- No real concept of exiting BCP as of yet as the situation will differ for each individual. Some will not have childcare or will have to look after sick family members or may be sick themselves;
- It is a bit premature to plan for a return to the workplace as of yet.
- How do you address cyber-security concerns when you have an increase of employees working from home?
 - Vigilance is key. Any emails that look like phishing are immediately escalated;
 - not aware of a major cyber-security incident in the industry yet.
- Will the restrictions on how we are dealing with Covid19 have any long-term impacts in the way we do business in Ireland i.e. more remote working, hot-desking, Webinars, video conferencing etc?
 - Inevitably it will but work will not have fundamentally changed once normality resumes.
- How are Central Bank expectations with regards ongoing due diligence, on-site visits and oversight being met?
 - Ironically, there has been increased correspondence with partners;
 - talking to managers an awful lot more than would have previously been the case;
 - on-site visits have obviously been postponed until further notice.