



Operational Resilience

Mapping Important Business Services and Identifying Vulnerabilities

Objectives – Identifying Vulnerabilities for each IBS

All Financial Service companies that are regulated by the FCA and PRA are required to map their Important Business Services (IBS) by the end of March 2022.

In this phase, the objective of a typical Operational Resilience project, is to complete the end-to-end mapping of activities and associated resources that are required to deliver an Important Business Service (IBS).

The following 5 resource groups, also said the 5 pillars, should all be included in the mapping:

- Technology
- Data
- People
- Facilities
- Third parties

The output from this phase will provide a holistic view of each IBS, helping to identify vulnerabilities, as well as Single Points Of Failures (SPOF).

The mapping phase will also facilitate the development of scenarios essential for testing.

What does the FCA state?

The FCA states that:

- In terms of mapping, a firm must make and keep up to date, a written record of its assessment of compliance.
- The firm's approach of mapping under SYSC 15A.4.1R, including also how the firm has used it to:
 - (a) identify the 5 pillars necessary to deliver each IBSs
 - (b) identify vulnerabilities
 - (c) support scenario testing
- Any lessons learned exercise conducted under SYSC 15A.5.8R
- An identification of the vulnerabilities that threaten the firm's ability to deliver its important business services within the impact tolerances set. This includes also the actions taken or planned, and justifications for their completion time.

Ref: FCA/PS21/3/15A.6

What does the PRA state?

The PRA expects by the end of March 2022 for firms to:

- Map their important business services to the level of detail necessary to use the mapping to identify vulnerabilities and test the ability to remain within impact tolerances
- Map the resources necessary to deliver important business services, irrespective of whether the resources are being provided wholly or in part by a third party, which may be an intragroup or external service provider
- Understand how their outsourcing and third-party dependencies support important business services

Ref: PRA/SS1/21/5

Vulnerability Identification

FourthLine uses a consultative approach with its clients to assess the vulnerabilities and resilience of each IBS. This involves a range of questions to establish the level of resilience and highlight any Single Points of Failure SPOF or vulnerabilities

Examples of vulnerabilities that might be identified include:

- Single points of failure (SPOF) – system
- Key human dependencies
- 3rd Party or facility e.g. all systems, people and data necessary for key parts or all service located in one location
- Poor system architecture with little or no resilience designed into it – no fault tolerance etc.
- Lack of:
 - data, system access, physical controls
 - system and people capacity at peak periods
 - succession planning
 - over reliance on manual interfaces and workarounds
 - ineffective leaver/mover process
 - poor, ineffective change manage process

This is not intended to be an exhaustive list but provides an indication of the types of vulnerabilities that may exist. All vulnerabilities identified must be recorded to determine what remediation is required.

Examples of Our Team's Operational Resilience Delivery

Client	Overview	Details
Composite insurer and subsidiary	1000+ headcount insurers required Operational Resilience supporting their project team. Requirement was oversight and consulting support along with resource augmentation.	<ul style="list-style-type: none"> • FourthLine Medium touch consulting engagement. • 9-month end to end programme, approximately 130 days. • FL client team: OpRes Lead, OpRes SME, PM, BA and 2 x Analysts.
Pre- authorisation Bank	Small regional bank with c50 headcount required expertise to support identification of Important Business Services and scenario creation.	<ul style="list-style-type: none"> • FourthLine Consulting engagement working with CRO and COO. • 20 days of delivery time, carried out mainly via workshops. • Delivered by FourthLine Consulting Director.
Life, Pensions & Investments	300 headcount firms required medium touch consulting and oversight engagement to support an internal project team, with additional scope for resource augmentation.	<ul style="list-style-type: none"> • FourthLine Medium touch consulting engagement. • 11-month end to end programme, approximately 70 days. • Client team: FourthLine OpRes Lead, FL OpRes SME.
FTSE250 UK insurer	1000+ headcount UK insurers launched a multi-stream programme aligning to FCA and PRA consultation papers and updating to satisfy confirmed regulatory requirements.	<ul style="list-style-type: none"> • FL Operational Resilience Lead acts as Programme Director. • Leads 8 workstreams including business continuity, incident management, cyber resilience, MI, tooling, risk.
Global Retail Bank	Enterprise level retail bank, recognised as a G-SIB and UK Big 5 Bank. Their Operational Resilience programme spans multiple businesses and workstreams.	<ul style="list-style-type: none"> • FourthLine SME acted as OpRes Policy Manager and Group SME. • Established team overseeing operational resilience work in Business Continuity, Disaster Recovery, and strategic projects.

Get in Touch



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