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Risk Assessment Checklist/Program for Core Banking Application System (Finacle, Flexcube, Globus, Banks, Equinox, Phoenix)

By

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Practitioners and researchers in this industry must always rely on strong personal judgment and experience in evaluating and applying information and methods being acquired from this book while also exercising professional due care and caution to ensure their safety and those of others, as well as parties for whom their own professional responsibility.

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About the Author

A Certified Information Systems Auditor (CISA), PECB certified Lead Auditor in ISO 27001 (Information Security Management System), ISO 22301 (Business Continuity Management System), ISO 20000 (IT Service Management System) and Lead Cyber Security Manager (ISO 27032), Nwabueze Ohia is a seasoned Information Assurance and Cyber Security professional/expert with over 12 years working experience in consulting and full time employment. He has worked in the banking sector in Nigeria as IT auditor and information security practitioner with experience spanning information systems audit and assurance, information/cyber security, technical infrastructure security/assurance, system controls analyst, IT risk analyst, data analyst and consultant. He is an expert in the development of audit work programs, checklists and risk assessment template that conform to Institute of Internal Auditors (IIA) standard, which practitioners has found useful in the discharge of their assurance functions. With his rich knowledge of the financial services sector and underlining security/controls required of systems and IT infrastructure in the sector, his eBooks, educational and professional materials, which are result oriented and tailored towards addressing information security issues have assisted practitioners within Nigeria, Sub-Sahara Africa and beyond in addressing risk in the ever changing and dynamic control environment. Beyond the financial services sector, practitioners in other industries such as insurance, telecommunication, web hosting, Internet service providers, SaaS, cloud service provider, distribution & supply chain management, shipping, oil & gas, etc., have leveraged on materials produced by Nwabueze to excel in their endeavors.

Nwabueze Ohia has written several educational and professional materials in the field of information assurance, information/cyber security and technical infrastructures, which are published on his website (<http://oxleyconsults.com.ng>). In addition, he has four books to his credit, which he self-published on Amazon Kindle Book store as well as other ebook platforms across the globe. His wealth of experience in information assurance and cyber security consulting as well as working in financial service sector are brought to bear on all his published materials/eBooks as an experience professional with practical/hands-on perspective. He holds a Higher National Diploma (HND) in Electrical/Electronics

Engineering (Telecommunications) from Federal Polytechnic Nekede Owerri, a Bachelor of Technology (B. Tech) degree in Information Management Technology (IMT) and recently completed Master of Science Degree (MSc) in Information Management Technology (IMT) from Federal University of Technology Owerri, Imo State. This is in addition to series of professional/technical training courses he has attended in the course of his career, which endorsing him as a subject matter expert in his chosen profession.

Nwabueze Ohia is passionate about giving back to the internet and the knowledgebase of his chosen profession, having greatly been enriched by same, which he has demonstrated through several writeups, articles and professional papers published on his website for other to read and be enriched including guest posting on other professional web platforms. He finds joy and fulfillment in extending helping hands to the needy and the downtrodden of our society. His hobbies are traveling round the world, soccer, lawn tennis and above all, web application development/programming. Born in 1983 to Nigerian parents from the Eastern part of the country, he is happily married with a daughter.

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Preface

By Nwabueze Ohia

Core banking application is a solution that drives the operations of a banking institution. It is called the bank host, implying that it hosts the banking transactional and customer database. As the backbone software for the banking institution, the core banking application maintain a database of customers' information, transactional records, credit/loan records, cash/credit balance, among others. It also supporting the operations of banking business by driving transaction processing, which are not limited to cash payment, check/cheque payment, credit/loan facilities, trade services (visible and invisible), electronic channels payment (ATM, POS, Web), utility bills, treasury and securities (treasury bills, bonds, open market operations, commercial loans), foreign exchange, etc.

The core banking application usually comes with modules such as Customer Relationship Management (CRM) solution, Asset and Liability management (ALM), financial statement management (consolidated balance sheet & profit/loss account statement), treasury solutions, Core/transaction module and loan book. Through Application Programmable Interface (API), the core banking application is usually integrated with other payment solutions, channel infrastructure and technologies aimed at processing payment transactions from various unrelated platforms and technologies such as mobile and internet banking solutions, ATM, POS and web payments, USSD and payment card infrastructures.

Given the multifaceted nature of the core banking application and the need for it to be robust enough to handle different forms of transactions and interoperate with different platforms and technologies, not being aware of the inherent risk/vulnerabilities associated with such diverse deployment of the application and the threat they pose to the financial institution could be dangerous. As such, it is important that the risk associated with the core banking application solution, its underlining infrastructure as well as supporting processes and operations are continually assessed to identified threats posed to the system, their impact on confidentiality, integrity and availability as well as countermeasures to mitigate such risk.

The risk associated with core banking application would vary with financial institutions and largely depends on how the solution and its underlining infrastructures were deployed. As such, it is important that personnel with security oversight responsibilities on the core banking application infrastructure put in context the organization's uniqueness in terms of information security policies, procedures, security baselines, regulatory and legal requirements while conducting their security assessment or reviews of the solution to know how best to protect them. Business rules, banking products/services, regulatory requirements, local banking laws and global banking regulatory frameworks among others are some of the factors that affect the way core banking application is architected and deployed as such, assessment of risks should also be along those lines.

This book is therefore a documentation of risks (operational, process and technology) and vulnerabilities associated with the core banking application solution and infrastructure, threats and threat agents that could exploit those weaknesses, their impact on the financial institution of interest and actions required to mitigate such risks. It serves as a risk assessment checklist/guide for risk assurance practitioners (IT Risk Manager, Cyber/Information Security Analysts, Information Systems Auditors and Systems Control Analysts) and enable them understand as well as identify some of the risks inherent in the core banking solution, implications/impact of such risks/vulnerabilities and ways to mitigate them. The book is a risk assessment checklist/program guide for risk assurance practitioners and provides unique/rich database of vulnerabilities/risk, control lapses, process failures and substandard practices associated with Core Banking Application Solution and infrastructure. The book also covers the following. It can be applied for core banking applications such as Finacle, Flexcube, Banks, Globus, Equinox, Phoenix on general terms although there may be specifics for the different solutions.

Intended for financial institutions desirous of build a risk management program around their Core Banking Application Solution from the ground up or strengthen an existing one. Below is a sample page of the Core Banking Application risk assessment checklist/program. For full access to the document, you can subscribe to our membership plan or purchase the book by click the Buy Now or Add to Cart button below.

