



Control Essentials

Pandemic Planning: Now On The Regulator's Checklist



"The (1918 Spanish Influenza) epidemic killed, at a very, very conservative estimate, 550,000 Americans in 10 months; that's more Americans than died in combat in all the wars of this century..."

*Alfred W. Crosby
Influenza 1918, The American Experience*

The chilling figure of the death toll claimed by the Spanish Influenza serves as a solemn reminder that the threat of a pandemic outbreak is very real and ominous. Although arguably there is a vast difference between the medical facilities available in 1918 and those available in 2009, a pandemic outbreak in modern times would still have the potential to overwhelm present day hospitals, clinics and medical resources, and bring businesses to a grinding halt.

During a pandemic outbreak, the critical infrastructure sector could be worst hit and may face devastating consequences, including a dramatic reduction in available workforce, and a significant disruption in the movement of people and goods. Clearly, businesses in critical infrastructures would have to be primarily reliant on their own internal resources, at least initially.

With regulators increasingly demanding pandemic planning during examinations, businesses in affected industries should seriously look into these requirements and begin to implement them. Industries that fall under the critical infrastructures sector include:

- Food & Agriculture,
- National Monuments & Icons
- Banking & Finance
- Chemical & Hazardous Materials
- Defense Industrial Base
- Emergency Services
- Energy
- Healthcare
- Information Technology
- Postal & Shipping
- Water and Public Health
- Telecommunications

Further, government facilities, dams, commercial facilities, and nuclear power plants are equally close to the regulatory eye.



What is a Pandemic?

A Pandemic is a global outbreak of a novel virus which is transmissible from person to person, has a wide geographic spread and to which humans have little or no immunity. Animals and birds play a significant role in the spread of a pandemic. Human movement can be checked and controlled but animals and birds are free from this constraint and during pandemic outbreaks often cause rapid propagation of the virus. This is particularly true for birds as they can cover large geographic distances in relatively little time.

To put the impacts of a pandemic outbreak into perspective, take a look at what effect the past pandemic outbreaks have had on the world –

| Pandemic | Death Rate | Populations Affected |
|--------------------------|------------|----------------------|
| 1918 - 19 (Spanish Flu) | 500,000 + | Persons <65 years |
| 1957 - 58 (Asian Flu) | 70,000 + | Infants, elderly |
| 1968 - 69 (Seasonal Flu) | 36,000 + | Infants, elderly |
| 1977 - 78 (Russian Flu) | 8,300 + | Young (persons <20) |

Impact of past pandemic outbreaks¹

Business Implications

Pandemic outbreaks bring with them the capacity to bring economies to a standstill. While some impacts present themselves only during the actual outbreak, there are others that can and should be planned for –

- **Dramatic worker absenteeism could exceed 40%.** This is caused primarily due to illness, as well as family member care or deaths, childcare, and even healthy people who fear exposure to the pandemic and decide to stay away from the workplace.
- Movement restrictions and quarantines will invariably **disturb supply chains and municipal services.**
- **A reduced availability of first responders** could lead to an increased risk of social and security disruptions.
- The rapid and unpredictable spread that characterizes a pandemic outbreak could **disallow shifting personnel, resources, and emergency operations centers to safer areas.**
- **Increased social distancing could dramatically affect all business operations,** particularly those where public contact is unavoidable or where workers share a common workplace.



- **Lost income, competition for remaining skilled workers, and scarce supplies and materials** will heavily impact business response and recovery efforts.
- Business closures and/or layoffs for extended periods of time could lead to **extensive financial damage or even ruin**. This would then lead to an increased demand for social and welfare support.
- **Disruptions and/or failures in essential businesses will cause localized economic and social challenges**. This could further affect other businesses in the sector, region and even the nation.

Pandemic Planning

While businesses today have very extensive business continuity plans, a number of these do not fully take into consideration the noteworthy negative impacts that could result from a severe pandemic outbreak. Pandemic planning demands a shift in the way one looks at business continuity planning. The key here is to move from the thought process that anticipates a short-term, near-normal condition to an anticipation of extreme long-term, catastrophic contingencies.

The Federal Financial Institutions Examination Council's (FFIEC) *Business Continuity Planning Booklet*² states that financial institutions need to have plans in place that describe how they will manage through a pandemic event. The requirements outlined in the booklet, while specifically applicable only to financial institutions, offer a clear picture on what a regulator would consider "sound planning" and could be adopted by any organization in any industry that is seriously planning for a pandemic outbreak.

- **Prevention Program**

The aim of the prevention program is to reduce the likelihood that an organization's operations will be significantly impacted by a pandemic event. The prevention program serves as a high-level document that outlines the stance of the organization in the light of pandemic events or outbreaks. The prevention program needs to address areas such as, to name a few, monitoring of potential outbreaks, educating employees, communicating and coordinating with critical service providers and suppliers, in addition to providing appropriate hygiene training and tools to employees.

- **Documented Strategy**

This strategy should provide for scaling the organization's pandemic efforts so that they are consistent with the effects of a particular stage of a pandemic outbreak, such as first cases of humans contracting the disease overseas, first cases within the United States, and first cases within the organization itself. The documented strategy would need to address plans and actions to recover from a pandemic wave and proper preparations for a subsequent wave(s).

- **Framework of Procedures**

A comprehensive framework of facilities, systems, or procedures provides the organization with the capability to continue critical operations in the event that large numbers of organizational staff are unavailable for prolonged periods of time. Issues such as the impact of customer reactions and the potential demand for online, telephone and other remote support services should also be given careful consideration.

- **Testing Program**

The testing program ensures that the organization's pandemic planning practices and capabilities are effective and will allow critical operations to continue.

- **Oversight Program**

An oversight program ensures ongoing reviews and updates to the pandemic plan take place so that policies, standards, and procedures include up-to-date, relevant information provided by governmental sources or by the organization's monitoring program.

Note that these requirements are high-level and are only meant to serve as guidelines. Their specific implementation should be tailored to an organization's size, nature and industry. For instance, some or all of these could be included as a part of the business continuity plan itself. While in other cases, it would be appropriate to have separate, formal documents for some or all requirements.

The Threat is Real

Pandemic outbreaks can be swift and have the makings to catch an entire economy unaware. Businesses must view the potential of a pandemic threat as very real, with potentially catastrophic, even fatal, consequences.

While the FFIEC's requirements from banks and financial institutions mean that they would necessarily have to comply, organizations in all industries of the critical infrastructure and key resources sector would be wise to implement serious pandemic planning along the lines laid down by the FFIEC.

"We don't know the timing of the next pandemic, how severe it will be. We don't know what drugs will work. We don't have a vaccine. Yet we are telling everyone to prepare for a pandemic. It's tricky...This is scary and we don't know...That's the message."

*Dick Thompson
World Health Organization*

References

1. <http://www.health.umt.edu/schools/practice/mctp/documents/panffx/Pan%20Flu%20-%20Annotated%20Slideset.ppt>
2. http://www.ffiec.gov/ffiecinfobase/booklets/bcp/bus_continuity_plan.pdf



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