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| **BUSINESS CONTINUITY PLAN (“BCP”)****TESTING STRATEGIES** |
| **NAME OF FIRM:** |  |
| **DATE OF TESTING:** |  |

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| **BENEFITS OF TESTING:** |
| **The benefits and necessity for BCP testing, which involves IAR training and exercises cannot be overemphasized. Testing can keep teams and employees effective in their duties, clarify their roles, and reveal weaknesses in the BCP that should be corrected. A commitment to testing lends creditability and authority to the BCP.**  |
| **GOALS & EXPECTATIONS:** |
| The first step in testing should be the setting of goals and expectations. An obvious goal is to determine whether a certain crisis response process works and how it can be improved. Other less obvious goals can be to test capacity (as in the case of a call-in or call-out phone system, for instance), to reduce the time necessary for accomplishment of a process (for example, using repeated drills to shorten response times), and to bring awareness and knowledge to the general employee population about the BCP. |
| **RISK ASSESSMENT:**  |
| **The BCP should be reviewed every time a Risk Assessment is completed for the organization.** The results of the Risk Assessment can be used to determine whether the BCP continues to adequately address the risks facing the organization.* **Regulatory Requirements:** New regulatory requirements may require a review of the BCP.
* **Event Experience:** A review should be performed following a response to an event, whether the BCP was activated or not. If the plan was activated, the review should take into account the history of the plan itself, how it worked, why it was activated, etc. If the plan was not activated, the review should examine why and whether this was an appropriate decision.
* **Test/Exercise Results:** Based on test/exercise results, the BCP should be modified as necessary.

**Regular maintenance of the BCP cannot be overemphasized.** Maintenance can be either planned or unplanned and should reflect changes in the operation of the organization that will affect the BCP. The following are examples of procedures, systems, or processes that may affect the plan:* Systems and application software changes
* Changes to the organization and its business processes
* Personnel changes (employees and contractors)
* Supplier changes
* Critical lessons learned from testing
* Issues discovered during actual implementation of the plan in a crisis
* Changes to external environment (new businesses in area, new roads, or changes to existing traffic patterns, etc.)
* Other items noted during review of the plan and identified during the Risk Assessment.
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| ****TEST OBJECTIVES:**** | YES | NO |
| ****Has the Firm:**** |  |  |
| tested ability to recover current data from back-up media at staff homes and dedicated recovery sites? |  |  |
| ensured secure copies of the back-up media remain available in the event of an actual problem? |  |  |
| avoided jeopardizing normal business operations? |  |  |
| tested several scenarios that correspond to known business interruptions? (fire, pandemic, electrical outage) |  |  |
| simulated unplanned events, such as the loss of key services or individuals? |  |  |
| uncovered and mitigated inadequacies, so that policies and procedures can be corrected? |  |  |

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| Testing method | YES | NO |
| Walk-Through (In Office): |  |  |
| ****Has the Firm:**** |  |  |
| practiced a specific event scenario and response capability? |  |  |
| involved team-interaction by role playing responses at alternate locations? |  |  |
| recognized any difficulties and/or problems in the process? |  |  |
| emergency management functions, direction, control, operation, etc.? |  |  |
| mobilization of personnel at other sites? |  |  |
| use of actual communication capabilities to alternate sites? |  |  |
| Mini Drill (In Office): |  |  |
| ****Has the Firm:**** |  |  |
| practiced a specific event scenario and response capability? |  |  |
| involved team-interaction by role playing responses at alternate locations? |  |  |
| recognized any difficulties and/or problems in the process? |  |  |
| emergency management functions, direction, control, operation, etc.? |  |  |
| mobilization of personnel at other sites? |  |  |
| use of actual communication capabilities to alternate sites? |  |  |
| **FULL-SCALE TESTING (OUT OF OFFICE)** |  |  |
| **HAS THE FIRM:** |  |  |
| ensured use of most or all portions of the BCP? |  |  |
| ensured use of back-up media at the recovery sites? |  |  |
| conducted activities at actual response locations? |  |  |
| practiced firm-wide participation with full interaction with external organizations? |  |  |

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| ****ANALYZING AND REPORTING TEST RESULTS**** | YES | NO |
| **THE TEST ANALYSES INCLUDES:** |  |  |
| assessment of whether the test objectives were completed. |  |  |
| corrective action plans to address problems encountered and made recommendations for future tests. |  |  |

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| Notes & recommendations |
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***BCP Tests are to be conducted at least annually and any changes made to the BCP are to be discussed with the firm’s personnel*** ***as well as external individuals and organizations (if necessary).***

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| **By signing below, I acknowledge that the information I have reported herein is true and correct to the best of my knowledge and belief.**  |
| Chief Compliance Officer: | Date: |

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