Technology Oversight Considerations Affecting Public Safety Pensions
Agenda

• The Cloud is here and it’s here to stay. Pension organizations are leveraging cloud based technologies and adoption is picking up steam. What does the cloud mean for public safety pensions? Why is it being adopted? We will review the top business reasons pension organizations are considering cloud based technologies.

• From a security perspective, some argue that it’s not if a breach will occur but when. In this security landscape it’s paramount that proper organizations governance be in place to mitigate impacts when and if they occur. Whether it be security framework considerations or recovering when a disaster hits, we will review the top business considerations for maintaining proper security governance programs for public safety pensions.

• Technology providers in the pension space are numerous. These organizations provide services ranging from pension administration software to cloud based services to data clean up. Regardless of specialization, the process of judging a technology provider’s level of maturity can be daunting. What should one look for to assess a providers maturity level and organizational expertise? We will review the top indicators and questions to ask in order to judge whether a technology vendor is as good as they say they are?
Cloud Explained

- **Cloud** - vast network of remote servers which are hooked together and meant to operate as a single ecosystem.—the information will be available anywhere you go and anytime you need it
- A network of servers
- The cloud is not a physical entity
- Servers are designed to:
  - Store and manage data
  - Run applications
  - Run productivity software
  - Distribute content
  - Web mail
  - Social media
- Instead of accessing files and data from a local or personal computer, you are accessing them online from any Internet-capable device
- Information is available where you determine and how you determine

**Simplified Definition**
- Someone else’s data center
- Provisioned via web interface
- On-demand pricing
- Requires governance
Types of Cloud Services

On-Premises:
- Applications
- Data
- Runtime
- Middleware
- O/S
- Virtualization
- Servers
- Storage
- Networking

Infrastructure as a Service:
- Applications
- Data
- Runtime
- Middleware
- O/S
- Virtualization
- Servers
- Storage
- Networking

Platform as a Service:
- Applications
- Data
- Runtime
- Middleware
- O/S
- Virtualization
- Servers
- Storage
- Networking

Software as a Service:
- Applications
- Data
- Runtime
- Middleware
- O/S
- Virtualization
- Servers
- Storage
- Networking

You Manage

Other Manages
Top Business Reasons for Using Cloud Services

- Time to use
- CAPEX \(\rightarrow\) OPEX
- Return on Investment
- Continuous right sizing
- Building \(\rightarrow\) Governance
Advantages of Using Cloud Services

Advantages of using cloud and cloud based services

- Innovation
- Efficiency
- Standardization
- Flexibility
- Strategic Value
Challenges with Using Cloud Services

- Culture
- Lack of governance could equate to increased expense
- Good cloud resources are hard to find
- Lessons learned are more important than KPIs (Gartner)
- High pace of cloud innovation
Pension Security Concerns

IBM - Average cost of data breach in the US is **8.19 million dollars** and involves ~ 25,000 records.

Security breaches affecting my private information:

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Top Five Business Concerns for Pension Security

- Does my staff/provider have a security program staffed by full time personnel?
- Do they standardize using a known security framework?
- Can they produce documentation showing:
  - Executive establishment of a security program
  - Policies governing business line security practices
  - Procedures showing how to establish security
  - Current security governance
  - Security roadmap
- Are security practices audited annually by an independent third party?
- Can they provide system security plans (SSP) standards and examples?
- How does our providers disaster recovery plan align with our business continuity objectives?
Technology Providers in the Pension Industry

- Pension administration systems
- System hosting
- Security services
- Oversight
- Office productivity
- Business software
Evaluating Technology Providers in the Pension Industry

- References
- Attrition rates
- Quality management systems
- Service management systems
- Continuous client feedback
- Turnaround story
- Servant leadership
Evaluating Technology Providers in the Pension Industry