



charles
SCHWAB

Advisor Services

Demystifying
cybersecurity:
Best practices to
help strengthen
your program

SOLUTIONS[®]
2017

Own your tomorrow.

Protecting your firm and your clients can feel daunting





Encountering
cyber threats
is not a matter
of **if**...

Following an industry-recognized framework can help you assess, strengthen, and maintain your program

- National Institute of Standards and Technology (NIST) Cybersecurity Framework
- SEC cybersecurity examination sweep was largely modeled on this framework.¹



¹ SEC Risk Alert, April 2014

Take inventory – Understand what you are protecting

Hardware

- Laptops
- Desktops
- Mobile devices
- Printers
- Servers



Software

- Software name
- Installed version
- Purchase date
- Criticality



Vendors and third parties

- Services offered
- Data accessed
- Due diligence completion date
- Contract start and expiration dates



Data

- Data classification: public, private, sensitive
- Risk level: high, medium, low



Manage vendors



Conduct
vendor due
diligence

How do
vendors
connect to
your network?

What
encryption
practices do
they use?

Conduct
routine access
reviews and
annual audits

Conduct risk assessment



Credentials



Password
complexity

Two-factor
authentication

Access
rights

Password
managers

Staff training and client education

A black and white photograph of a woman in a business suit standing and presenting to a group of people seated in a meeting room. She is holding a small object in her hands. Behind her is a large screen displaying a financial dashboard with various charts and data. The room has large windows in the background, and the overall atmosphere is professional and educational.

“I think we have a huge responsibility to educate our clients, too. I can work really hard to make sure we’re protecting our clients’ assets and data, but our clients need education so they know how to protect themselves.”

Julie Goodrum
Wagner Wealth Management

Fund transfer requests



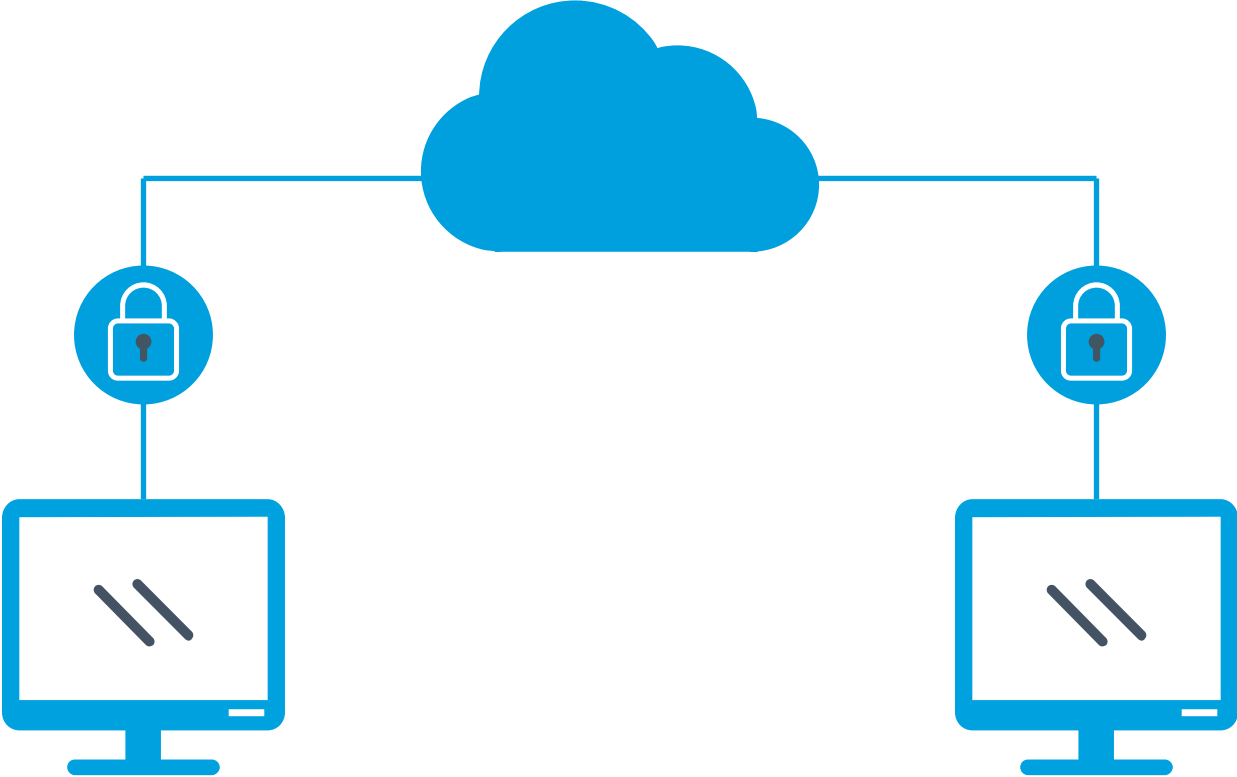
Prepare your team and your clients

Detect and prevent fraud attempts

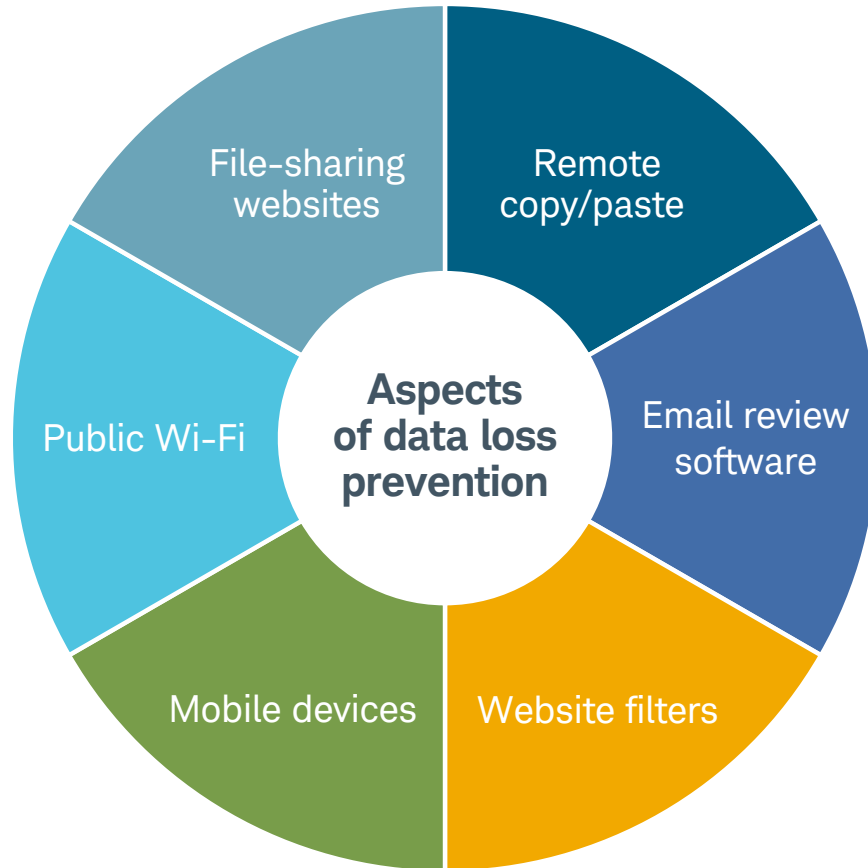
Respond if you suspect fraud occurred

Proper controls can prevent a vast majority of external fraud

Data encryption



Data loss prevention



Removable media



Disable the use of removable media

Establish approval process

Only use firm provided, encrypted media

Disable auto-run to prevent malware

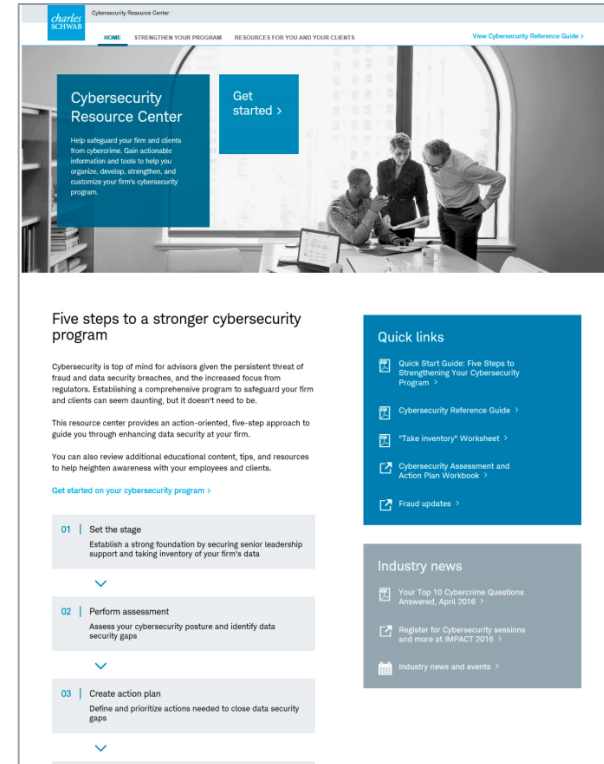


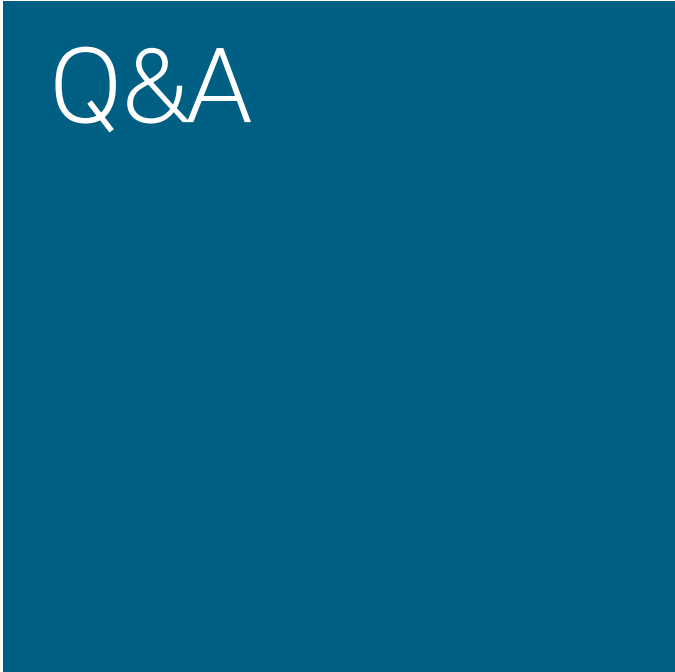
Resources and next steps

Visit our new online Cybersecurity Resource Center

Schwab's Cybersecurity Resource Center includes:

- Our five-step approach
- Take Inventory Worksheet
- Cybersecurity Assessment and Action Plan workbook
- Cybersecurity Reference Guide
- Vendor due diligence sample questions
- Employee and client educational materials
- Other resources






Opportunities and Actions Workbook

Home » Cybersecurity and fraud » **Cybersecurity**

Cybersecurity and fraud (continued)

Opportunities	Actions	Priority	Owner(s)	Target date	Status	Notes
<input type="checkbox"/> Cybersecurity Cybersecurity is top of mind for advisors given the persistent threat of fraud and data security breaches, and the increased focus from regulators.	<input type="checkbox"/> Follow Schwab's five-step approach. Learning how to establish a comprehensive program to safeguard your firm and clients can seem daunting, but it doesn't need to be. Schwab's in-depth cybersecurity program provides an action-oriented, five-step approach to guide you through enhancing data security at your firm. <input type="checkbox"/> Set the stage: Establish a strong foundation by securing senior leadership support and taking inventory of your firm's data and assets. <input type="checkbox"/> Perform assessment: Assess your cybersecurity posture and identify security control gaps. <input type="checkbox"/> Create action plan: Define and prioritize actions needed to mitigate security control gaps. <input type="checkbox"/> Implement and document: Implement your action plan, update your policies and procedures, and train staff. <input type="checkbox"/> Establish ongoing maintenance: Test, monitor, and update your program on a regular basis, and educate your employees and clients. Go to: Schwab Advisor Center > More > Cybersecurity Resource Center					
	 Tips and resources: <ul style="list-style-type: none"> Utilize the Take Inventory Worksheet to understand what you have to protect. Utilize the Cybersecurity Assessment and Action Plan Workbook to define your current state and target state, and to develop an action plan to remediate identified gaps. Review and customize the Vendor Due Diligence Sample Questionnaire to use when onboarding new vendors and conducting recurring vendor due diligence. Refer to the Cybersecurity Reference Guide for additional support during your assessment exercise. 					

Thank you

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