



**For Immediate Release
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Contact:

**Susanna Space
BITS
susanna@fsround.org
505-466-6434**

BITS Publishes Risk Management Best Practices for Software Patching

WASHINGTON, DC, July 21, 2004 – BITS, a nonprofit consortium of 100 of the largest financial institutions in the US, today announced the publication of *BITS Best Practices for Software Patch Management*. The best practices were created for financial services IT managers to help companies reduce the often enormous cost and resource drain involved in managing patches for software vulnerabilities. IT executives from some of the nation’s largest financial services companies developed the best practices, which are available to the public at www.bitsinfo.org/wp.html.

BITS Best Practices for Software Patch Management provide critical recommendations for an enterprise approach to managing patches. Divided into 10 sections reflecting the components of effective patch management processes, the document provides considerations for defining roles, responsibilities and tools; developing and maintaining an inventory of IT infrastructure; developing a “standard build”; and verifying patch installation. While created for financial institutions, they may be applied to other industries.

In a 2004 survey, BITS found the cost of addressing software vulnerabilities to the financial services industry, including “patching” systems, is approaching \$1 billion annually. Release of the *BITS Best Practices for Software Patch Management* is one in a series of steps members of BITS and its sister organization, The Financial Services Roundtable, are taking to address mounting concerns and skyrocketing costs related to software vulnerabilities and management of software patches.

“BITS and the Roundtable have already taken major strides in addressing software security,” said Thomas A. Renyi, Chairman and Chief Executive Officer of The Bank of New York Company, Inc. and Chairman of the BITS Board of Directors. “Publishing the *BITS Best Practices for Software Patch Management* is another critical step in advancing our industry’s interests to address the security of software products for the safety and soundness of our customers and the nation.”

“Financial institutions must ensure the safety and soundness of financial services,” said BITS CEO Catherine A. Allen. “BITS members understand that security is not a competitive issue. Our *BITS Best Practices for Software Patch Management* are an outstanding example of how BITS members work together to improve the security of our industry and protect the nation’s economy.”

Kenneth Tyminski, chief information security officer at Prudential Financial, led the BITS Patch Management Working Group. He said, “Managing software patches is a complex challenge. Recent

exploits have shown that the time between the announcement of a vulnerability and the appearance of an exploit is shrinking. As a result, financial institutions need to install and test patches in the most efficient and effective way possible. *BITS Best Practices* give companies concrete steps to streamline their patch management processes.”

“Publishing BITS Best Practices for Software Patch Management is a major step in sharing the best practices for developing and implementing an enterprise-wide patch management process to ensure business continuity,” said Landy Dutton, vice president and director of operational and information risk management at Regions Financial Corporation. “I encourage financial institutions of all sizes—as well as other critical infrastructure industries—to consider these practices in their patching strategies.” Dutton is chair of the BITS Security and Risk Assessment Executive Committee.

BITS’ and the Roundtable’s software security and patch management efforts have three overarching objectives. The associations want software and hardware vendors to: 1) provide a higher duty of care when selling to the financial industry and other critical infrastructure companies; 2) ensure products comply with security guidelines before releasing products; and 3) make the patch-management process more secure and efficient for organizations. These objectives are outlined in greater detail in an April 2004 policy statement. (See www.bitsinfo.org/nr.html.) The statement calls on software providers to develop patch-management processes that minimize costs, complexity, downtime, and risk to user organizations. Software vendors, BITS says, should identify vulnerabilities as soon as possible and ensure that patches are thoroughly tested.

About BITS

BITS was created in 1996 to foster the growth and development of electronic financial services and e-commerce for the benefit of financial institutions and their customers. A nonprofit industry consortium that shares membership with The Financial Services Roundtable, BITS seeks to sustain consumer confidence and trust by ensuring the security, privacy and integrity of financial transactions. BITS works as a strategic brain trust to provide intellectual capital and address emerging issues where financial services, technology and commerce intersect, acting quickly to address problems and galvanize the industry. BITS’ activities are driven by the CEOs and their appointees—CIOs, CTOs, Vice Chairmen and Executive Vice Presidents—who make up the BITS Executive Committee and BITS Advisory Council. For more information, go to www.bitsinfo.org.

Contact

Susanna Space, 505-466-6434 or susanna@fsround.org