Performance Monitoring Procedure (2025-26)

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Table of Contents

1. Introduction

This Performance and Monitoring Procedure outlines the standardized approach for assessing, measuring, and enhancing the effectiveness of the Business Continuity Management System (BCMS) in accordance with ISO 22301:2019. Regular performance monitoring is essential to ensure the BCMS remains effective, relevant, and aligned with the Bank's strategic objectives, risk appetite, and regulatory requirements. This procedure facilitates data-driven decision-making, supports continual improvement, and ensures preparedness for disruptive events.

2. Scope

This procedure applies to all critical business units, processes, systems, and supporting functions that fall within the scope of the Bank's Business Continuity Management System (BCMS).

3. Objective

The objective of this Performance and Monitoring Procedure is to establish a structured and consistent approach for evaluating the effectiveness, efficiency, and continual improvement of the Bank's Business Continuity Management System (BCMS).

Specifically, this procedure covers:

- Measure the performance of business continuity processes against predefined Key Performance Indicators (KPIs) and Key Risk Indicators (KRIs).
- Monitor compliance with established policies, procedures, and regulatory requirements related to business continuity and disaster recovery.
- Assess the effectiveness of Business Continuity Plans (BCPs), recovery strategies, and incident response through regular testing, simulations, and real-life event reviews.
- Identify areas of weakness or non-conformance that may impact the organization's ability to respond to and recover from disruptive incidents.
- Enable data-driven decision-making by providing timely and accurate performance insights to senior management and relevant governance bodies.
- Support continual improvement by facilitating the implementation of corrective and preventive actions based on monitoring results, internal audits, and management reviews.

4. Methodology

4.1 Performance Evaluation - Reviewing BCMS arrangements.

<<Client Name>> shall review its business continuity capability and appropriateness by evaluating its performance against the BCMS objectives set by the organization. The performance evaluation helps to evaluate the BCMS arrangements including BCMS plans and strategies for their effectiveness and adequacy. Conducting periodic performance evaluations and identifying and implementing the updates required to BCMS arrangements shall result in continual improvement of the overall organizational BCMS.

a. Performance Evaluation Frequency

Scheduled performance evaluations shall be planned and conducted annually and/or in case of a major change in the organization.

b. Performance Metrics (evaluation of BCMS Objectives)

Respective KPIs are mentioned in the BCMS KPI document.

c. Performance Evaluation Methodology

Following is the step wise methodology of conducting performance evaluation:

- The performance evaluation should be conducted by H.O. BCM Team at Bank
- H.O. BCM Team shall measure the organization's performance against the performance metrics defined and should do this activity as per Performance Evaluation Tracker.
- Performance evaluation timelines shall be decided based on the time required to implement all the areas as per BCMS policies & procedures. The performance of the organizational objectives should be monitored or evaluated post the BCMS implementation.
- During the process of checking records and observing BCMS compliance, the H.O. BCM Team should examine the documents corresponding to each KPI measurement. The review shall be based on the performance evaluation metrics defined above.
- A performance evaluation report shall be prepared and subsequent resultant updates to BCMS framework shall be made post this phase. The report shall be documented as per the performance evaluation report template.
- These updates and required action items shall be discussed during the Senior Management Review.

4.2 BCMS Internal Audit

a. Internal Auditor Selection

The selection and conduction of internal auditor shall ensure objectivity and impartiality in the auditing process. It should also be ensured that there is proper segregation of duties. The auditor should also be trained and qualified to perform the internal audit.

b. Internal Audit Frequency

The internal audit of the services, Management Systems at Bank shall be carried out once in a calendar year.

c. Internal Audit Methodology

The internal auditor will audit the documentation and implemented continuity controls with respect to BCMS policy and procedures, business impact analysis, recovery strategy, risk assessment, business continuity plans, exercising and monitoring against ISO 22301:2019 standard requirements.

The audit methodology will include (but not limited to):

- ▸ Documentation of an audit checklist.
- ▸ Interview of process owners/ BCM SPOCs.
- ▸ Interview of H.O. BCM Team
- ▸ Review of mandatory documentation
- ▸ Review of records.
- ▸ Take notes of findings including evidence seen, responses received, and control effectiveness rating.
- ▸ Submit an audit report to the stakeholders.
- ▸ Review of the corrections or corrective actions taken to close the gaps and release of closure report.
- ▸ Internal audits to be conducted using documented checklists referencing each clause of ISO 22301:2019 and corresponding internal policy, enabling traceability of findings to requirements.

d. Internal Audit Program

The internal audit program shall be planned, implemented, maintained, monitored, and reviewed for continual improvement by the internal audit team, considering the policy, manual, procedures, business impact analysis, risk assessment, recovery strategy, and business continuity plans, the status and importance of the processes and area's being audited and the findings of the previous audits.

The Audit program shall include:

- ▸ The responsibilities, competencies and requirements for planning and conducting audits, reporting results and retaining associated records.
- ▸ The determination of audit criteria (set of policies, procedures, or requirements against which the audit evidence is compared), scope (extent and boundaries of an audit), frequency and methods.
- ▸ ***The BCMS Internal Audit Program shall be documented and retained. It shall include:***
    - A summary of all audits (past and upcoming)
    - Priority rating of processes/services (e.g., Critical, High, Medium, Low)
    - Justification for audit frequency
    - References to prior audit results or incidents that informed the plan

e. *Internal Audit Schedule*

The internal auditor shall ensure that internal audits are conducted as per defined frequency and based on BCMS calendar.

BCMS audit schedule shall be prepared in agreement with the Director Risk, and Internal Audits. The schedule will include:

- ► Scope of the audit.
- ► Planned date for the audit.
- ► Program of conducting the audit.
- ► ISO 22301:2019 standard clauses to be audited.

f. **Internal Audit Execution**

The internal audit will be carried out as per the audit schedule in accordance with the audit methodology.

g. **Audit Reporting**

The auditor should document the audit findings using the Internal Audit checklist. Auditor should record conformities, observations, and non-conformities along with the supporting evidence.

The Internal Audit Report shall comprise of (at minimum):

- date of audit, process owners interviewed, areas covered.
- scope of the audit.
- Audit related details.
- related clause in the ISO 22301:2019
- Observations, non-conformities, root cause and recommendations are listed with description. Non-Conformance (NC) is a gap against the ISO 22301:2019 standard requirement or which may have an adverse effect to the interests of Bank For a major NC, the adverse effect is immediate and for a minor NC the effect may take place in long run. An observation may arise out of opportunity for improvement.
- The prioritized nonconformities and observations with responsibilities allocated for closure; and
- Corrections and corrective actions to be taken, responsibility and target closure date will be provided by the auditee.

Refer to Annexure II: Internal Audit Report Format (template) for the structure used to capture audit findings, evidence, root cause analysis, and actions.

h. **Audit Records Retention**

► The evidence and facts collected and collated as part of the internal audit will be retained for 5 years in accordance with the Bank policy.

► The BCP Coordinator of respective shall be responsible for maintaining version-controlled audit records.

4.3 Management Review of BCMS

The management at the Bank shall review the BCMS arrangements to ensure its continuing suitability, adequacy, and effectiveness at Bank.

The management review for Bank shall include assessing opportunities for improvement and the need for changes to the BCMS, including the BCMS policy and objectives, thus ensuring continual improvement of the BCMS arrangements.

a. Management Review Frequency

The BCMS Management Review shall be conducted once in a year. In addition, management shall review whenever significant changes occur in organization due to unplanned activity or an incident.

b. Management Review at Bank

The Head-Internal Audit is accountable for management review of BCMS.

H.O. BCM Team shall ensure require support to conduct management review for BCMS.

It is the responsibility of Internal Audit (I.A.) Team to plan and conduct the BCMS management review at Bank.

The results of the management reviews shall be documented, and records shall be maintained by H.O. BCM Team, upon sharing by I.A. Team

c. Review Input

The management reviews shall be planned to include the following inputs:
- The status of follow up actions from previous audits and management reviews.
- Changes in external and internal issues that are relevant to the business continuity management system.
- Information on the business continuity performance, including trends in:
  - non-conformities and corrective actions.
  - monitoring and measurement evaluation results; and
  - Audit results.
- The need for changes to the BCMS, including the policy and objectives.
- Opportunities for continual improvement.
- Results of BCMS audits and reviews, including those of key suppliers and partners where appropriate.
- Techniques, products, or procedures, which could be used in the organization to improve the BCMS performance and effectiveness.
- Status of corrections and corrective actions.
- Results of exercising and testing.
- Risks or issues not adequately addressed in any previous risk assessment.

- Any changes that could affect the BCMS, whether internal or external to the scope of the BCMS
- Adequacy of BCMS policy.
- Recommendations for improvement.
- Lessons learned and actions arising from disruptive incidents.
- Emerging leading practices and guidance.

d. Review Output

The outputs of the management review shall include decisions related to continual improvement opportunities and the possible need for changes to the BCMS, and include the following:

a) Variations to the scope of the BCMS.

b) Improvement of the effectiveness of the BCMS.

c) Update of the risk assessment, business impact analysis, business continuity plans and related procedures.

d) Modification of procedures and controls to respond to internal or external events that may impact on the BCMS, including changes to:

1) business and operational requirements.

2) risk reduction and security requirements.

3) operational conditions and processes.

4) legal and regulatory requirements.

5) contractual obligations.

6) levels of risk and/or criteria for accepting risks.

7) resource needs.

8) funding and budget requirements.
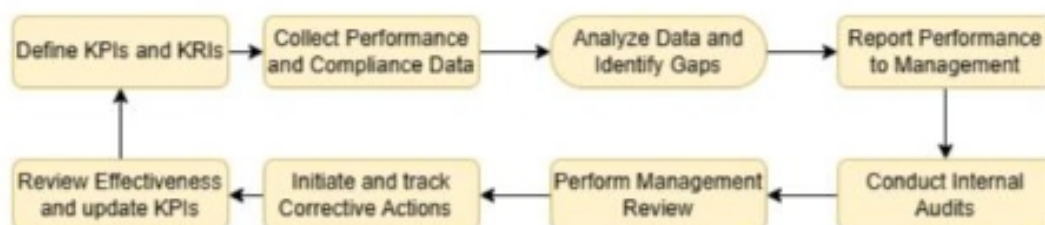
9) how the effectiveness of controls is measured.

7.5 Review Methodology

H.O. BCM team shall ensure the BCMS management review, through periodic agenda notes to Senior management and sub-committe. It is responsible for ensuring that post management review meeting, the minutes of the management review undertaken, are shared with BCP Coordinators. The invitees who would be absent during the review, shall be made aware of the review output, as mentioned in the minutes.

The review results will be communicated to relevant interested parties and appropriate action will be taken.

5. Process Flow

The Performance and Monitoring Procedure follows a structured, cyclical process to ensure effective evaluation and continual improvement of the Business Continuity Management System (BCMS). The key steps in the process are as follows:

6. Roles and Responsibilities

This section outlines the key stakeholders involved and their respective duties throughout the BIA lifecycle.

Step #	Activity	Activity Owner
1	Lead performance monitoring activities, define KPIs, prepares reports, and ensure alignment with ISO 22301 standards.	H.O. BCM Team
2	Provide data inputs from their respective areas, participate in reviews, and support implementation of corrective actions.	BCP Coordinator
3	Analyzes data, coordinate audits and review, and facilitate continuous improvement activities.	BCP Coordinator
4	Support periodic BCMS audits and report findings to senior management and H.O. BCM Team.	BCP Coordinator
5	Review BCMS performance reports, advise upon suggestive strategic and corrective action	H.O. BCM Team
6	Accountability for management review of BCMS	Head-Internal Audit
7	Plan, conduct and share the BCMS management review at Bank	Internal Audit (I.A.) Team
8	Ensure support for conducting BCMS management review	H.O. BCM Team

Step #	Activity	Activity Owner
9	Document results of management reviews and maintain records	H.O. BCM Team
10	Ensure conduction of management review meeting And documentation of periodic agenda notes to Senior management and sub-committees Ensure minutes of management review meeting are shared with BCP Coordintor	H.O. BCM Team

7. Review Frequency

This procedure to be reviewed annually and frequency for associated activities are mentioned below-

Activity	Frequency
KPI/KRI review and update	Annually or as needed
BCMS performance reporting	Quarterly
Internal BCMS audit	Annually
Management review	Annually
Corrective/preventive action follow-up	Monthly (or as per action plan)
BCP test performance analysis	Post-test (minimum annually)