

Planning and Testing Checklist for Y2K

by Gale Morgan

You can't stop it, but you can prepare for it. There are many articles, checklists and advisory panels to assist you in making your workplace Y2K compliant. This column summarizes information JR&P has collected on the subject.

First and foremost, verify that your vendors are Y2K compliant.

Vendors may include: the building or location of the office, the telephone system and company, long distance service, engineers, operators, bookkeepers, attorneys, and financial advisors.

If you have not received compliance letters from your vendors, contact them immediately and request that they send you a compliance letter. Request that they detail computer compliance, telephone service, elevator service, and any other service that is crucial to the operation of your business.

Part of our experience in upgrading our computer system last year was that it took our vendor three months to be in a position to deliver a certification that all components of the new system were Y2K compliant.

Here is a plan you can use in your own compliance planning and testing.

- Assemble a Y2K team.
Be sure management, key business units and departments are represented.
You must have top-level management support. For legal reasons, make sure that all meetings, tasks, and decisions are documented.
- Have a Y2K compliance kickoff meeting.
Develop your company's own definition or statement of Y2K compliance based on your business and how it uses its systems.
Identify goals, determine a schedule, and plan to meet regularly to review Y2K progress.
- Inventory all systems and applications.
Compile a list of all hardware, software, peripherals, systems, applications, and data that could be affected by Y2K dates.
- Assess the risks and prioritize affected systems.
Bear in mind the definition of compliance for each system or application and assess the business value of each system. For instance, will your invoice mail system crash or will it just drop messages in the system on midnight of January 1?
- Determine your compliance budget.
Develop cost and resource estimates for risk assessment, fixing the affected systems, and testing a small system in order to measure the time it takes to get a system compliant.
- Formalize and begin remediation and testing strategy.
- Acquire and identify fixing and testing tools and resources using automated tools whenever possible.
- Carry out testing.

Develop baselines and testing scripts. These are more rigorous testing methods for mission-critical systems. Run a regression test to determine if the team created any new errors in the system. Use development testing to address whether Y2K changes meet coding specs and perform as outlined.

Examine the system using a Y2K compliance testing method which determines whether the changes work after January 1, 2000, and with Y2K leap-year date. Test for future compliance to assess whether the changes work with all dates after January 1, 2000. Using end-to-end testing, determine whether or not the system and its related systems still meet the business process requirements. Retest systems!

- Prepare a disaster recovery plan.
Establish a team to get mission-critical systems and applications back up and running immediately, if they do fail.
- Sign off on acceptance of compliant systems.
Get a sign-off from the responsible Y2K contingency member, department manager, and vendor contact, if applicable.
- Follow up and maintain Y2K compliance.
Before implementing any Y2K fixes, it is important to develop a comprehensive plan and to understand the risks and costs involved before proceeding.

Issuance of Public Securities

Determining whether you have a Y2K problem and what to do about it is even more important if you are planning to issue bonds or other public securities in the next year. Both the Securities and Exchange Commission (SEC) and the Municipal Securities Rulemaking Board (MSRB) have issued statements regarding Y2K disclosure. The municipal securities market now expects a disclosure of how Y2K affects your business and what you have done to prepare for or deal with any possible impacts on your business, from operating your facilities to getting your bills out.

Sources: Association of Legal Administrators; TNRCC; Hartford Insurance; PC Magazine; Brady, Chapman, Holland Associates. This article is a summary of an article on Y2K compliance prepared by JR&P. If you would like a complete copy or would like to discuss the issues raised in greater detail, please use the FaxBack Form, call or email.