

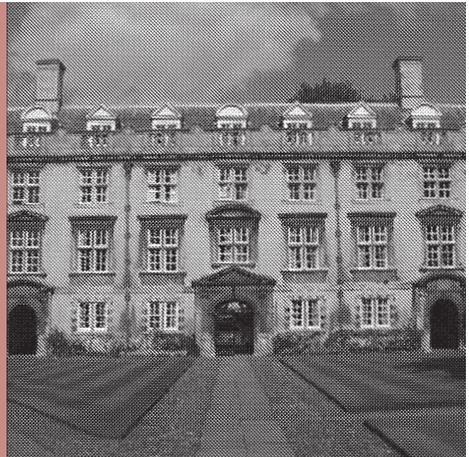
# IT Governance for Central Banks

4-day intensive residential programme  
18 – 21 September 2012

Christ's College, Cambridge

Course chairman:  
**Philip Tromp**  
Chief Executive Officer  
Tromp AG

Series adviser:  
**Charles Goodhart, CBE**  
Professor Emeritus  
London School of Economics  
Financial Markets Group



# Dear Delegate,

*“The function of IT governance should be that of standardizing and controlling enterprise’s information technology in order to ensure that principles are established by which IT function will operate, IT objectives congruent with the company’s business goals are set, business investments in IT are optimized and IT-related risks and opportunities are appropriately managed”*

J. Hasselmeyer, Executive Director  
Central Bank of Curacao and Sint Maarten  
March 2012

For a central bank, as a knowledge industry, data is its lifeblood.

Yet the business of central banking is changing. In addition, the fallout from the financial crisis has placed increased demands on operations, forecasts, payment systems, supervision and risk management.

Alas, IT experts know, are data-intensive, complex IT-dependent functions.

This change comes at a time of heightened scrutiny on central bank actions and budgets. Central bankers are in the spotlight as perhaps never before.

Key to meeting and prioritising these demands, while preserving internal cohesion, is a forward-looking IT governance structure.

Correctly implemented, such a framework will align IT development and risk management with the core business needs of a central bank.

Poor governance, as IT experts know, damages performance and the reputation of an institution.

Key sessions address:

- Recent business developments and their impact on IT governance
- COBIT and other governance models
- Talent management
- Stakeholder engagement strategies
- The risks and benefits of new technologies
- Cloud computing and its benefits
- IT governance and operational risk management

Speakers confirmed include:

- **Todd Aadland**, Vice President, Federal Reserve Bank of Chicago
- **Daniel Eissrich**, Director, Market Data Team, IT Department, Deutsche Bundesbank
- **Philip Evans**, Former Principal Lecturer, Technology Security, University of Westminster
- **Komitas Stepanyan**, Head of IT Audit Division, Central Bank of Armenia
- **Nader Qahoush**, Head of Information and Related Technology Supervision Department, Central Bank of Jordan

The four-day programme of interactive roundtable seminars and workshops offers practical examples of communication – what to say, what not to say, when and to whom – with discussion encompassing the specific demands of different media and audiences.

The panel of expert speakers combines practical central banking experience with expertise from across the media spectrum.

This format, as more than 3,500 central bankers and regulators can attest, encourages delegates to quiz panellists, raise issues and discuss solutions to the specific challenges they face.

We look forward to welcoming you to Christ’s College, Cambridge.

Yours sincerely,



Robert Pringle  
Chairman  
Central Banking Publications



■ ■ IT Governance for Central Banks -  
is a powerful experience change event  
to all central banks ■ ■

*Luis Baltazar, National Bank of Angola*

# Tuesday 18 September

## New business developments

### Introduction session from the chairman

Led by the chairman **Philip Tromp**, Chief Executive Officer, Tromp AG

In this introductory session, the chairman will outline the main themes of the seminar and invite delegates to share their views about the most pressing IT challenges they face within their respective central banks and regulatory bodies.

### The impact of the crisis on operations

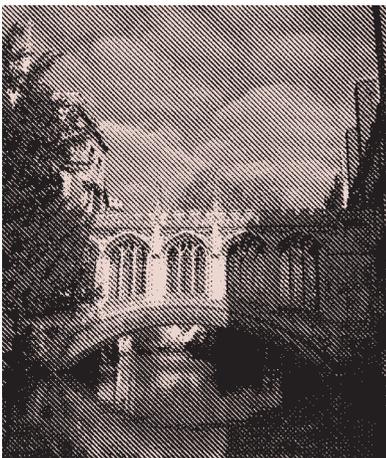
**John Trundle**, Chief Executive Officer UK and Ireland, Euroclear and former Head of Business Continuity Division, Bank of England

The financial crisis has led to a sea-change in central bank roles and responsibilities. The impact has been felt institution wide. Data-hungry teams in new areas of responsibility and focus, such as macroprudential policy, place increasing demands on IT resources. Payment systems must run faster, more often and with more connections. In operations, new assets purchased require updated or purpose-built risk systems that can measure and manage exposures. Such times of change strain IT departments and create a breeding ground for operational risks. In this session, the speaker will discuss the impact the crisis is having on day-to-day operations of a central bank.

### Workshop: linking IT with new business developments

**Philip Tromp**, Chief Executive Officer, Tromp AG

The complex objectives of central banks – openness and transparency in operations and communications, reliable and resilient operation of real-time gross and net settlement systems, and stewardship of public funds used to conduct their activities – warrant increased attention to the enhancement of operational excellence in IT. In this session, led by the chairman, discussion will focus on some of the pressing challenges impacting the day-to-day business of central banks and how IT professionals need to adapt.



#### About the course chairman

**Philip Tromp** co-founded Perago in 1999 following a career of 22 years in the South African Reserve Bank. Before being appointed to lead the bank's IT department in the early 1990s he spent two years facilitating the introduction of strategic management practices across all departments in the bank. As IT director he introduced a collaborative management approach aimed at supporting the mission and strategic objectives of the bank. This approach contributed to a highly effective and respected IT function. Between 1994 and 1998 he led a South African banking industry initiative to transform the national payment system of South Africa

# Wednesday 19 September

## Governance and management strategies

### Serving the goals of a central bank: the role of IT

**Philip Tromp**

For the information technology function to be effective, it is essential that IT strategy is closely aligned with institutional goals. To this end, most central banks have adopted, to some extent, formalised IT governance procedures. However, governance processes alone are not sufficient to guarantee effective investment and strategy, and, crucially, engagement across the bank. At a time of increasing change in central banks' roles and responsibilities, this session will focus on the challenges of engaging business lines in the management of IT investment from inception to completion. The speaker will discuss the framework, processes, roles and responsibilities that need to be developed and implemented to achieve this objective.

### IT governance models and the “best in class” COBIT approach

**Komitas Stephanyan**, Head of IT Audit Division, Central Bank of Armenia

Central banks employ a large number of staff in a range of different departments and roles. It is widely accepted that the majority of central bankers will need to utilise IT on a regular basis to effectively carry out their day to day roles. With high levels of staff across a range of different departments, it is important to have uniformity in terms of IT governance as well as a common business language for internal control and IT audit. However what approaches are available, and more importantly what is the industry standard? In this session, the speaker will discuss the range of IT governance approaches available including the “best in class” COBIT governance model.

### Managing stakeholder engagement in IT departments

**Nader Qahoush**, Head of Information and Related Technology Supervision Department, Central Bank of Jordan

Typically, IT departments find themselves continually pulled in different directions. On the one hand they must devise technology solutions to business needs; on the other they must ensure that best practice and an appropriate overall IT strategy is followed. In these circumstances, how can central banks ensure effective partnerships between IT specialists and business units? This session will investigate how IT personnel can get a firm grasp of business operations, how IT considerations need to be taken into account in the departmental business plan and the extent to which common measures of success can be developed. Delegates will be invited to discuss the key stakeholder engagement challenges within their respective central banks and formulate solutions as a group.

### Talent management: a CIO's view

**Gareth Lewis**, Chief Information Officer, UK Financial Services Authority (invited)

Systems and processes – and ultimately departments and institutions – function only as well as the staff employed, and indeed trained, to manage them. People are central to the efficiency of any enterprise. The pressing demands of the global economic climate mean that now perhaps more than ever the right people have to be employed. How can a central bank ensure they recruit, retain and manage the best talent in order to achieve set objectives? In this session the speaker will discuss approaches to managing the human resources of the IT function in order to achieve objectives. Discussion will focus on how talent management can be implemented and the specific demands IT places on this.

Thursday 20 September

## New technology and risk management

### Balancing benefits and risks in new technologies

**Todd Aadland**, Vice President, Federal Reserve Bank of Chicago

The rapid advancement and availability of information and communication technologies create a dilemma for central banks. On the one hand, greater technological capability can increase the capacity of operating systems and quicken the dissemination of information. On the other, the increased complexity and power consumption of such systems can lead to increased human error and system breakdown, not to mention creating new potential opportunities for hacking and malware. In this session, the speaker will focus on how IT managers can employ new technology to add to overall performance without exposing the organisation to undue operational risks.

### How central banks can utilise cloud computing

**Paul Vincent**, Digital Security Architect, British Petroleum (invited)

What lies ahead for information technology within central banks? Optimisation methods such as cloud computing can allow central banks to modernise their servers and storage systems in a cost effective and secure environment. But forward thinking is required in order to maintain consistency in IT governance whilst adapting to change. In this session, the speaker will discuss cloud computing, its benefits and limitations. Group discussion will focus on how cloud computing can be implemented in central banking and regulatory contexts.

### How to identify and manage risk in IT systems

**Todd Aadland**

As information and communication technologies evolve at a rapid rate, it is imperative that IT managers understand the risks. This is especially the case when policymakers, new technologies and sensitive data combine. Given the threats that central bank IT systems face, it is essential that internal regulatory guidelines are put in place to prevent unforced errors and that the responsibility for IT security is properly assigned and understood. This session looks at how central bank IT departments can carry out a risk assessment and how to mitigate risks.

### Maintaining security in a web-based world

**J. Philip Evans**, IT Security Consultant and Former Principal Lecturer, Technology Security, University of Westminster

As use of email, the internet and remote access functionality increase and the use of electronic commerce expands, IT managers are faced with the pressing challenge of how to maintain a secure environment in what is a web-based world. In this session, an IT security expert from the private sector will share his thoughts about the advances in data protection, how to defend against future technological threats, how to decide on which threats to monitor and how to build defences to counter possible threats.



👍 Good opportunity to learn many experiences attacking and coping with new challenges and problems that take place in the IT world 🗨️

*Jin Kook Son, The Bank of Korea*

# Friday 21 September

## Applying IT to meet current business needs

### Economic data and the role of IT

**Daniel Eissrich**, Director, Market Data Team, IT Department, Deutsche Bundesbank

Robust economic data is integral to central bank functions. Statistic departments require accurate data to facilitate their responsibilities of monetary and financial stability, whereas economists require accurate data when forecasting and modelling what lies ahead within a jurisdiction. Given the immense importance of economic data in this regard, how can central bank IT departments better enable data to be easily accessible and accurate? In this session, the speaker will discuss the challenges faced when sourcing data internally and externally, and the role IT plays in assisting. Group discussion will focus on best practice approaches for IT departments within central banks and regulatory bodies.

### Utilising IT to support banking supervision

**Andrew Coulson**, Deputy Head of Banking Supervision, Central Bank of Ireland (invited)

The onset of new financial regulations offers a fresh set of supervision challenges. In addition to enforcing new rules, central banks have to ensure that existing regulation is adhered to by the commercial banks they supervise, and best practices approaches must be followed and indeed improved upon. IT processes and systems can certainly contribute to the effectiveness of banking supervision, but what can be done better in a world of ever evolving and changing regulation and standards? In this session, the speaker will focus on the demands the new framework of financial regulation places on IT. Group discussion will address how IT departments can continuously improve support for this important function.

### Lessons and action points

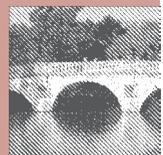
Led by the chairman, **Philip Tromp**

The course concludes with a discussion led by the chairman drawing together the days' discussions. Delegates will be encouraged to formulate action plans to take back to their institutions.

#### CBP training course/seminar series, Autumn 2012:

- How to Regulate Islamic Financial Markets and Products
- Communications and External Relations for Central Banks
- Effective Oversight of Financial Market Infrastructures
- Government Debt Management: New Trends and Challenges
- Legal Risks and Good Governance for Central Banks
- The Changing Framework of Monetary Policy Operations
- Risk Management for Central Banks
- New Challenges in Financial Market Supervision and Regulation
- Financial Independence and Accountability for Central Banks
- Maximising the Value of Economic Analysis and Forecasting for Central Banks
- Human Resources: Engaging People and Facilitating Performance

For detailed programmes and a fax-back registration form for each of these key courses, please visit: [www.centralbanking.com/events](http://www.centralbanking.com/events)



## Booking details

**Course fee: £2,800**

(VAT at 0% for delegates employed by government in furtherance of its sovereign activities)

4-day (3 nights) residential course

**Course fee includes:** en-suite accommodation, meals, refreshments, course documentation and a complimentary copy of the most recent issue of the Central Banking journal. Substitute delegates can be accepted should the registered delegate be unable to attend; please let us know prior to the event.

## How to book

Please complete and return the registration form overleaf to:

Central Banking Publications  
Incisive Media  
Haymarket House  
28 – 29 Haymarket  
London SW1Y 4RX  
UK

telephone: +44 (0)207 968 4530

fax: +44 (0)207 504 3730

email: [conference@centralbanking.com](mailto:conference@centralbanking.com)

website: [www.centralbanking.com/events](http://www.centralbanking.com/events)



### The venue

Christ's College is one of England's oldest university colleges and traces its origins back to 1439 when it was founded by William Byngam as "God's house" and adopted by King Henry VI.

The college is conveniently situated in the heart of Cambridge surrounded by all the historical sites, and is one hour by train from London.

### About Central Banking Publications

Central Banking Publications' events division is the leading independent organiser of public policy seminars/training courses for the official sector. Since 1997, CBP has hosted roundtable seminars and training courses for over 3,500 senior policymakers from central banks, ministries of finance and financial regulatory agencies around the world. Senior officials from more than 120 countries have attended these meetings over the past ten years.

# Registration for IT Governance for Central Banks

**1. Delegate details:** PLEASE WRITE IN CAPITALS

Mr/Mrs/Ms: \_\_\_\_\_ Surname/Family name: \_\_\_\_\_

First name: \_\_\_\_\_

Job title: \_\_\_\_\_

Organisation: \_\_\_\_\_

Address: \_\_\_\_\_

Postcode: \_\_\_\_\_

Telephone: \_\_\_\_\_

Facsimile: \_\_\_\_\_

Email 1: \_\_\_\_\_

Please provide us with the direct email address of the delegate and an additional email address if possible.

This is very important because all correspondence with delegates is by email.

Email 2: \_\_\_\_\_

**Course fee: £2,800** (VAT at 0% for delegates employed by government in furtherance of its sovereign activities)

**2. Payment details:**

**Bank transfer:** The Royal Bank of Scotland, 62/63 Threadneedle Street, London EC2R 8LA, UK  
A/c No: 21975543 Sort code: 15-10-00 IBAN: GB89 RBOS 1510 0021 9755 43 Swift code: RBOSGB2L  
Please pay the course fee net of all bank charges and send us the copy of the transfer details

**Credit card:** please charge £ \_\_\_\_\_ to my  Visa  Mastercard  American Express

Card No:            Security Code:

Cardholder name: \_\_\_\_\_ Expiry date: \_\_\_\_\_

Cardholder address (if different from above): \_\_\_\_\_  
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Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Cheque:** I enclose a cheque for £ \_\_\_\_\_ payable to Incisive Financial Publishing Ltd.

I will require accommodation from \_\_\_\_\_ to \_\_\_\_\_

I have read and agree to the terms and conditions below.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Terms & Conditions: A refund (less 10% administration fee) will be made if notice of cancellation is received in writing three weeks before the event. We regret that no refunds can be given after this period. A substitute delegate is always welcome at no extra charge. The programme may change due to unforeseen circumstances, and Incisive Media reserves the right to alter the venue and/or speakers. Incisive Media accepts no responsibility for any loss or damage to property belonging to, nor for any personal injury incurred by, attendees at our conferences, whether within the conference venue or otherwise. Data Protection: By registering for a Central Banking training course you will receive further information relating to this event. In addition we will send you information about our other relevant products and services which we believe will be of interest to you. If you do not wish to receive other relevant information from Incisive Media via a particular medium please click the following relevant boxes: mail  phone  fax  email  Incisive Media will also allow carefully selected third parties to contact you about their products and services. If you do not wish to receive information from third parties via any of the following media please tick the relevant boxes: mail  phone  Please tick if you are happy to receive relevant information from carefully selected third parties by email  and fax