

IT Governance for Central Banks

4-day intensive residential programme
20 – 23 September 2011

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,

Information technology is, and will remain, an integral part of a central bank's infrastructure. IT systems form the foundation of numerous central bank functions ranging from economic modelling to the functioning of an efficient payment system.

Indeed, the financial crisis has demonstrated the importance of resilient financial infrastructure and, as the hub for large-value payments in the economy, central banks will be at the forefront of this effort to strengthen systems and back-up sites.

Increasingly, however, IT experts acknowledge that true resilience for IT networks means more than the systems and servers employed: it extends to the people and processes that operate and interact with them.

This requires dialogue between users and operators of IT in central banks and, at a more macro level, an understanding of how the IT function fits into the strategic aims of the organisation and how it contributes to them. This is never more so than at a time when the changing nature of central banking places new demands on functions, including IT, and when new information technology creates opportunities and also risks for central banks as operators and consumers.

Such an overarching framework, or governance, is the theme of this seminar, which equips delegates with the tools to meet challenges they face in their central banks in improving the information technology function and better aligning it with the business needs of the institution.

Key sessions focus on:

- The role of IT in serving the strategic goals of the central bank
- Performance measurement in central bank IT departments
- Identifying and managing the risks to which a central bank IT system is exposed
- Troubleshooting data management issues from various sources
- Developing a culture of information security awareness
- The development of green technology in the context of central banks
- Optimising new technologies encompassing cloud computing and virtualisation

The panel of expert speakers combines practical central banking experience as well as views from private sector experts including:

- **Ilkka Vasara**, Advisor, IT Quality and Security, Bank of Finland
- **Bill Barouski**, Senior Vice President, Federal Reserve Bank of Chicago
- **Thomas Staudt**, Director, IT Department, Deutsche Bundesbank
- **Paulo Maculuve**, IT Director, Bank of Mozambique
- **Ilze Murane**, IT Security Manager, Latvian Central Bank
- **Magi Clave**, Senior Manager, IT Department, European Central Bank
- **Paul Vincent**, Principal Solution Architect, Security, Lloyds Banking Group

We are delighted to once again welcome Philip Tromp, formerly of the South African Reserve Bank and a leading expert on information technology, as chairman.

The four-day programme of interactive roundtable seminars and workshops offers practical examples of how IT functions are run and the opportunities resulting from innovations in new technology

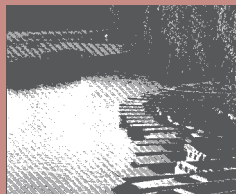
This format, as more than 3,000 central bankers and regulators can attest, encourages delegates to quiz panellists, raise issues and discuss solutions to the specific challenges they face.

I look forward to welcoming you to Christ College this year.

Yours sincerely,



Robert Pringle
Chairman
Central Banking Publications



■ ■ The conference was valuable in bringing us together and allowing networking, in highlighting issues of common concern ■ ■

A central bank delegate

Tuesday 20 September

The fundamentals of good IT governance

Introduction session from 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.

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

Philip Tromp, Chief Executive Officer, Tromp AG

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 opening session will discuss 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: a balanced-scorecard approach

Ikka Vasara, Advisor, IT Quality and Security, Bank of Finland

In a central bank, demand for IT services invariably exceeds supply. The way to manage this, the speaker will argue, is through a broad understanding of costs among both producers and consumers of the service, and, importantly, senior management. Crucial to this is the core concept of IT governance, which underlines the importance of IT functions and resource allocation serving the core purpose and strategic goals of a central bank. Here, a balanced scorecard method can be applied to IT in a way that connects the board-level goals with the work of the operational management. This session will look at long-term continuity, development issues and how participants can apply this method in their home institutions.



About the course chairman

In 1999, **Dr Philip Tromp** co-founded Perago, a company that has established itself as a market leader in Real-time Gross Settlement (RGTS) systems. Prior to his eleventh year as leader of Perago, he worked for 22 years at the South African Reserve Bank as IT director and introduced a collaborative management approach aimed at supporting the mission and strategic objectives of the central bank. In March 2010, he co-founded a consultancy company, Tromp AG, to focus on supporting central banks and central institutions in March 2010. The company provides consultancy services across a range of central bank business functions, including national payment systems, financial market infrastructure, economic and bank supervision data management, strategic management and IT.

Wednesday 21 September

Performance management and stakeholder engagement

Performance measurement in central bank IT departments

Ilkka Vasara, Advisor, IT Quality and Security, Bank of Finland

As with other support functions, the performance of IT suffers from a tendency to only attract comment when something goes wrong. How do IT managers know that progress is being made towards providing a service that performs consistently at the required level? What do managers need on their “dashboard”? At all times, it is better to focus on what is relevant and important rather than what is easy to measure, and this session looks at how a central bank can develop and implement a performance measurement system for its IT functions. The group will consider management processes and controls as seen by COBIT and ISO 20000/ITIL material, taking these standard frameworks as a benchmark from which to begin discussions: a point of departure rather than the final word.

Case study: sourcing ICT or developing in-house capabilities?

Paulo Maculve, IT Director, Information Technology Department, Bank of Mozambique

The decision of whether to buy an off-the-shelf system or develop one in-house is a perennial issue for business and IT managers in central banks. As budgets tighten, such questions are brought into sharper focus and everything from routine upgrades to large-scale projects become obvious candidates for postponement or cancellation. This session will look at the tender and procurement process with particular reference to challenges faced at a time when skilled IT personnel and services command a significant premium.

Troubleshooting data management issues

Bill Barouski, Executive Vice President, Federal Reserve Bank of Chicago

While much about “macroprudential” policy remains uncertain, one thing is already clear: central banks and regulators will need to collect, protect, analyse and securely transmit huge amounts of sensitive data. The burden of this increased transparency will fall on IT departments who will have to assimilate a bewildering array of structured and unstructured data such as databases, records, emails, internal documents and web content. In this session, the speaker will examine the concept of enterprise information management and provide insights into how central bank IT managers can manage information in a coordinated manner across the institution.

Managing stakeholder engagement

Speaker to be confirmed

IT departments find themselves continually pulled in different directions. On the one hand are asked to devise technology solutions to fit a business need; 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 address 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.

Operations: the core of the IT function

Roundtable discussion led by the Chairman

Often overlooked or taken for granted, operations are the foundation of growth and development of the IT function, both in stature and responsibility. A key part of IT management is to ensure that these are performed at the required level and make the best use of scarce human resources. In this session, delegates will consider how IT departments can improve the efficiency of both their staff and infrastructure.

Thursday 22 September

Managing risk and maintaining security

Identifying and managing risks

Bill Barouski, Senior Vice President, Federal Reserve Bank of Chicago

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 risk assessment and how to mitigate risks.

Optimising information security awareness

Ilze Murane

Ilze Murane, IT Security Manager, Bank of Latvia

With a wealth of sensitive data and critical transactions to process, IT professionals know only too well the importance of security both within the central bank and on mobile devices. However, they know too that it is vital to not only have in place solid technology but also a culture of information security awareness. In this session, the speaker will illustrate how progressive minded central banks can increase the information security awareness of their employees and the specific role that IT departments have to play.

New technology: balancing benefit and risk

Roy Thetford, Information Security Officer, Federal Reserve Bank of New York (invited)

The rapid advancement and availability of information and communication technologies creates 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 hand, 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 so that it adds to the overall performance of the bank without exposing the organisation to undue operational risks.

Maintaining security in a web-based world

Paul Vincent, Principal Solution Architect – Security, Lloyds Banking Group

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 the ways in which banks can build defences to mitigate numerous possible threats.



👍👍 I have attended many workshops for central bankers. Those organised by Central Banking Publications are by far the best 🗨️

A central bank delegate

Friday 23 September

The changing environment

Green IT: achieving practical and tangible benefits

Thomas Staudt, Director, Information Technology Department, Deutsche Bundesbank

The business of Information technology is undergoing a cultural change as it moves toward more environmentally friendly technology. While laudable in its own right, the motivations for this move are based on solid business principles of achieving cost savings, improving business processes and enhancing an institutions reputation. In this session, a speaker from the Deutsche Bundesbank will outline their plans and activities as regards green technology. Specific attention will be paid to why central banks need a green-IT strategy, the challenges of developing green data-centres, changing user behaviour and enhancing e-collaboration and the use of intelligent application and software solutions.

Virtualisation and cloud computing for central banks

Magi Clave, Senior Manager, IT Department, European Central Bank

What lies ahead for information technology within central banks? Optimisation methods such as virtualisation and cloud computing can allow central banks to modernise their servers and storage systems in a cost effective and secure environment. Thinking is required in order to maintain consistency in IT governance whilst adapting to change. In this session, the speaker, a senior figure from a prominent central bank, will discuss how new approaches such as cloud computing and visualisation can benefit central bank operations.

Course conclusions

Led by the chairman

This session will draw together the themes covered, summarise the lessons learned, and generate priorities for action on delegates' return home.

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Booking details

Course fee: £2,800

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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.

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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 3,000 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

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Mr/Mrs/Ms: _____ Surname/Family name: _____

First name: _____

Job title: _____

Organisation: _____

Address: _____

Postcode: _____

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