

Since 1999, Central Banking Publications has organised annual residential training courses/seminars which have been attended by more than 4,000 central bankers and supervisors from over 140 countries.



IT Governance for Central Banks

10–13 September 2013, Christ's College, Cambridge, UK

Course Chairman

Philip Tromp

Chief Executive Officer

TROMP AG

Series Advisor

Charles Goodhart

Professor Emeritus

London School of Economics

Financial Markets Group

Dear Delegate,

“As needs and roles change, the [central bank] must be able to customise its information environment and modify its processes in response. This practice forms a good base to pursue new information technology initiative.”

*Lawrence Williams, Governor,
Bank of Guyana, June 2012*

Central bank's IT needs to be agile. It plays a key role in the core business processes undertaken by a central bank, thus it is a function that needs to continue to evolve and adapt, particularly in times of financial crisis and disaster.

Existing and emerging risks, increasingly in the form of cyber-attacks, are proving to be an additional challenge for information security professionals who have to ensure IT, as a function, is safe and secure to ensure effective service delivery.

The importance of IT cannot be understated. As a function, IT underpins the majority of core central banks services and projects, ranging from the modernisation of payment systems through to the acquisition and distribution of accurate data.

Moreover, in order for an IT department to deliver such services and projects effectively, it requires robust technology systems and a well-defined governance framework to support the operations of a central bank.

Without strong governance, a central bank IT department could run the risk of providing a poor quality service to stakeholders through late and costly delivery of strategic projects, whilst poor safeguards against cybercrime could lead to security breaches and data losses.

This seminar has been designed to equip central bankers with both the high-level reasoning behind the importance of IT governance together with insights into how the information technology function can be implemented and continuously enhanced.

Key sessions address:

- Impact of the crisis on central bank IT
- Identifying risks in new technology

- Combating cyber-attacks
- Cloud computing and it's benefits
- Business continuity planning and disaster management
- Managing projects
- Engaging key stakeholders
- The role of IT in data analysis

Speakers include:

- **John Trundle**, Chief Executive Officer UK and Ireland, Euroclear and former Head of Business Continuity Division, Bank of England
- **Todd Aadland**, Vice President, Federal Reserve Bank of Chicago
- **Arnar Freyr Guðmundsson**, Head of Information Technology, Central Bank of Iceland
- **Helge Mothes**, Chief Information Officer, Norges Bank

All discussions are held in roundtable format to encourage participants to share their experiences and debate the pressing issues in their field. Each session allows participants opportunities to question an expert panel of speakers and to benchmark themselves against good practice internationally.

This format, as more than 4,000 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 Cambridge on 10th September.

Yours sincerely,



Chairman
Central Banking Publications

Tuesday 10 September

The crisis and central bank IT

Impact of the financial crisis on central bank operations

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

The financial crisis, particularly in the Eurozone, is having a significant impact on the regulatory recovery operation being rolled out following the collapse of systemically important financial institutions such as Lehman Brothers in 2008. The role of IT within central banks is integral to this regulatory recovery, with an emphasis being placed on the procurement of statistic data and information sharing internally and across jurisdictions. In this session, the speaker will assess the nature of the crisis, its causes, its consequences and assess the impact on central banks and their IT needs. Discussion will focus on how central bank IT staff can meet the demands of the current crisis.

Preserving IT operations during banking stress: the case of Iceland

Arnar Freyr Guðmundsson, Head of Information Technology, Central Bank of Iceland

Effective use of information technology within a financial system is of paramount importance, more so during periods of banking stress. In 2008, the Icelandic banking system endured a prolonged period of stress that resulted in the collapse of all three of the country's major commercial banks. This resulted in instability and unrest amongst the public, and the central bank had to step in to preserve IT operations. In this session, the speaker, responsible for central bank IT during this period of stress, will discuss how the crisis impacted the markets, central bank operations and ultimately the IT function.

Workshop: linking IT with new business developments

Led by the chairman, **Philip Tromp**

New central bank responsibilities and operation of new instruments require substantial IT support. Moreover, 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. The IT department is ensuring operational projects are delivered on time, and within budget, to ensure the business units of central banks who are reliant on IT are not disrupted. 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.

🏠 A worthwhile experience and exposure 🗨️

Habib Yusuf, Lead, IT Facilities Management, Central Bank of Nigeria



About the course chairman

Dr 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 11 September

New technology and risk management

Preventing cyber-attacks: the case of the US Federal Reserve

Todd Aadland, Vice President, Federal Reserve Bank of Chicago

In February 2013, the US Federal Reserve System experienced two cyber-attacks: one on its website and one involving the theft of private data. Although the attacks didn't impact critical business operations, they were however unforeseen and caused by anonymous assailants. Similar attacks have taken place in 2013 against the Reserve Bank of Australia and the Banque du France. Moreover, it is clear that central banks need to be ahead of the curve in combating preventing cyber-attacks to ensure their day to day operations are not impeded, and their reputation isn't jeopardised. In this session the speaker will provide an overview of common cyber risks as well as an assessment of how the bank's defences stood up to the recent attack. Discussion will focus on what measures central banks need to implement in order to effectively combat what is fast becoming a core risk.

Towards cloud computing

G. Padmanabhan, Executive Director, Reserve Bank of India (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 arguably, a secure environment. However, how secure can data be if it is no longer kept in a physical location? Central bank data is sensitive, and the use of cloud computing needs to take into consideration an array of potential legal and security risks. In this session, the speaker will discuss cloud computing, its benefits, limitations and the risks involved. Group discussion will focus on how cloud computing can be implemented in a central bank environment, and what the best approaches are to protect data whilst utilising this new cost saving technology.

Balancing benefits and risks in new technologies

Todd Aadland

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 as a result of system misuse and misplacement.

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 increases, 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.

Business continuity planning and disaster management

Helge Mothes, Chief Information Officer, Norges Bank

As a holistic management process, business continuity planning is an important safeguard for central banks to identify potential events which may result in operational disruptions to the business of the bank, which may potentially threaten the stability of the markets and commercial institutions that the bank supervises. It is important for central bank's IT departments to have provisions in place to deal with potential disasters such as safeguards to keep systems up and running, as well as safe and secure access to data to ensure the business of a central bank can function as effectively as possible. In this session, the speaker will outline the events which could take place that would have a negative impact the IT department, and how it is protected within his central bank's strategic business continuity plan.

Thursday 12 September

IT service delivery

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.

Maintaining relationships with stakeholders

Helge Mothes

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.

Producing and managing regulatory data

Michael Power, Head of IT and Deputy Chief Information Officer, Central Bank of Ireland (invited)

A common denominator amongst a number of regulatory initiatives is the role of data, and how regulators can utilise this to map out where the risk lies in their respective financial systems. It is important to undertake a collaborative approach to data capture and analytics, in this respect, with other regulators and indeed commercial banks. With so much data available from a variety of different sources, how can central bank IT departments ensure that the right data is captured, and more importantly, communicated accurately to relevant stakeholders? In this session the speaker will outline the processes and systems required to make the most of information assets within the central bank. Discussion will focus on how data capture, through the use of IT, can contribute positively towards mitigating financial instability.

Recruiting and training central bank IT professionals

Sarv Girn, Chief Information Officer, Reserve Bank of Australia (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 IT department ensure they recruit, retain and manage the best talent in order to give them the best possible chance of meeting their business 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 and training can be implemented and the specific demands IT places on this.

👍👍 This seminar has been very fruitful. I learned a lot and it was worth attending 🗨️

Darell Edmond, Director, Technical Services Division, Central Bank of Seychelles

Friday 13 September

Measuring and improving long term performance

Delivering successful IT projects

Esselina Macome, Executive Director, Bank of Mozambique

The role IT has to play in almost every aspect of central bank operations, ranging from payment systems through to supervision, is of vital importance to ensure the central bank can function effectively. IT departments have to meet the business needs of central banks, and a big part of this is the delivery of successful projects, on time, and indeed within budget. A failure to deliver projects can potential hinder central bank operations, and harm the relationship between the business side of a central bank and it's IT function. In this session, the speaker will identify how central bank IT practitioners can deliver successful projects to meet the business needs of a central bank. Discussion will focus on best practices, pitfalls to avoid and new techniques to ensure successful project delivery.

Measuring IT performance and standards

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.

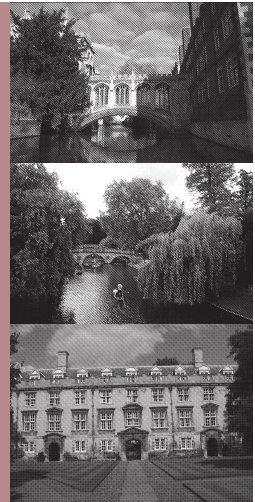
Concluding remarks

Led by **Philip Tromp**

In this final session the chairman will draw together highlights and key lessons from the preceding four days of discussions. Delegates will have the opportunity to share their thoughts on issues raised throughout the week and how they can take lessons they have learned back to their home institutions.

The 2013 CBP Autumn Training Seminar Series:

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- IT Governance for Central Banks
- Legal Risks and Good Governance for Central Banks
- Knowledge Hubs: Managing Central Bank Libraries and Information Centres



Booking details

Course fee: £2,800

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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IT Governance for Central Banks is a powerful experience changing event for all central banks.

Luis Baltazar, National Bank of Angola



The venue

Christ's College, St Andrew's Street

Cambridge, CB2 3BU, UK

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 1999, CBP has hosted roundtable seminars and training courses for over 4,000 senior policymakers from central banks, ministries of finance and financial regulatory agencies around the world. Senior officials from more than 140 countries have attended these meetings over the past decade and a half.

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