

HOW TO APPLY COBIT 5 IN GOVERNMENT: THE CBN STORY

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LEARNING OBJECTIVES

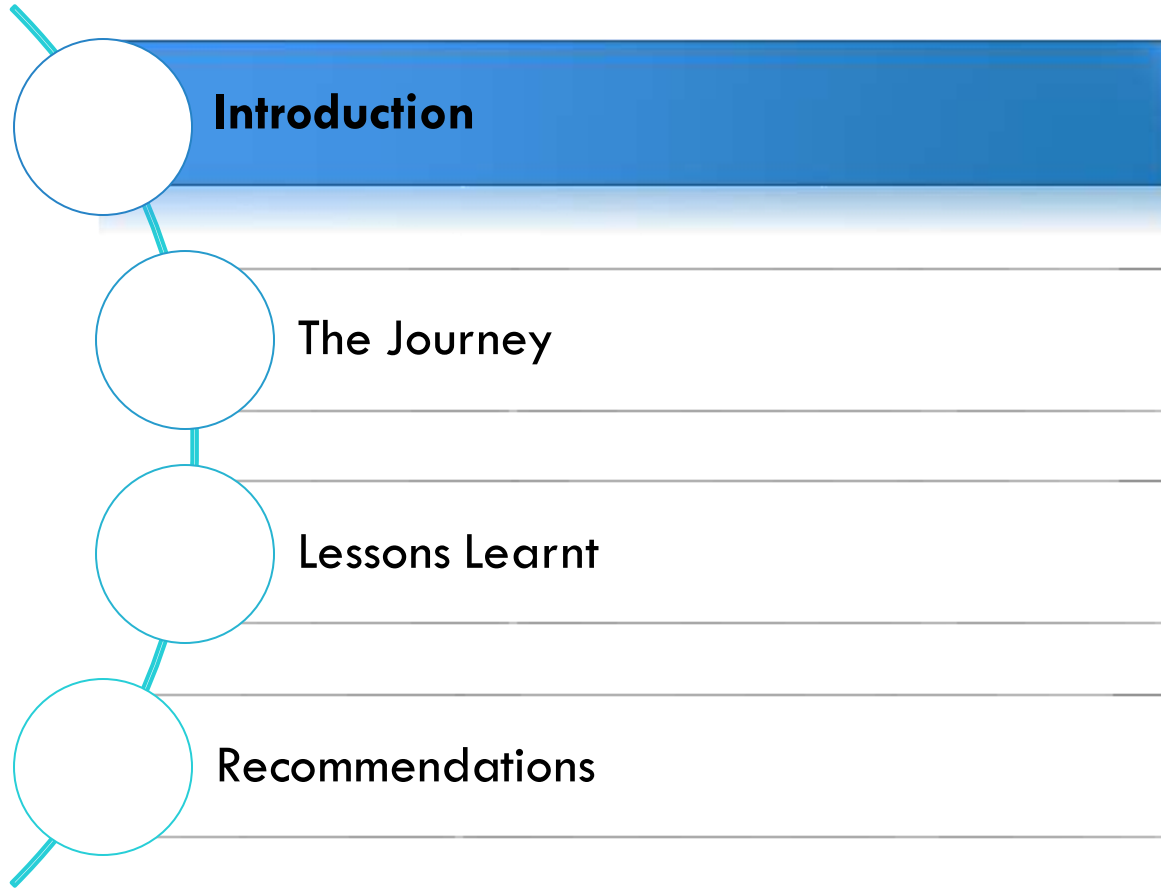
Fit COBIT 5 into existing corporate governance

Avoid pitfalls by managing the culture change required

Achieve the most in each phase of COBIT 5 cycle

Replicate the journey, without the tears

OUTLINE



WHY THIS STORY?

For IT leaders struggling with IT governance requirements in government, this shows how to successfully implement COBIT 5 in a federal financial regulatory organisation - a case study of the Central Bank of Nigeria, the apex regulatory body for banks and other financial institutions in Nigeria.

ABOUT THE CBN

The Central Bank of Nigeria (CBN) occupies a central position in the economic and social development of Nigeria. Some of the objectives of the Bank are to foster price stability, promote a sound financial system, and to oversee the development of a safe and efficient payment system, which are all conducive to the balanced growth of the Nigerian economy.

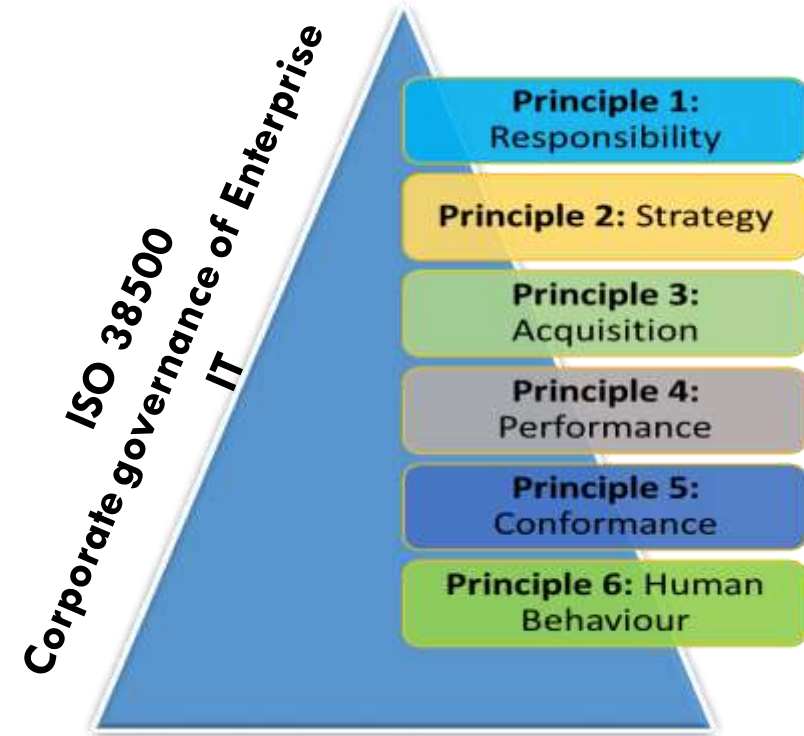
The Information Technology Department (ITD) has the responsibility of providing and maintaining IT systems and infrastructure to support and enable achievement of the Bank's strategic objectives. To this end, ITD has deployed key enterprise applications, IT infrastructure and the IT security to provide the necessary IT environment for the Bank's processes.

BUSINESS PAIN POINTS

- Misaligned projects & initiatives
- Unrealised business benefits
- Event-driven Management meetings
- Inadequate “governance” of IT decisions
- Business value delivery rarely commensurate with inputs & effort
- IT as a mystery & a cost-centre, rather than a trusted business partner
- Industry compliance – Bankers Committee IT Standards Blueprint
- International best practice



HOW DID WE MEASURE UP?



Gaps and overlaps in responsibilities for managing IT risks, governance & performance assessment

IT strategy treated as an afterthought after development of corporate strategy – misalignment of corporate strategic direction & IT capabilities

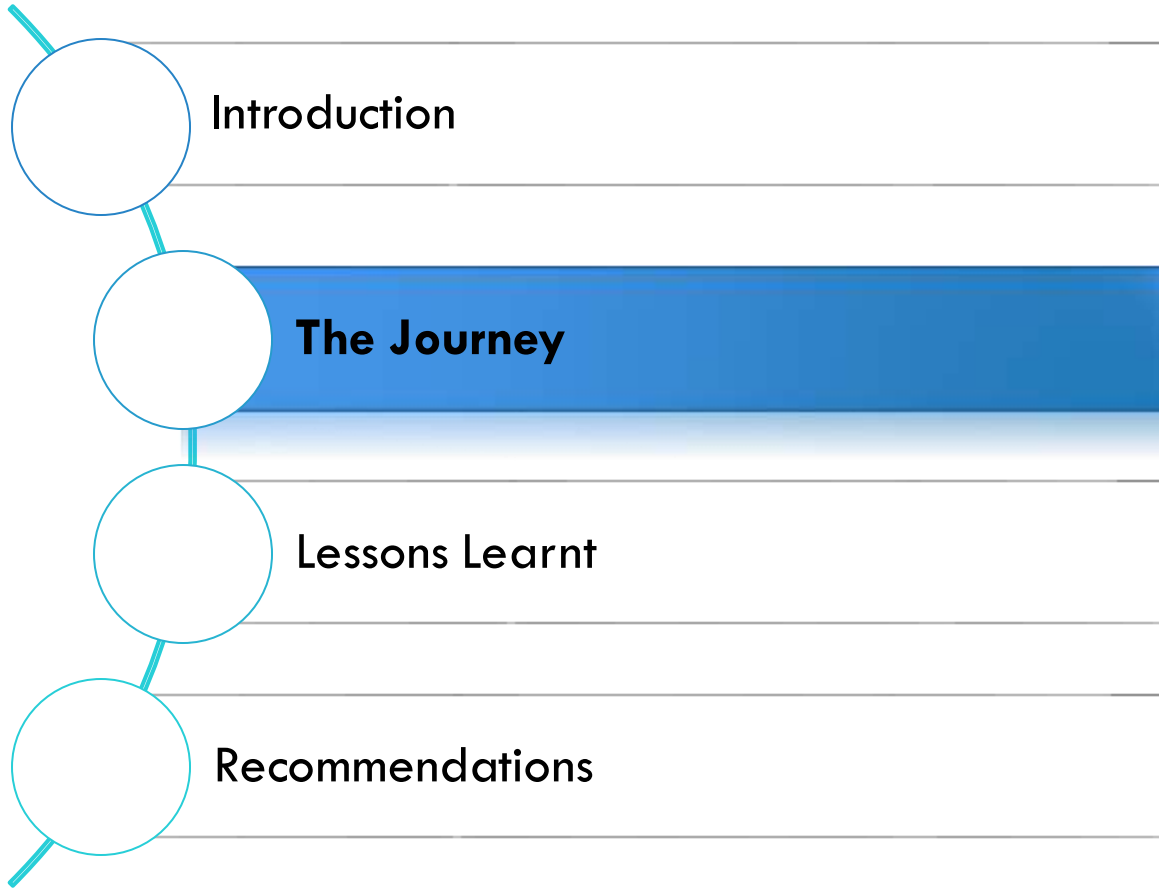
Shadow IT, no “right value” perception, underspent budgets

Adequacy of internal controls, effectiveness of governance mechanisms not understood

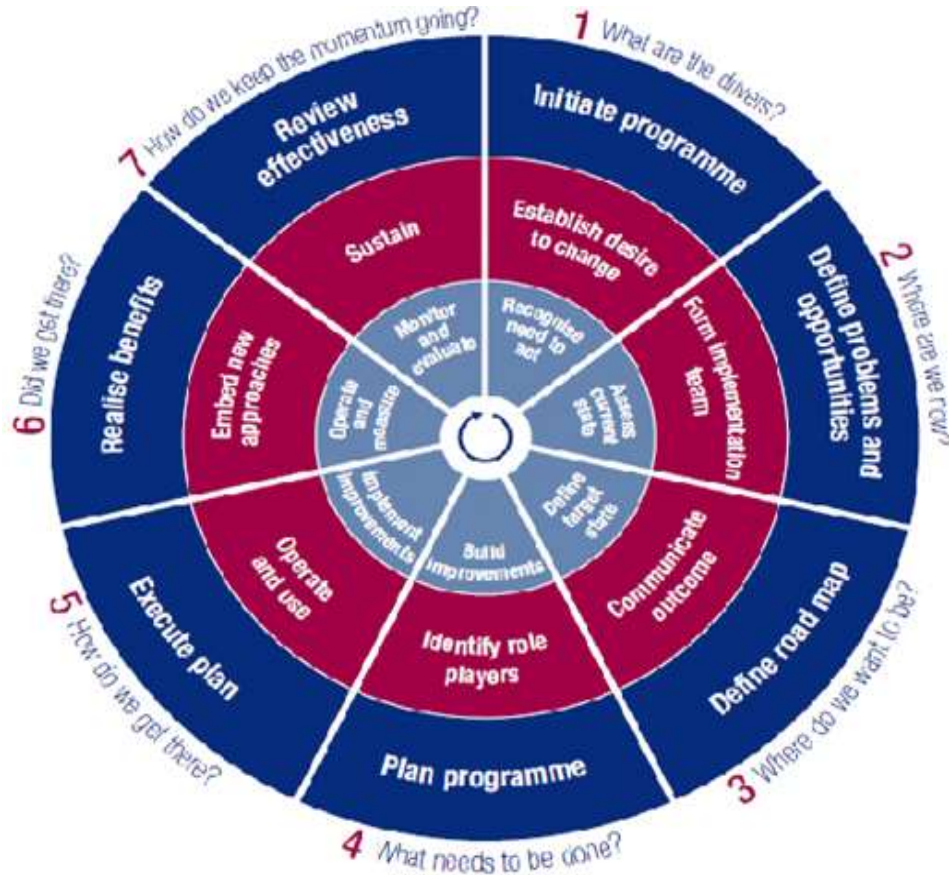
No clear responsibility for monitoring of external environment – applicable laws & regulations

Inadequate resource management; cost optimisation not understood

OUTLINE



COBIT 5 IMPLEMENTATION



- Programme management (outer ring)
- Change enablement (middle ring)
- Continual improvement life cycle (inner ring)

COBIT 5 ASSESSMENT

During our implementation we leveraged on a comprehensive requirement gathering exercise

- Doubled as awareness exercise
- Overlaps with the neighboring phases (1, 2, 3)

COBIT 5 Process Assessment Model (PAM)

- Language of report inconsistent with in-house style
- Reluctance to grant access
- Interviews, one-on-ones, focus groups
- Evidence collection
- Playing back the results
- Clash of models – Assessment models, Process models & frameworks

GOVERNANCE VS IT GOVERNANCE

Fitting COBIT 5 into existing corporate governance

- Assessment analysis
- Solution planning and implementation recommendations
- Models tried and discarded

NEW IT GOVERNANCE FRAMEWORK – OPTIONS

1. Board-level
Committee on
IT Governance

2. Existing
Board
Committee

3. Enhance the
IT Steering
Committee

4. Quarterly
Exec
Committee

NEW IT GOVERNANCE STRUCTURE – OPTION 2

IT Governance Objectives

Optimising Risks

Realising Benefits

Optimising Resources

Existing Board Committees

**AUDIT & RISK
MANAGEMENT**

**CORPORATE
STRATEGY**

**FINANCE &
GENERAL PURPOSE**



KEY FEATURES OF THE FRAMEWORK

The appropriate decision making bodies for governance and management of enterprise IT capabilities identified as:

- An IT Governance Committee (ITGC) to provide Board-level oversight of the use of technology in the Bank, Strategic direction and control IT-related investments.
- The IT Steering Committee (ITSC) would continue its enhanced function of providing management oversight of the implementation of the approved IT Strategy/Strategic Plan, balancing priorities among major IT-related projects and programmes, and ensuring continued alignment with corporate priorities.

IT GOVERNANCE – TERMS OF REFERENCE

Terms of Reference:

- Ensure development and management of enterprise IT Strategy concurrently with corporate strategy.
- Maintain the IT governance charter, establishing oversight mechanisms for governance of IT in line with IT Governance Guiding Principles.
- Provide transparency through regular reporting to the Board
- Encourage the desirable use of IT by requiring ITSC to provide timely information, to comply with board directives and to conform to the principles of good governance
- Review IT performance, audit and risk reports

Membership

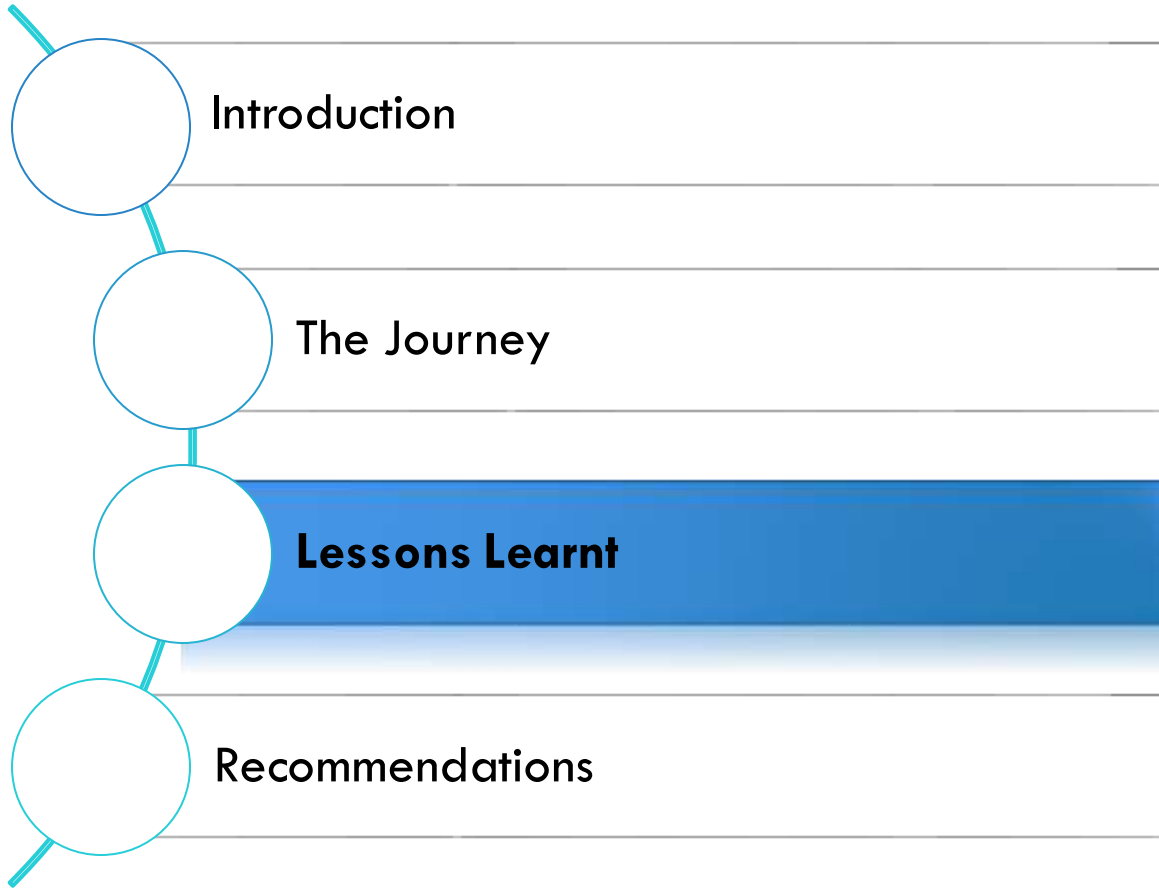
1. Governor (**Chairman**)
2. Deputy Governors – Operations, Corporate Services, Economic Policy, Financial Sector Surveillance.
3. Non-executive Board Members

In Attendance:

1. Directors of IT, Strategy, Risk, Internal Audit, Finance, Legal, etc., across all directorates, 14 in all.

Reporting Line: The Board

OUTLINE



WHAT WE SET OUT TO DO

The scope of the IT Governance Implementation Project included, initially a full implementation of COBIT 5 Framework, covering:

- Assessment of current capabilities and identification of improvement strategies
- Solution planning and implementation
- Performance monitoring and review
- Capacity building
- Awareness building and communication with key stakeholders

LESSON 1: ASSESSMENT MODELS

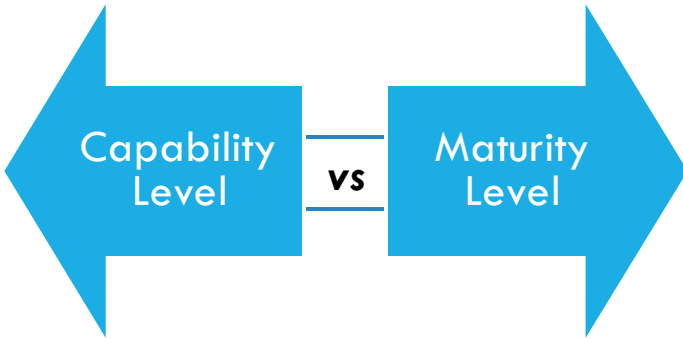
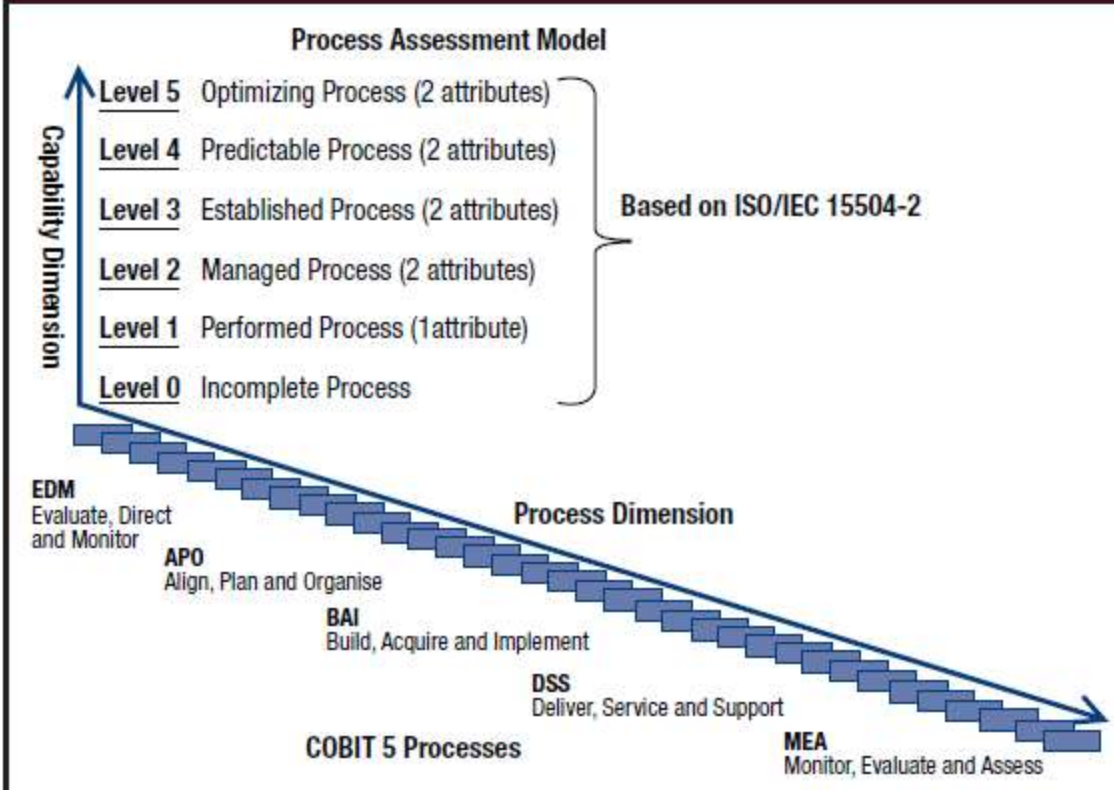
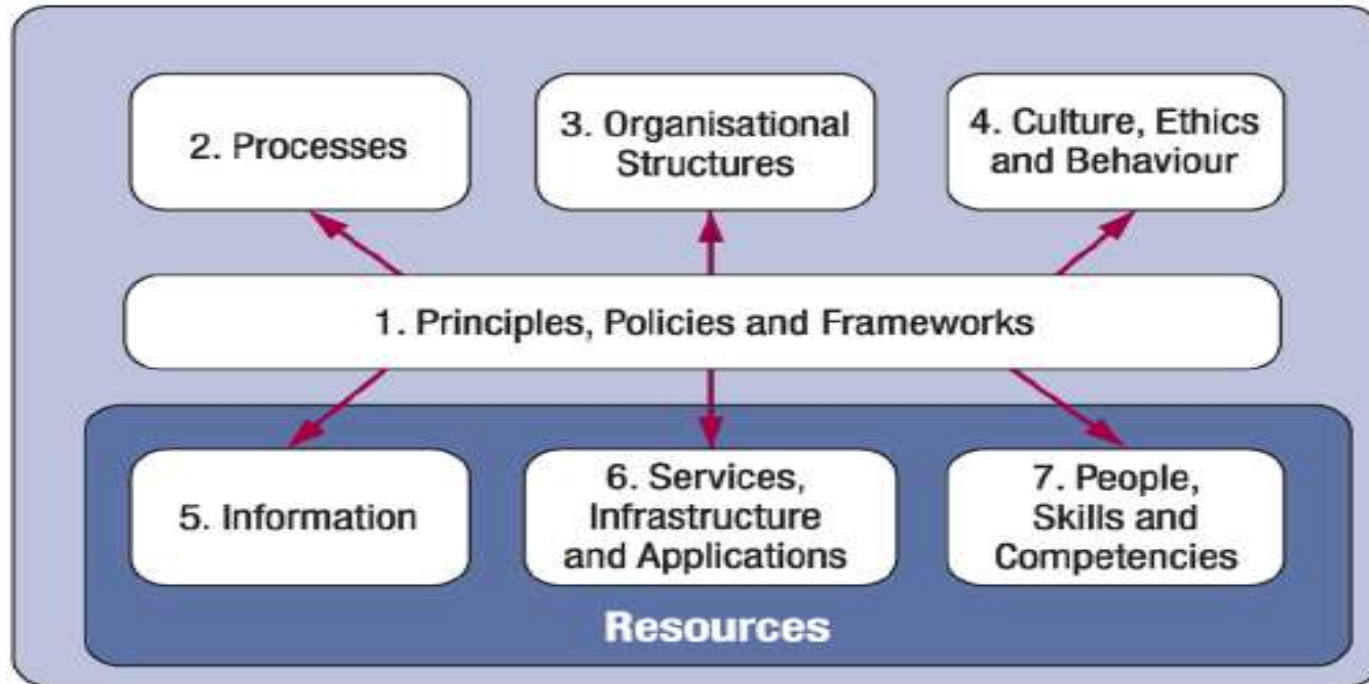


Figure 2—Overview of the Process Assessment Model (PAM)



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LESSON 2: ENTERPRISE CONTEXT



LESSON 3: MANAGING CULTURAL CHANGE

Enabling Change – tackling real issues

Not a “COBIT 5 Project”

Sustaining change – ongoing communications

Involvement of the top tier

- Driving from below
- Planning information sessions

Culture Change requires a BUDGET!

LESSON 4: TACKLING THE JOB



IMPROVEMENT PLAN

Policies, procedure & processes
Project Management
Information security controls
Application Development/
Acquisition
IT Strategy Development
Asset Inventory
Change Management
IT Investment Portfolio
Organisational Change Enablement

Control Activities – process
review & development

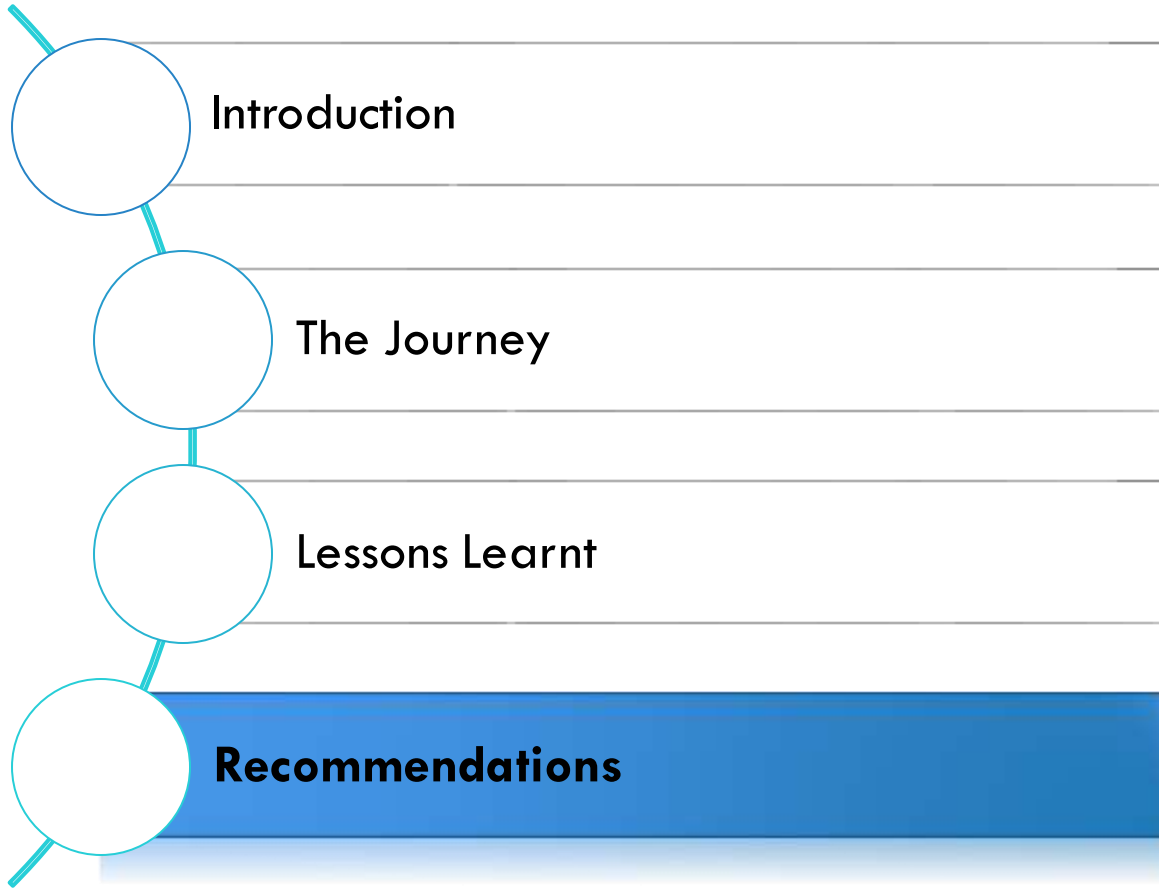
Service level management
Communication strategy
Benefit realisation Framework
Business Relationship Management

Stakeholder Management

IT Governance Framework
Enterprise Risk Management Framework for IT
Enterprise Architecture

Control Environment

OUTLINE



FINAL THOUGHTS

- Ensure you have an experienced technical partner
- Use project management methodology that works
- Ensure top management buy-in within the organization
- Address the pain points, not the use of an industry framework

PRESENTER



Nsuhoridem C. Okon

Over 12 years' experience in IT spanning the areas of IT strategy, enterprise architecture, governance, service management and project management.

Certified in enterprise architecture (CEA, TOGAF Practitioner), IT governance (CGEIT), IT Service Management (ITIL), project management (PRINCE2 Practitioner), and systems audit (CISA).

Currently serves as Head of IT Strategy, Central Bank of Nigeria.