The expanding mandates of central banks places additional demands on systems and processes to provide accurate and timely information to inform decision making.

IT supports the effectiveness of organisational capabilities and internal processes, enabling the achievement of the SARB’s strategic objectives. It cuts across all aspects of the SARB’s operations; and enables better collaboration, facilitates business change and improves business processes. While the opportunities presented by IT are clear, the rapid pace of technological change also introduces risks which are managed through appropriate governance, risk and control systems.
IT STRATEGY

IT is regarded as a strategic asset and a key enabler of SARB’s five SFAs. It is deeply entrenched in the way the SARB conducts its business. The IT Strategy sets out the strategic direction of the SARB’s IT function, and recognises IT’s role in conducting the SARB’s business in a globalised and increasingly complex environment.

In the third quarter of 2016, the IT Strategy was reviewed with the aim of aligning it to SARB’s refined five-year strategic plan, finalised in 2015.

A new IT Strategy was developed and focuses on the following:

> an IT roadmap that ensures that the SARB’s IT investments align to its SFAs;

> an effective IT operating model that supports and drives the SARB’s Strategy;

> identifying opportunities for synergy between the SARB and its subsidiaries in terms of common IT direction and capability;

> aligning to good practice IT trends and standards;

> ensuring that IT architecture is suitable for current and future business needs; and

> an Enterprise Information Management (EIM) Strategy that addresses current and future information requirements.

Progress made towards achieving the SARB’s strategic IT objectives is measured quarterly against a strategic IT scorecard, as well as against the SARB’s SFA scorecard. The key measurements of the IT scorecard include: how IT enhances SARB’s efficiency and effectiveness, the internal processes that assist the IT function to deliver business value and the capabilities required to enable internal IT processes such as human resources skills, technology requirements and the desired culture within the IT function. Performance against the IT scorecard and the progress of key IT initiatives are reported to the SARB’s Management Committee (Manco), the ITSC, the Governors’ Executive Committee (GEC) and the Audit Committee. The IT scorecard will be revised for the 2017/18 financial year to align to the new IT Strategy.

MAJOR INITIATIVES COMPLETED

Major IT initiatives completed during the reporting year as part of the delivery against the SFAs include:

An upgrade of the scorecard and information system application used by the Financial Stability Department to capture regulatory standards and focus areas, and to rate the department’s performance.

An upgrade of SADC SIRESS which ensures that southern Africa has an effective and efficient payment system and supports SADC’s aim to enhance intra-regional trade. The upgrade improved functionality and integrated finance systems for automated billing and cost-recovery.

The implementation of Calypso, a reserve management system used by the Financial Markets Department. The project aims to improve business processes to effectively manage South Africa’s foreign-exchange reserves.

IT OPERATING MODEL

The organisational structure of the IT function is aligned to the plan, build, run and support operating model and the IT Strategy. This operating model provides clear performance and operational management criteria and priorities.
IT GOVERNANCE

Following a review of the effectiveness of the ITSC and its subcommittees, the committees’ terms of reference were revised and new membership implemented. The ITSC is mandated to provide a strategic oversight role to ensure that the IT Strategy aligns to the SARB’s Strategy through the approval, prioritisation and monitoring of strategic IT projects and initiatives.

The key objectives of the ITSC include:
> ensuring that all new IT initiatives align to the SARB’s Strategy and Business;
> prioritising IT projects and initiatives;
> ensuring that the IT function delivers value through effective management and monitoring of IT project risks and IT resources; and
> approving IT investments.

The SARB continues to strengthen IT assurance-based functions (governance, risk and compliance) by enhancing the process maturity for IT compliance and ensuring compliance with the King III requirements for IT governance. The SARB has successfully transitioned from COBIT 4.1 to COBIT 5, and IT and key business process owners have been trained on implementing the new framework.

The IT Charter embraces the principles of King III and assists the Board in discharging its IT responsibilities. It also ensures effective two-way engagement between management and the Board on IT matters. The Charter outlines the roles and responsibilities of different stakeholders and assigns key decision rights. The IT Governance Framework and IT Charter are being updated to ensure relevance and alignment with the new IT Strategy.

SYSTEM AVAILABILITY

During the reporting period, the IT function also worked to ensure that the information and communications technology environments and solutions are adequately maintained with high availability and reliability. The average availability of the SARB’s critical systems for the period was 99.93%, which is above the committed 99%.

LOOKING AHEAD TO 2017/18

The IT function will focus on effectively executing the new IT Strategy.