

**New Development Bank
Information Technology Policy**

Owner: IT Department

Version: 2016 V2

Date: [16] March 2016

© **Corporate Procurement Policy**

All rights reserved.

Any unauthorized use, duplication or disclosure is prohibited and may result in prosecution.

Information Technology Policy

Change Log

Revision Date	Chapter revised	Revision Details
[16] Mar 2016		Revised with comments received (for details please refer to the Cover note)

Information Technology Policy

Table of Contents

Abbreviations	1
Chapter I Introduction	2
Chapter II IT Strategy.....	3
Chapter III Governance	4
3.1 Overview	4
3.2 Goals.....	4
3.3 Responsibility & Structure	4
Chapter IV Operational Policies.....	7

Information Technology Policy

Abbreviations

Bank or NDB	New Development Bank
BOD	Board of Directors
IT	Information Technology
PMO	Project Management Office
Policy	The Information Technology Policy as set forth herein

Information Technology Policy

Chapter I Introduction

Objective and Overview Businesses are today rapidly embracing new technologies and modern ways of working. Historically-separate domains no longer have the luxury of operating in a vacuum. Business competitiveness depends on business-technology alignment. Newer generations understand this intuitively. Meanwhile, the volume of information created and consumed on mobile devices is growing, which is also changing the way individuals' use and share information. As employees spend more time using their personal devices, interacting on social networks, and sharing information via file-sharing services, we must look for ways to ensure security and data preservation while safeguarding privacy of the users.

While NDB's technology leadership will play a central role in this process, their efforts will need to be also enforced by executives who represent the various aspects of the business. Collective decision-making can result in executive buy-in that helps drive more business value from technology investments; however, policy enforcement can also fall short when the organization lacks tools to monitor and manage compliance of the Bank policies.

An effective governance structure that has an accurate view of "the big picture" can observe how investments in one area of the business affect other areas of the business, and prioritize investments accordingly – including "free" investments like social networks and file sharing sites. File sharing services, social media, and mobile devices have presented organizations with data security and business risk management challenges, but the larger problem – as always – is a people issue. Employees will do what comes naturally in the absence of clearly articulated policies – and even then, effective enforcement is required to ensure that governance policies actually do govern behavior. Effective IT governance, therefore, is a cross-functional activity that requires a unified vision, collective commitment, and enforcement.

Technology is innovating much faster than the speed of change in organizational cultures. As organizations extend out to clouds and mobile devices, IT departments have to radically change how they operate, including how they procure products and services, how they manage technology and data assets, and IT's own role within the organization. Similarly, governance policies have to continuously evolve to better align with the modern business world. We will constantly strive to define policies that support modern ways of working while minimizing risk exposure and ensuring freedom to workers in their professional activities.

Information Technology Policy

Chapter II IT Strategy

IT will endeavor to transform the Bank's workplace by enabling end user capabilities through access to data and services anywhere and anytime. The goal will be to make technologies available to provide the right information, to the right people, at the right time, in order to help our staff perform with greater efficiency and productivity. We will develop or acquire agile and mission-based information sharing platforms and applications while establishing strong governance, enforceable policy, and clear standards. There will be a focus on end-to-end delivery of mobile solutions that enhance enterprise-wide mobile computing capabilities. Procurement will be carried out as per the Corporate Procurement Policy.

We are committed to business solutions which involve, where appropriate from a cost and risk perspective, acquiring services rather than assets. This will improve service delivery by reducing the time to go-live and also control costs as new services could be acquired during the life of a contract without protracted procurement cycles. Our bias will also be towards proven open technologies to reduce the risks associated with technology obsolescence and vendor lock-in.

Information Technology Policy

Chapter III Governance

3.1 Overview

NDB recognizes that effective IT governance is essential to achieving long-term, sustainable business outcomes. It must, therefore, be defined in terms of business objectives at every level, which, in turn, link to overall corporate strategy and direction. Governance clearly, is far more than a focus exclusively on compliance and assurance.

The cornerstones of our IT governance model, therefore, need to go beyond pure IT perspectives and define and implement governance to meet business outcomes and align with business strategy. We will continuously clarify the difference between governance and compliance activities to ensure understanding and adherence from both IT and business leaders. All governance arrangements will be periodically reviewed against this definition so as to evaluate if some can be minimized or eliminated. Our focus would be to implement governance processes that address the full life cycle beginning from the setting of business objectives and then to decision making, execution and compliance, and evaluation of performance against objectives.

3.2 Goals

Our governance goals are:

- Setting decision rights and accountability, as well as establishing policies that are aligned to business objectives. These will preserve and grow enterprise value.
- Balancing technology investments (under the overall Board approved budget) in accordance with policies and in support of business objectives so as to coherently realize strategy.
- Establishing measures to monitor adherence to decisions and policies.
- Mitigating risk by ensuring that processes, behaviors, and procedures are in accordance with the Bank policies.
- Ensuring that the staff will have freedom to use IT resources subject to compliance with the Bank policies.

3.3 Responsibility & Structure

The Guidelines approved by President determine the limits for procurement under different methods, which are listed in the table below: In terms of the minimum structures and functions required for effective governance, our view is that less is more when it comes to

Information Technology Policy

creating an effective governance structure. We will, therefore, avoid a proliferation of governance groups that would create unnecessary complexity and bureaucracy within the organization. Groups would be set up as and when required with well defined roles and responsibilities to avoid confusion.

While the Board and executive management will be responsible for overall governance, including in the area of Information Technology, IT governance would primarily be overseen by an IT Investment Council. The Council would decide or approve all significant IT investments within the Board approved budget. In cases where demand exceeds supply, the council will help resolve investment conflicts and provide clarity and direction. At the second level, the Council would be supported by small teams (of not more than four persons each) which would look at investment prioritization, enterprise architecture and standards, financial analysis, risk assessment and the Project Management Office (PMO). In the startup phase of the Bank, some of these teams could be combined. Details of these teams are as below:

- A combined team of business unit heads and IT functional heads familiar with the capabilities of the IT organization and enterprise road map of initiatives will make prioritization recommendations to the investment council. This team would also ensure consistency and collaboration across disparate business units.
- Enterprise Architecture and Standards Management would be the responsibility of a team, from the IT Division, with the requisite skill sets. These standards would include approved technical protocols, software applications and hardware. The architecture and standards recommended by this team would reflect the technology required to fulfill business goals.
- Financial Management: a cross functional group from business, finance and technology would play a critical role in governance in verifying business cases, tracking the financial benefit of projects in progress and verifying financial results as part of benefits realization. The group would coordinate with other areas of the Bank whenever it is necessary.
- Risk Management: this team would be drawn from business, risk and technology; it would calculate risk around IT investments and opine on which types of risk are acceptable. Risks would be assessed holistically and would include compliance, revenue, brand and execution risks. This group would also coordinate with other areas of the Bank whenever it is necessary.
- The PMO, a part of the IT Division, will determine the impact of the recommended changes and also maintain the "supply side" of the IT portfolio. By understanding the

Information Technology Policy

types of resources and their availability, the PMO will work with other teams to determine when projects can be implemented. The PMO will maintain a benefits scorecard ensuring initiatives delivered and what was expected and also a project investment dashboard, which serves as a one-page summary of the intent of each proposed initiative. The PMO will, thus, function as the hub for governance information.

NDB in the first couple of years of its existence may have significantly different needs in staffing for each of these functions. Indeed, the number of individuals required to fulfill a function is also based on the rate of change that IT is experiencing. For example, a function such as architecture may be done very effectively by one individual on a part-time basis. Regardless of how many individuals are performing the function, effective governance requires that all five functions be performed.

Information Technology Policy

Chapter IV Operational Policies¹

To ensure a robust and secure technology platform for NDB we will put in place suitable internal policies and procedures to address:

- IT asset management, end-user device security, logical access and passwords, malware protection, email usage and internet usage.
- Data Protection including data classification, data retention and disposal, data masking and backup.
- Data Centre security to cover security issues and best practices relating to operating systems, applications, databases and networks
- Enterprise level IT security that would include, change management, incident management, business continuity and privacy related issues. It is important to emphasize that, unless there is evidence that users utilized IT resources in an illegal fashion, the privacy of such users is inviolable.

While the scaling of IT Governance functions at NDB will happen over time, our Governance model and policies will strive to promote the following desired behaviors:

- Integration of IT plans with strategic planning across other functions
- Appropriate accountability for IT initiatives
- Transparency of IT plans and investments
- Adoption of a broad enterprise-wide view
- A willingness to share and use IT best practices across the NDB community
- Entrepreneurial spirit and creativity in applying IT

¹ Once NDB's supplier management system is established, the invitation will be mainly from those registered in the system.