Enterprise Governance of Information and Related Technology Guide
For
The National Bank of Kuwait - Jordan

Revision History

Version	Author	Approval	Date
Version 1.0	NBK Jordan		
Version 2.0	NBK Jordan		June 2019

Disclaimer

This guide is developed based on the Central Bank of Jordan regulations number No.:(65/2016) its adjustments number (984-6-10), and ISACA's COBIT framework.

Contents

1   Introduction

The National Bank of Kuwait (**NBK**) recognizes the need to embrace Information Technology (**IT**) as a significant part of doing business and considers IT as an integral asset to deliver value to its customers. Where information and related technology has a significant role, NBK works to include IT within a governance and management approach.

NBK - Jordan has adopted COBIT in an effort to establish and sustain an Enterprise Governance of Information and related Technology (**EGIT**) Framework integrated with the Bank's enterprise governance, as NBK Jordan is a branch of the headquarters in NBK Kuwait.

COBIT provides a comprehensive framework that assists the bank in achieving its objectives for the governance and management of enterprise IT. It helps the Bank in creating optimal value from IT by maintaining a balance between realizing benefits and optimizing risk levels and resource use.

COBIT enables the enterprise IT to be governed and managed in a holistic manner for the entire enterprise, taking in the full end-to-end business and IT functional areas of responsibility, considering the IT-related interests of internal and external stakeholders.

2   Context

NBK set up in Jordan by opening its first branch in Amman in 2004 to capture Kuwaiti linkages and service Group relationships locally. Customer base has been broadened to include top tier local corporate, High Net worth Individuals (HNWI), affluent and Jordanian expatriates. NBK Jordan offers a wide range of corporate trade, private banking and retail services and products and has fully dedicated relationship managers trained to offer tailored solutions that meet customers' needs.

NBK Jordan works closely with its counterparts within NBK's network of branches and subsidiaries to support customers with their cross-border transactions and global investment needs

3   EGIT Objectives

NBK-Jordan has set the following objectives of the governance and management of information and related technology framework:

1) Meet stakeholder needs and achieve the objectives of the bank through the utilization of an established governance framework that:
   a) Facilitates the creation of value by delivering expected benefits, optimizing risk, and optimizing resources.
   b) Provides assurance of information quality to support decision-making.
   c) Provides technological infrastructure that enables the bank to achieve its objectives.
   d) Upgrade the bank operations by employing efficient, reliable and purpose-driven technological systems.
   e) Strict risk management of information technology to ensure the necessary protection of the bank's assets.
   f) Assist in achieving compliance with the requirements of laws, regulations and instructions as well as to comply with the bank policies, strategy and internal working procedures.
   g) Improve the reliability of the internal control environment.
   h) Maximize the level of satisfaction of information technology users by meeting the needs of their work efficiently and effectively.
   i) Management of external party's services entrusted with carrying out operations, services and products.

2) Achieve comprehensiveness in the Governance and management of information and related technology taking into consideration the seven pillars that are complementary to IT Services which are:
   a) Principles, Policies and Frameworks
   b) Processes
   c) Organizational Structures
   d) Culture, Ethics and Behavior
   e) Information
   f) Services, Infrastructure and Applications
   g) People, Skills and Competencies

3) Adopt policies and best practices according to the international standards as a starting point to build on the Governance and management of IT operations, projects, and resources.

4) Strengthen the mechanisms of self-assessments, internal and external auditing in the governance and management of information and related technology to ensure and contribute to the continuous improvement and performance development.

4 General Policies for EGIT

4.1 Rules

- This guide is based on the Central Bank of Jordan's regulations No: (65/2016) and its adjustments number (984-6-10), and on the COBIT framework. It will be reviewed and updated on regular basis to ensure its consistency with any updated regulations, or COBIT framework updates.
- The Enterprise Governance of Information and related Technology guide for National Bank of Kuwait in Jordan will be reviewed and updated by local IT governance/steering committee and updated regularly.
- The Enterprise Governance of Information and related Technology guide will be published for public on the NBK Jordan website.
- This guide covers all the bank's IT-related operations in various locations and departments, where stakeholders holds the responsibility to apply it according to a defined roles and responsibilities.

4.2 Committees

NBK has several established governance structures (boards and committees) that provide control and security in the risk-averse environment of a financial institution. The bodies provide project approval, demand prioritization as well as overall IT oversight.

These governance structures are located in NBK Kuwait, and they are:

1. **Project Coordination Committee:**
   - To foster coordination and collaboration among Project Management Offices across the Group

- To champion transparency on progress and success of IT and Non-IT Project Execution across the Group
- To support IT Board and all stakeholders across the Group in running collaborative planning/prioritization process for IT Projects
- To support coordination among Business Units and Support Functions across the Group in successful delivery of IT and Non-IT Projects

2. **Enterprise Change Management Committee:**
   The main purpose of the Enterprise Change Management committee (**ECM**) is to support the prioritization and planning of the non-project business requests and system changes that are raised by business groups. These requests include Business Requests (**BR**) and Report Requests (**RR**) both emergency and normal.

3. **IT Board:**
   - To foster and safeguard sound IT governance practices across the Group
   - To ensure alignment between utilization of IT resources and the strategic priorities of the Group
   - To ensure open communication between IT and other functional and business units to promote collaborative planning
   - To oversee transformation of IT to a healthier state

4. **Group Risk Management committee.**

5. **IT Governance/Steering Committee (Jordan)**

   NBK Jordan has formed a committee from its senior management to ensure a strategic alignment of information technology to achieve the strategic objectives of the bank. The committee documents its meetings, provided that periodic meetings shall be once every three months at least, and shall, in particular, carry out the tasks mentioned in the local IT steering/governance committee charter.

5 Enterprise/Alignment Goals Cascade for the Enterprise Governance of IT Framework

NBK-Jordan has adopted the 13 enterprise goals (Appendix A) and related 13 Alignment goals (Appendix B) of COBIT Framework. These goals are cascaded to NBK Jordan specific business objectives and IT objectives. In addition to the goals mentioned above, NBK-Jordan has adopted the governance and management objectives that are essential to achieve the enterprise and alignment goals.

6 Policies System
NBK-Jordan has adopted the necessary set of policies for the EGIT framework, and considers these policies a minimum with the possibility of the combination of these policies as the work nature requires.

7 Information and Reports
NBK-Jordan will adopt the infrastructure and systems necessary to provide information and reports to their stakeholders in the EGIT framework, as an anchor for the decision-making processes in the bank.

8   Transparency:

The Information Technology Department in NBK Jordan is committed to provide all information about the overall performance and conformance related to I&T to internal and external stakeholders.

The Information Technology Department in NBK Jordan is continuously ensuring consistent improvement relationship with NBK Jordan Business Units and executive management, through applying, IT best practices within the adopted Enterprise Governance of Information and Related Technology Framework supporting to achieve NBK Jordan goals and strategies.

9   Organizational Structures

NBK-Jordan established the organizational structures (hierarchical and committee's structures) concerning the management of resources, processes and projects of information technology, risk management, information security management, and human resources management that meet the operational requirements of governance and management of information technology, and to efficiently and effectively achieve the Bank's objectives.
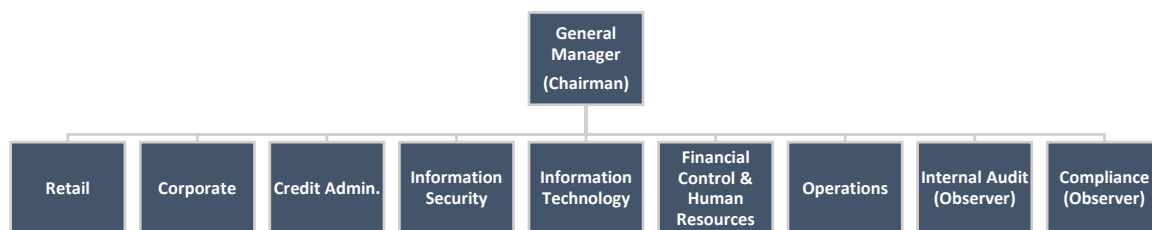

Figure (1): IT- GSC

10   Services, Programs and Infrastructure of IT:

The Bank is utilizing and continuously improving services, programs and IT infrastructure supporting information to achieve EGIT governance and management objectives.

11   Knowledge, Skills and Experiences:

The Bank has been developing the necessary matrices of competencies (HR Competencies) and human resources policies to achieve the requirements of governance of information technology, and to ensure that the appropriate human resources are in place.

The bank's executive management will continue to enroll its staff in training and continuing education programs to maintain the level of knowledge and skills necessary to meet and achieve the governance of information technology.

12   Values, Morals and Behavior:

NBK Jordan adopted a code of conduct that reflects professional behavior related to the management of information and its related technology that clearly define the desired behavioral rules and consequences.

13   Six key Principles of the Governance System

The governance framework of information and related technology at the Bank is based on the six key principles of the governance systems as per COBIT framework:

- **Principle 1: Provide Stakeholder Value**

  Each enterprise needs a governance system to satisfy stakeholder needs and to generate value from the use of I&T. Value reflects a balance among benefits, risk and resources, and enterprises need an actionable strategy and governance system to realize this value.

- **Principle 2: Holistic Approach:**

  A governance system for enterprise I&T is built from a number of components that can be of different types and that work together in a holistic way.

- **Principle 3: Dynamic Governance System**:

  A governance system should be dynamic. This means that each time one or more of the design factors are changed (e.g., a change in strategy or technology), the impact of these changes on the EGIT system must be considered. A dynamic view of EGIT will lead toward a viable and future proof EGIT system.

- **Principle 4: Governance Distinct from Management**:

  A governance system should clearly distinguish between governance and management activities and structures.

- **Principle 5: Tailored to Enterprise Needs**

  A governance system should be tailored to the enterprise's needs, using a set of design factors as parameters to customize and prioritize the governance system components.

- **Principle 6: End to End Governance System:**

  A governance system should cover the enterprise end to end, focusing not only on the IT function but on all technology and information processing the enterprise puts in place to achieve its goals, regardless where the processing is located in the enterprise.

14 Goals Setting and Cascading

Every enterprise operates in a different context; this context is determined by external factors (the market, the industry, geopolitics, etc.) and internal factors (the culture, organization, risk appetite, etc.), and requires a customized governance and management system.

NBK has adopted the COBIT goals cascade mechanism to translate stakeholder needs into specific, actionable and customized enterprise goals, IT/Alignment-related goals and components goals. This translation allows setting specific goals at every level and in every area of the bank in support of the overall goals and stakeholder requirements, and thus effectively supports alignment between NBK needs and IT solutions and services.

Step 1. Stakeholder Drivers Influence Stakeholder Needs

A number of drivers, e.g., strategy changes, a changing business and regulatory environment, and new technologies, influences stakeholder needs.

Step 2. Stakeholder Needs Cascade to Enterprise Goals

Stakeholder needs can be related to a set of generic enterprise goals. These enterprise goals have been developed using the balanced scorecard (BSC) dimensions, and they represent a list of commonly used goals that an enterprise may define for itself. Although this list is not exhaustive, most enterprise-specific goals can be mapped easily onto one or more of the generic enterprise goals.

Step 3. Enterprise Goals Cascade to Alignment Goals

Achievement of enterprise goals requires a number of Alignment-related outcomes, which are represented by the Alignment-related goals. The Alignment-related goals are structured along the dimensions of the balanced scorecard (Alignment BSC). COBIT defines 13 Alignment goals. Alignment goals emphasize the alignment of all IT efforts with business objectives.

Step 4. Governance and Management Objectives

Alignment goals are cascaded to the governance and management objectives in the EGIT of the bank which covers the processes and their related components (Appendix C).

15 Appendix A: Enterprise goals

Reference	Balanced Scorecard (BSC) Dimension	Enterprise Goal
EG01	Financial	Portfolio of competitive products and services
EG02	Financial	Managed business risk
EG03	Financial	Compliance with external laws and regulations
EG04	Financial	Quality of financial information
EG05	Customer	Customer-oriented service culture
EG06	Customer	Business-service continuity and availability
EG07	Customer	Quality of management information
EG08	Internal	Optimization of internal business process functionality
EG09	Internal	Optimization of business process costs
EG10	Internal	Staff skills, motivation and productivity
EG11	Internal	Compliance with internal policies
EG12	Growth	Managed digital transformation programs
EG13	Growth	Product and business innovation

16 Appendix B: Alignment goals

Reference	IT BSC Dimension	Alignment Goal
AG01	Financial	I&T compliance and support for business compliance with external laws and regulations
AG02	Financial	Managed I&T-related risk
AG03	Financial	Realized benefits from I&T enabled investments and services portfolio
AG04	Financial	Quality of technology-related financial information
AG05	Customer	Delivery of I&T services in line with business requirements
AG06	Customer	Agility to turn business requirements into operational solutions
AG07	Internal	Security of information, processing infrastructure and applications, and privacy
AG08	Internal	Enabling and supporting business processes by integrating applications and technology
AG09	Internal	Delivery of programs on time, on budget and meeting requirements and quality standards
AG10	Internal	Quality of I&T management information
AG11	Internal	I&T compliance with internal policies
AG12	Learning and Growth	Competent and motivated staff with mutual understanding of technology and business
AG13	Learning and Growth	Knowledge, expertise and initiatives for business innovation

17 Appendix C: IT Governance and Management Objectives

Reference ID	Governance Objective
EDM01	Ensured Governance Framework Setting & Maintenance
EDM02	Ensured Benefits Delivery
EDM03	Ensured Risk Optimization
EDM04	Ensured Resource Optimization
EDM05	Ensured Stakeholder Engagement
Reference ID	Management Objectives
MEA01	Managed Performance and Conformance Monitoring
MEA02	Managed System of Internal Control
MEA03	Managed Compliance with External Requirements
MEA04	Managed Assurance
APO01	Managed I&T Management Framework
APO02	Managed Strategy
APO06	Managed Budget & Costs
APO07	Managed Human Resources
APO08	Managed Relationships
APO09	Managed Service Agreements
APO10	Managed Vendors
APO12	Managed Risk
APO13	Managed Security
BAI02	Managed Requirements Definition
BAI04	Managed Availability & Capacity
BAI06	Managed IT Changes
BAI07	Managed IT Change Acceptance and Transitioning
BAI08	Managed Knowledge
BAI09	Managed Assets
BAI11	Managed Projects
DSS01	Managed Operations
DSS02	Managed Service Requests & Incidents
DSS03	Managed Problems
DSS04	Managed Continuity
DSS05	Managed Security Services
DSS06	Managed Business Process Controls