

Deputy Governor's Speech at the Departmental Business Continuity Planning Workshop Held at Imperial Resort Beach, Entebbe

Feb 3 –4, 2005

Background

I would like to welcome all of you here today. I would most especially like to welcome Professor Dr. Victor van Reijswoud who is here to facilitate this workshop.

The Bank, five years ago, decided to focus on the area of business continuity management. This was after the realisation that the economy of the country could very easily collapse if, in the event of a major disaster, the Bank took long to return to normal business. The experience from the neighbouring central bank of Tanzania where fire gutted a branch of the Bank, were useful in helping the Bank to appreciate this need. The commitment of the top management of the Bank in addressing BCP is demonstrated in the fact that BCP has now been included as strategic goal number 3 in the 5-year strategic plan (2004-2008). At the regional level, within the context of the East African Community Monetary Affairs Committee (EACMAC), the Bank has been engaged in closer collaborating partnership with the other regional central banks. Indeed, at the last EACMAC Governors' meeting in Arusha last year, the Governors of the 3 East African Central Banks issued directives:

- The three Central Banks should share their experiences on BCP, which should form a basis for a common strategy framework to harmonise BCP programs by December 2004. In addition, all three Central Banks should review the possibility of having BCP for commercial banks.
- The three Central Banks are encouraged to develop suitable expertise to handle BCP processes.

- The three Central Banks should continue conducting awareness programs for management and staff in order to encourage appreciation of responsibilities, ownership of risk and full participation from all the stakeholders.

Progress To date

As a result of this decision, the Bank has, over the last 5 years invested significantly into developing a sustainable continuity programme in terms of infrastructure, human resources skills development and developing internal organisational capacity.

Since the initiation of the business continuity program in 2000, substantial progress has been registered. The Bank has now established a permanent BCP office (the ISSO) to handle this aspect of work on a day-to-day basis; a BCP plan, the first ever in the Bank, has been developed, and currently this plan is being implemented. A disaster recovery site (DRS) has been built and the Bank is already investing in acquisition of equipment, systems and personnel to support the continuous operations of the site. Furthermore, a business resumption site has been identified and will be made operational in the near future.

On December 14, 2004, as most of you will recall, a rehearsal was conducted to assess the effectiveness of the BCP plan and the Bank's readiness to respond to disaster. This rehearsal marked the end of the first cycle of the standard BCP cycle but the beginning of yet another cycle. Although the full report on the rehearsal and the resultant work plan have not been finalised, it is evident that there was a lot of invaluable information gathered during the conduct of the rehearsal.

The close of cycle 1 dawns on us the challenges and opportunities of BCP cycle 2. The approach to the development of the plan in Cycle 1 addressed BCP at a Bank-wide level (Top Down approach) and the focus was on a wide scale worst-case disaster scenario. This approach is extremely useful especially in disasters that happen within a short span of time (e.g. the Tsunami, a bomb blast, severe computer virus attacks e.t.c.). On the other hand, slow progression disasters, especially those localised in only isolated operational areas, could result in avoidable interruptions of business in critical areas and eventually lead to a major disaster. Interruptions such as prolonged power outages, failure in critical computer systems such the IFS, breakdown of the SWIFT operations or, as in the recent example of flooding on level 7 that threatened the computer systems on level 5, could have a devastating effect on the Bank equal or worse than a fire.

Objectives Of BCP Cycle 2

BCP Cycle 2 that starts with this workshop lays emphasis on developing contingency and emergency management capabilities at the lower business units starting with the Department level. It is hoped that after 2 days of intensive deliberations, the first 2 tasks in the BCP cycle (i.e. risk analysis and business impact analysis) will be completed. In follow up meetings and interviews the whole exercise will be finalised within the respective functions of the Bank. The goal is to have clearly defined contingency arrangements for each critical business operations in the Bank.

But this workshop has other objectives besides BCP. One of the other major objectives is to raise the awareness of everybody but most especially the Heads of department on information security issues. As you are all aware, the strategic direction of the Bank is to automate all its core and other major

business functions. This noble objective imposes its demands on how we handle the tools of work. Dependence on automated information processing systems and the need to integrate systems exposes the Bank to risks of high-level fraud, intrusion and loss of confidentiality. The consequences of these cannot be overemphasised. As managers, we have a responsibility to ensure the security of the information on which the Bank's business depends. To be effective in this role we need to understand the issues and components of information security; and this should be the business in this workshop.

Conclusion

In conclusion, I want to thank you for devoting your time to this important exercise. I would also like to thank the ISS Office that coordinated this workshop. It is now my pleasure to declare this workshop officially opened.