
ICT COMMITTEE OF THE BOARD

TERMS OF REFERENCE (TORs)

CBK/PG/02 (3.12) stipulates that the board should be responsible for Information Technology (IT) Governance. IT governance can be considered as a framework that supports effective and efficient management of IT resources to facilitate the achievement of an institution's strategic objectives.

The ICT Committee was formally constituted by the Board of Directors in the Board Meeting held on 25th October 2019.

1. OBJECTIVE

To assist the Board of Directors in reviewing and overseeing the overall IT Governance of the Institution in accordance with CBK/PG/02 (3.12)

2. APPOINTMENT & MEMBERSHIP

- a) The ICT Committee is a Committee of the Board, duly constituted as such.
- b) The number of members shall be determined by the Board from time to time
- c) The ICT Committee shall comprise of at least three non-executive members of the Board.
- d) The ICT Committee will be chaired by one of the Independent and non-executive directors who shall be appointed by the Board from amongst the ICT Committee members. The current members are;
 - Dorcas Muthoni (Chairman)
 - Gladys Ogallo.
 - Gladys Karuri
 - Robert Kibaara
- e) When making the appointment the Board will ensure that:
 - At least one of the members has expertise in Information Technology
 - Every member appointed is familiar with the ICT Committee's terms of reference.

- Every member appointed is aware of the interest of all stakeholders.
- f) The Board, through the Group Nomination and Governance Committee (GN&G) will have the absolute power to appoint and remove any member of the ICT Committee and to fill all casual vacancies that may arise.
 - g) The term of the office of the ICT Committee members shall be fixed by the Board and shall be tied to their term of office as directors.
 - h) The Board will periodically review the composition of the ICT Committee and make any changes it deems appropriate.
 - i) The following, who shall have no voting rights, may attend the meetings of the ICT Committee on invitation:
 - The Chief Information Officer (CIO)
 - The Chief Digital Officer (CDO)
 - The Director Retail Banking (DRB)
 - The Chief Financial Officer (CFO)
 - The Head Risk and Compliance (HR&C)
 - The General Manager Strategy & Business Performance
 - Any other person at the discretion of the ICT Committee

3. ROLES AND RESPONSIBILITIES

The ICT Committee shall as a minimum ensure sound ICT governance, including:

- a) Ensuring that an IT governance charter and policies are established and implemented. The charter and policies should outline the decision-making rights and accountability framework for IT governance that will enable the desirable culture in the use of IT within the company.
- b) Oversee the cultivation and promotion of an ethical IT governance and management culture and awareness. The ICT Committee should provide the required leadership to achieve this institution's strategic objective.
- c) Ensure that an IT internal control framework is adopted and implemented and that the board receives independent assurance on the effectiveness thereof. The necessary steps should be taken to ensure that there are processes in place to ensure complete, timely, relevant, accurate and accessible IT reporting.
- d) Ensure that the IT strategy is integrated with the institution's strategic and business processes. IT should be seen to add value by enabling the improvement of the institution's performance and sustainability.
- e) Consider the suitable strategy, structure and size of the IT function, considering what is appropriate for the adequate management of the IT function and associated risk of the institution and having regard to any legislative requirements that apply to the IT function. The structure of the IT function, its role and its position in terms of reporting lines, should reflect the company's decision on how IT is integrated with its operations.

- f) Oversee the proper value delivery of IT and ensure that the expected return on investment from significant IT investments and projects is delivered and that the information and intellectual property contained in the information systems are protected.
- g) Where the responsibility for the provision of IT goods or services has been delegated to another party (or division), the ICT Committee to remain accountable for enforcing and monitoring effective IT governance.
- h) Ensure that Management regularly demonstrates to the board that the institution has adequate business resilience arrangements in place for disaster recovery and business continuity.

4. SPECIFIC DUTIES

In carrying out the Responsibilities conferred upon the ICT Committee in 3 above, the ICT Committee will have the following specific duties at an oversight level:-

Strategic Alignment

- a) Periodically review IT Strategy and ensure it is aligned with business strategy.
- b) Evaluate Management Reports on benefits delivered by IT projects (benefits realization)
- c) Issue high-level policy guidance to communicate goals and objectives
- d) Periodically review Management reports on industry trends.
- e) Review Management prioritization and allocation of resources to ensure delivery of the IT Strategy.
- f) Manage and oversee a rolling five year investment programme.

Value Delivery

- a) Review IT related expenses towards optimization.
- b) Ensure there is in place a methodology to evaluate Return on Investment (ROI), which ensures there exists a balance between risks and benefits.

Resource Management

- a) Consider Business Cases for all IT enabled investment decisions with a cost greater than Kes.50 Million and those deemed of strategic importance.
- b) Ratify all IT procurements with a cost of between Kes.15million to Kes. 50 Million.
- c) When agreed, monitor delivery of all IT-enabled projects with a cost greater than Kes.50 Million and those deemed of strategic importance.

- d) Through Management reports or Independent reviews, ensure that IT has competent, sufficient and efficient resources: applications, information, infrastructure and people
- e) Provide high-level direction for sourcing and use of IT resources (e.g. strategic alliances).

Risk Management

- a) Receive assessment and reports on IT-related risks and organization impact.
- b) Through Management reports, ensure that there is in place a Business Continuity Plan (BCP) to include disaster recovery and continuity of operations.
- c) Ascertain that risk management is embedded in the IT operations.

Performance Management

- a) Ascertain there exists a methodology and tools for Management to track project completion, process performance and service delivery, as well as resource usage and monitoring of IT Services.
- b) Ensure a balanced score card (BSC) is in place for IT.
- c) Through Management reports, verify strategy compliance.

5. MEETINGS

- a) The ICT Committee will appoint a secretary for the purpose of taking minutes of its meeting
- b) Members of ICT Committee shall meet at least quarterly or more frequently as required.
- c) The quorum at all meetings shall be two members, in person or by proxy.
- d) The ICT Committee decisions shall be taken by a majority of votes of those present. In case of a tie, the Chairman shall have a second or casting vote.
- e) The Chairman shall at his/her sole discretion and as he/she deems appropriate use the casting vote, or refer the matter to the full Board for decision.
- f) The agenda and the discussion papers of the meeting shall be circulated to the members of ICT Committee, and those invited to the meeting at least one week prior to the next scheduled meeting.
- g) The minutes of the meeting and the action plan arising therefrom shall be circulated to the Board chairman, members of ICT Committee, and those who attended the meeting within one month of the meeting.

- h) The report of the ICT Committee will form a regular feature on the Board's agenda. The report shall include summary of key ICT risks, Cybersecurity and actions taken to date, key ICT procurements, the minutes of the ICT Committee, and any other issues that require Board input.

6. OTHERS

- a) Review the ICT Committee's terms of reference at least once every three years and recommend modifications.
- b) Carry out other tasks, special assignments and investigations as may be requested from time to time by the Board or the management.
- c) Consider any matter of significance pertaining to ICT raised at the Audit and risk management committee meetings.

1.	Recommended for adoption by ICT Committee	12 th October 2020
2.	Approved by the HFC Board	3 rd November 2020

SIGNED: CHAIRMAN ICT COMMITTEE