KEYNOTE ADDRESS DELIVERED BY THE HONOURABLE MINISTER OF STATE FOR FINANCE, REMI BABALOLA, FCA, AT THE 37TH ANNUAL ACCOUNTANTS' CONFERENCE HELD AT THE INTERNATIONAL CONFERENCE CENTRE, ABUJA ON TUESDAY OCTOBER 16, 2007.

**INFORMATION TECHNOLOGY GOVERNANCE:
A TOOL FOR GLOBAL DEVELOPMENT**

PROTOCOL

Introduction

I feel highly honoured to be in your midst today as a Fellow of this distinguished body of accountancy professionals. Our Institute, the Institute of Chartered Accountants of Nigeria (ICAN) remains the leading and frontline accountancy body, in Nigeria. In fact, the only professional Accountancy body in Nigeria recognised by the International Federation of Accountants (IFAC), the global body that regulates the Accountancy professional in 120 countries of the world. We have continuously blazed the trail in espousing the ideals of true professionals, despite the enormous challenges in the operating environment.

2. Over the last decade, this annual gathering of distinguished Chartered Accountants here in Abuja has become an enviable meeting place of fertile minds, where the ideals of moving the Country's economy forward are discussed at the various workshops. In some cases, policy decisions have often resulted from the communiqués/recommendations issued at the end of such sessions. On behalf of the Federal Government of Nigeria, permit me to welcome you all to the "Rock City" of Abuja, where I believe you will have an enjoyable and refreshing time off your busy schedules.

3.   Information Technology Governance can be attributed to three main target groups: Business, People and Government itself. The overarching aim is to ensure continuous value enhancement. This increase in value can only be achieved in 4 steps: initially, creating presence using readily available information, information processing and development, transactional phase and transformational stage. In Nigeria, we are still at the initial stage of creating presence using readily available information. This has remained a challenge! But also a tremendous opportunity!

Government to Business

4.   Information Technology has so much revolutionised the world such that the world has shrunk and thus become a global village. Coupled with developments in air transportation, telephony and such, it is extremely difficult to view how the world was 50 years ago. For instance, take away internet facilities and mobile phones and consider how difficult survival will be, even here in Nigeria!

5.   The IT revolution has seriously impacted the way businesses are run. The era of double entry and journals has been replaced with automated book keeping and accounting software packages. Nowhere is this phenomenon more striking than in the banking sector, where on-line, real-time banking has progressed to telephone banking and the use of ATMs and credit cards.

6.   The discipline of IT Governance derives from corporate governance, and deals primarily with the connection between business focus and IT management in an organisation. IT Governance is therefore a subset discipline of Corporate Governance, but focused on Information Technology (IT) systems and their performance and risk management. The continuing and rising interest in IT Governance could be traced in part to compliance initiatives (Sarbanes Oxley in the USA, Basel II in Europe), as well as acknowledging that IT projects can easily get out of control and profoundly affect the performance of an organisation.

Government to People

7.   Developments in information and communication technology and networked computing over the past two decades or so, have given rise to the notion of electronic government, most commonly used to refer to the delivery of public services over the internet. By using the Internet, the aim of government is to encourage more interaction with the public. ICT should actually present societies and individuals with the opportunity to question fundamental assumptions and institutions, by re-thinking existing approaches and mechanisms, to collectively conceptualising and generating new ideas and community-based alternatives. It may even go to the extent of catalysing social and political changes.

8.   But the Internet is only one of many IT solutions available in the process of governance. At the Federal level, we have been publishing the Monthly Statutory Allocation data on the Ministry's website apart from publishing same in the national newspapers. The main reason for this is to further reflect the transparent nature of governance. This helps to bridge the communication gap between the government and the people, thereby improving accountability allowing our people to challenge us on whether the allocation is reaching the intended beneficiaries. We should however note that IT in government is not limited to the provision of Internet facilities in government institutions alone. Widely accepted all over the world, IT is an optimal tool for improving performance – social, educational and commercial. The purpose of government is to provide an environment for its citizens to pursue personal and civil development.

Government to Government

9.   This is the most simplistic part of Information Technology Governance. At least, most Government Ministries, bodies and agencies have now created a presence on the web and are interacting between themselves. This stage which we have crossed is highly important as it forms the basis for developing and discussing national policies in a fast paced environment.

National IT Policy

10.   It is for these reasons that every progressive country has a national IT policy and an implementation strategy to respond to emerging global realities and thus avert becoming victims of the digital divide. A developing nation like Nigeria that aspires to participate effectively and become a key player in the emerging information age needs to have in place, a highly efficient Information Technology system, driven by a vibrant National IT policy focused on reaching its people.

11.   The information revolution is changing everything and we must work fast to adapt or end up being swallowed up by the waves. Under the current phenomenon of international specialisation, developing nations like Nigeria are threatened with structural irrelevance associated with their level of technological development. Properly utilised, the Information Technology revolution could spur a model of information development that would allow Nigeria leapfrog into the next development stage.

Challenges

Infrastructure

12.   It is obvious that infrastructure is one of the most important challenges to the development of IT generally, whether concerning governance or any other application. Government has recognised this and efforts are ongoing to encourage Public Private Partnership (PPP) initiatives in our quest to upgrade our infrastructures. As has been shown in the progress made in improving telecommunications, the role of the private sector cannot be over-emphasised

Literacy

13.   Another significant barrier to the use of many ICT applications, especially by government in engaging the public, is that most systems presume a certain level of literacy that is often lacking. This can constitute an insurmountable barrier to

the use of many ICT applications. Also, the basic maintenance and sustenance of the system requires highly specialised skills. People who most benefit would essentially be dependent on finding skilled administrators to be responsible for the upkeep.

Legal Structures

14.   Issues regarding legislation and regulation pose mounting challenges as IT applications continue to be developed in many areas of the world. The expansion of this industry will require the formation of regulatory frameworks in which this growth will occur. Also required is legal framework, that is local legislation on such issues as intellectual property (copyright and patent), freedom of the press and freedom of expression, privacy and related issues. Regulatory frameworks will be increasingly important, so as to ensure that IT systems and applications are developed in such manners as to take account of both international and national considerations of interconnectivity.

Financial Scams

15.   A negative factor that has adversely affected the growth and relevance of IT Governance in Nigeria has been the high incidence of internet-based financial scams, popularly known as "419". This phenomenon has, in no small measure, damaged Nigeria's image both at home and abroad, making it extremely difficult for genuine business persons to complete transactions. With the serious work being done by the Economic and Financial Crimes Commission (EFCC) and the co-operation of majority of Nigerians, this scourge is being tackled and is on the decline.

Conclusion

17. Ladies and Gentlemen, the global economy is today becoming a "virtual" one. The movement is towards information-based, information-driven, and information-valued economies all over the world. To develop, every country must engage and

share with the rest of the world. A pre-requisite for this is that there must be a set standards, rules and code of conduct that must be universally accepted and fully imbibed.

18.   As a professional body, we blazed the trail in continuously integrating technology into our professional curriculum. There is need to upscale the IT competency of our members to become global players. We are beginning to see the emergence of such people in our various sectors. We need to continuously build capacity, not only in IT awareness, but creating complete professionals who will be able to play leading roles in today's information age.

19.   As we commence deliberations on the various elements of this year's theme, I enjoin all of us to contribute fully, toward achieving our professional and national objectives.

I thank you all for listening.

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