

IT governance report

The Santam board is responsible for the governance of IT, as recommended by the King III. The board has mandated the executive team to implement the Santam IT governance framework and reporting system to monitor the risks and effective control of IT within the group. Internal audit also provides assurance to management and the audit committee on the effectiveness of IT governance.

The governance framework is directed by the Santam IT charter, which describes the IT governance mechanisms, principles and responsibilities within the group. The IT charter is in the process of being updated to incorporate a summary/overview of the Santam Information Governance Authority (SIGA). Santam IT is also in the process of reviewing and aligning a number of IT policies with the Santam group policy standards.

SIGA is a governance forum, established in 2014 and mandated to govern the information management strategy, information management policies, procedures and guidelines. SIGA will facilitate a standard set of corporate-wide data conventions including business rules, data definitions, formulae and will focus on data quality and facilitate the resolution of information issues between systems and business areas.

The group IT strategy aims to develop and implement business application platforms that will enable the overall Santam strategy to deliver products more speedily, reduce Santam's exposure due to incorrect risk calculations, move closer to

our partners and clients through different user experience platforms, and reduce the overall operational cost of our contact centres. Furthermore, from a group perspective there is a significant focus from the business to increase operating profit and reduce operational expenses. The IT strategy is also aligned with this strategic focus by reducing the complexity and number of applications within Santam, which should ultimately reduce the total cost of ownership of IT by 2018.

The main challenge for IT during 2014 was to get the company, business change and IT teams in line to deliver quality solutions for strategic programmes within contracted timelines, budget requirements, and agreed scope. Going forward, designing, developing, implementing and supporting IT solutions according to the 2018 application portfolio roadmap and total cost of ownership targets will remain challenges.

The major IT investments for 2015 and 2016 will be developing and delivering the strategic solutions set out in the leadership overview (see page 17).

