

**A SURVEY OF INFORMATION AND COMMUNICATION  
TECHNOLOGY CONTINGENCY PLANNING PRACTICES BY  
COMMERCIAL BANKS IN KENYA**

**BY**

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## **ABSTRACT**

In the last decade there have been several calamities that have adversely affected business operations. This has forced firms to undertake ICT contingency programs to protect critical systems and operations. This study concerns ICT contingency planning processes and practices by commercial banks in Kenya. The first objective of the study was to determine the contingency planning processes and practices that banks apply to develop and maintain contingency planning program for their ICT systems. The second was to determine the challenges faced when implementing ICT contingency plans and programs by commercial banks in Kenya.

A survey design was used in the study. Data was collected from 43 commercial banks using questionnaires. The questionnaires had both open and closed ended questions. The respondents were ICT managers, Internal Audit and Service Delivery managers and their assistants. The “drop and pick later” method was used to administer the questionnaires. The data collected was subjected to descriptive and factor analysis and findings were presented using tables accompanied by discussions.

The findings of the study show that over 85% of commercial banks in Kenya have operated banking business in the country for more than 20 years. About 60% of the banks under the study have opened more than 20 branches spread across the country. In addition 96.9% of the banks have established data centres for their ICT systems and about 85% of the banks indicated that they have installed more than 10 ATMs. The study findings show that commercial banks in Kenya are exposed to business risks which might affect or disrupt their normal operations. As a result most of the banks have undertaken risk assessment to identify threats, vulnerabilities and risks. Some of the risks that the respondents indicated are likely to affect their banks operations include earthquakes, network and equipment failures, fire outbreaks and computer virus attacks.

The study findings show that all the commercial banks have implemented risk control measures such as anti-virus software, firewall systems and encryption solutions to protect corporate data and information. Various challenges are encountered by commercial banks in implementing ICT contingency plans and the major challenge being inadequacy in data backup plans and lack of consistency by top management in carrying out disaster recovery plans.

All in all, the findings of the study show that commercial banks in Kenya appreciate the need for ICT contingency plans and programs and have put in place various processes and procedures to enable the banks mitigate risks and ensure continuity of business operations should incidents occur. An increased attention by top management of the commercial banks in Kenya on the ICT contingency plans and practices in place will go a long way in removing or eliminating the challenges.