IT Governance: Are You There Yet?

Increasing data use is driving economic growth in today's smart cities, making IT Governance a vital component of effective leadership and risk management.

The excitement with Cloud, Mobile Apps, Internet of Things, Big Data, Agile and other new technologies in recent times has taken away the focus from IT Governance, which was the buzzword not too long ago.

After the Enron and WorldCom scandals, the US Congress passed an act calling for greater transparency and accountability in corporate financial accounting – the infamous Sarbanes-Oxley Act of 2002 or SOX. The impetus to comply with the new regulation drove businesses to tighten corporate governance and financial controls.

Coinciding with the takeoff of the Internet and eCommerce, IT Governance was born in part, to support SOX compliance and to ensure that IT implementations have adequate, documented controls for their integration, application, support and subsequent updates. A Gartner survey of top CIO concerns at that time ranked "providing guidance for the board/executive" as top priority and "improving IT Governance" as third[1].

Nicholas Tan, a veteran in enterprise technology from NUS-ISS' IT Strategy & Management Practice, believes that new opportunities in the areas of Data Analytics, Cybersecurity and Mobile Apps are once again putting IT Governance in the spotlight. "And it will become more than just a buzzword," he adds.

According to the IT Governance Institute's definition, IT Governance is the responsibility of the Board of Directors and executive management. It consists of leadership, organisational structures and processes to ensure that the enterprise IT sustains and extends the organisation's strategy and objectives.

"Most companies would adopt COBIT (Control Objectives for Information and Related Technology), but ISO/IEC 38500:2015 – another international standard, is also gaining foothold," says Nicholas.

While COBIT – a globally recognised IT Governance framework that was developed by ISACA (Information Systems Audit and Control Association) in 1996 – provides an exhaustive set of processes, from planning and implementation to delivery and monitoring, to enable IT Governance from the ground up, ISO 38500 sets out the general principles for IT Governance and takes a top-down approach. Both principles and process framework are required for an organisation to align its IT structure and investments with the business objectives and outcomes.

[1] *http://www.isaca.org/Journal/archives/2004/Volume-1/Pages/IT-Governance-and-Its-Mechanisms.aspx*

For organisations considering IT Governance or deliberating on the right approach, Nicholas provides a simple cheat sheet to get the ball rolling.

Rationalisation. Make IT Governance a management priority. Develop a relevant case to illustrate the value of IT Governance, such as cost avoidance, productivity gain or risk management, to your organisation and its operations – appealing to the management's priorities and corporate objectives.

Readiness. Make IT Governance part of the IT strategy. Perform a gap analysis of the maturity of IT Governance by assessing the 'as is' state and identifying the 'to be' position. Prioritise objectives and outcomes, and develop a set of plans, policies and processes to close the gap.

Relevance. Make a choice of relevant COBIT processes to be 'used' to achieve established targets as opposed to 'implementing' every process for compliance.

Recognition. Make an effort to acknowledge the IT Governance team. Support them by providing attention, resources and empowerment required to execute IT Governance effectively.

Result. Make conformance to IT Governance an indicator to monitor compliance to policies and performance against plans.

"The importance and value of IT Governance cannot be overemphasised," says Nicholas. Simply: if you want to enhance your business results and have less digital headaches downstream, make sure you've put IT Governance in place.

Learn about IT Governance from Nicholas at (65) 6516 2011 or nicholas_tan@nus.edu.sg. Nicholas has designed and implemented enterprise technology solutions and services for 15 years in both the hospitality and logistics industries.

NUS-ISS conducts regular training on the NICF – Enterprise IT Governance and NICF- COBIT5 Foundation as part of the skills development roadmap for IT Governance and Risk Management.