

IT-Governance






Key factors to assess design, completeness,
effectiveness, and sustainability

- ◆ IT-Governance is here to stay
- ◆ Linking business strategy to IT strategy is crucial
- ◆ Internationally accepted frameworks help as reference
- ◆ An implementation needs to be well planned and executed
- ◆ Internal Audit can provide assurance over processes and consult on certain matters

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- ◆ IT-Governance Frameworks
- ◆ Key Aspects of an Implementation
- ◆ The Role of Internal Audit
- ◆ Q&A

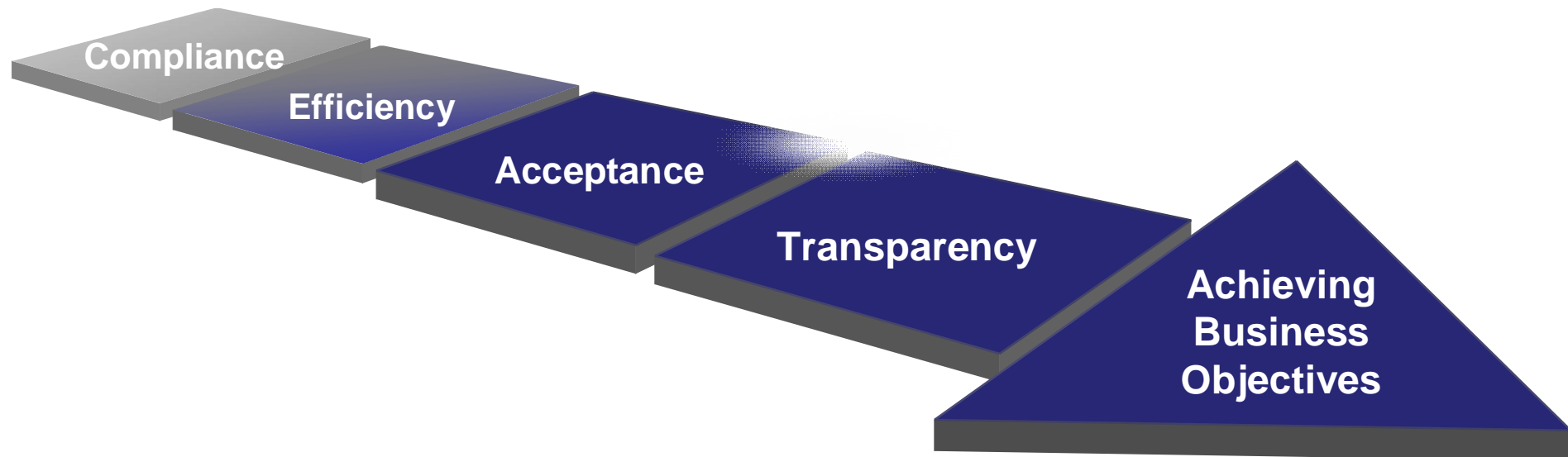


- Team-mix with strong consulting, audit (big four) and industry (blue chip) background
- Several staff with additional qualifications such as CA / CPA (Germany), CIA, CISA, CINA, etc.
- Excellent industry expertise
- Wide-ranging international experience
- Continuous growth
- Independent and solution driven
- Excellent references with global players

Process Optimization	Internal Audit	Governance & Compliance
 <ul style="list-style-type: none"> • Reporting and Controlling 	 <ul style="list-style-type: none"> • Organization and Methodology 	 <ul style="list-style-type: none"> • Compliance Management
 <ul style="list-style-type: none"> • Business- and IT-Processes 	<ul style="list-style-type: none"> • IT-Audits 	 <ul style="list-style-type: none"> • IT-Governance
<ul style="list-style-type: none"> • Fast Close • Deal & Integration Services • Contract Controlling • Project Assurance Services 	<ul style="list-style-type: none"> • Audit Support 	<ul style="list-style-type: none"> • Sarbanes-Oxley Act • Internal Control Systems • Enterprise Risk Management • Solvency II

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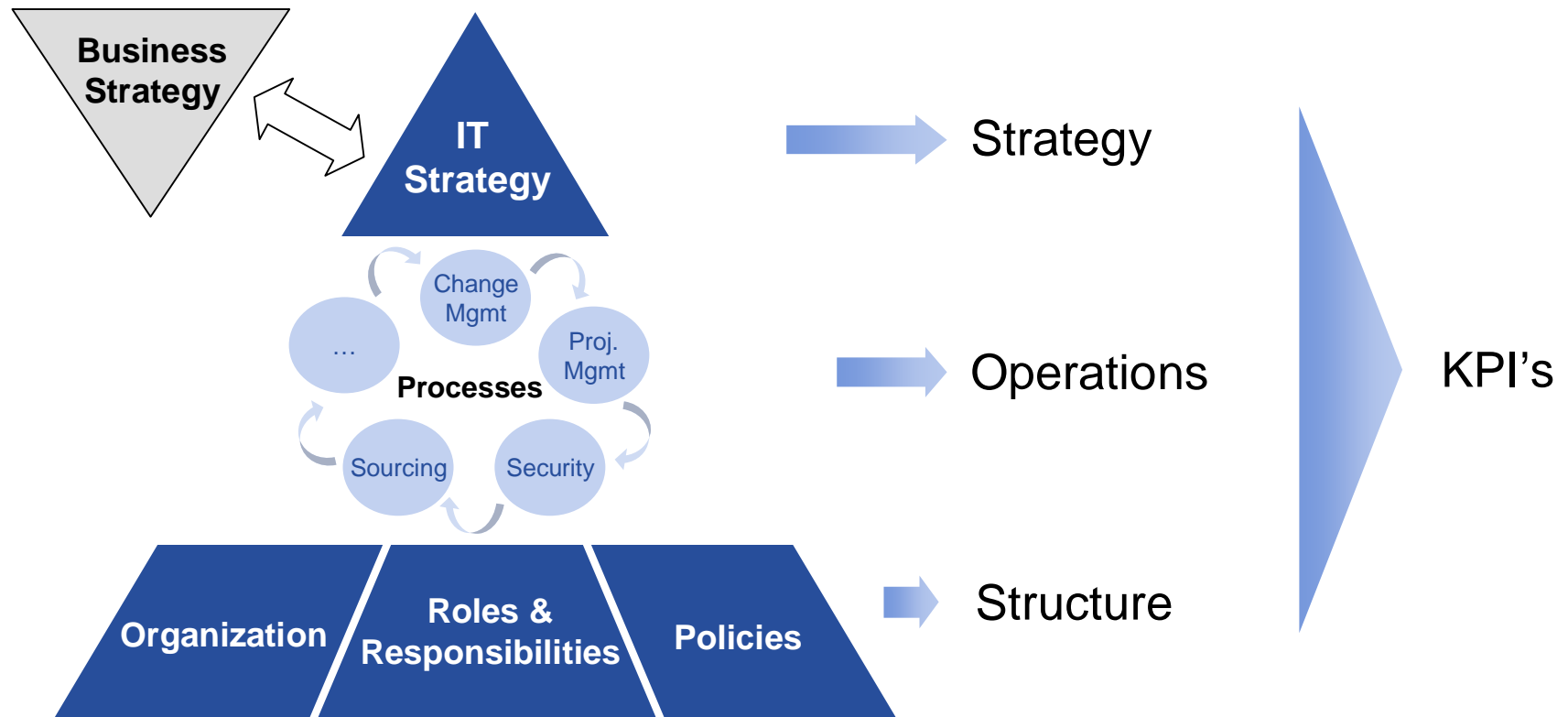
- ◆ IT-Governance frameworks help align business and IT objectives
- ◆ Challenges
 - Do more with less while meeting business needs in a changing environment
 - Comply with evolving legislation and regulations
 - Keep up with continuing innovations in technology
 - Be an enabler and driver for business strategy
 - Mitigate increasing risks within the IT environment

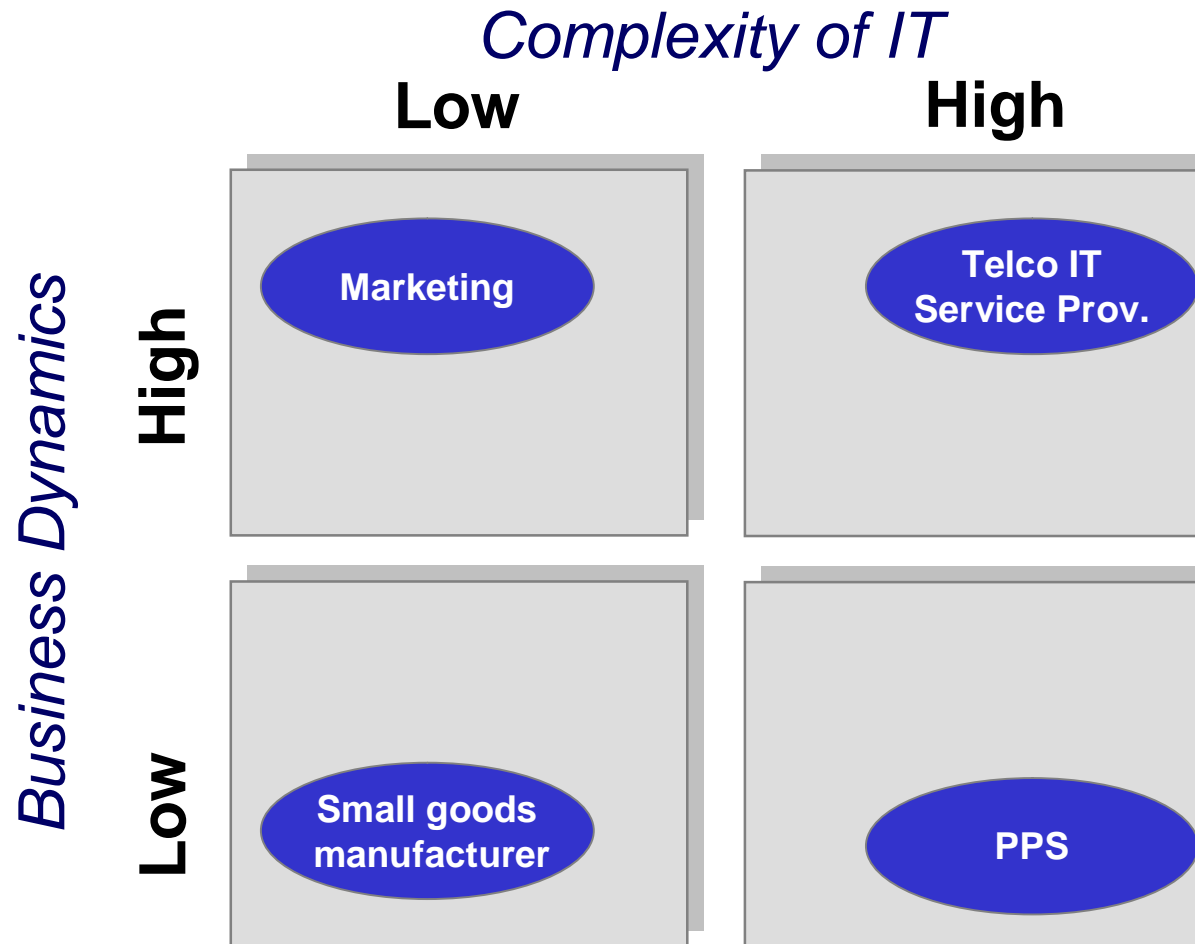


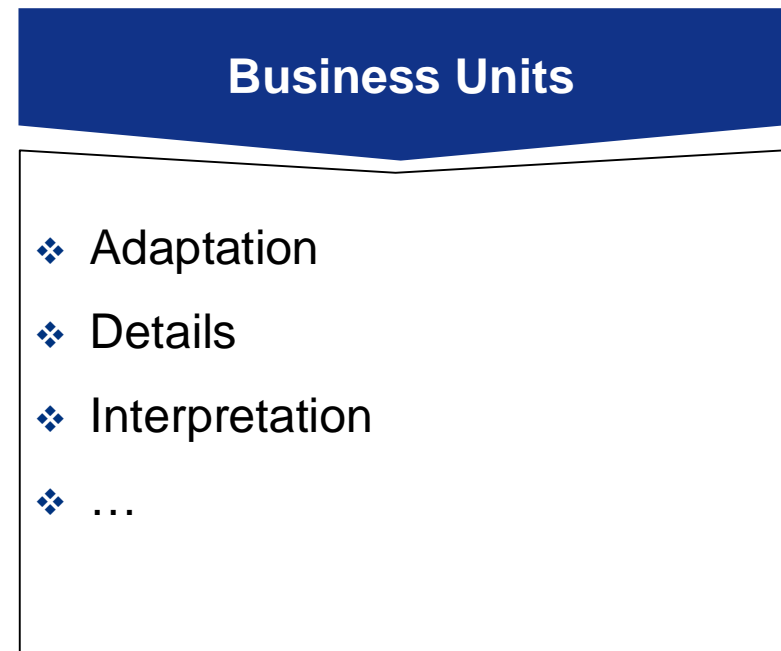
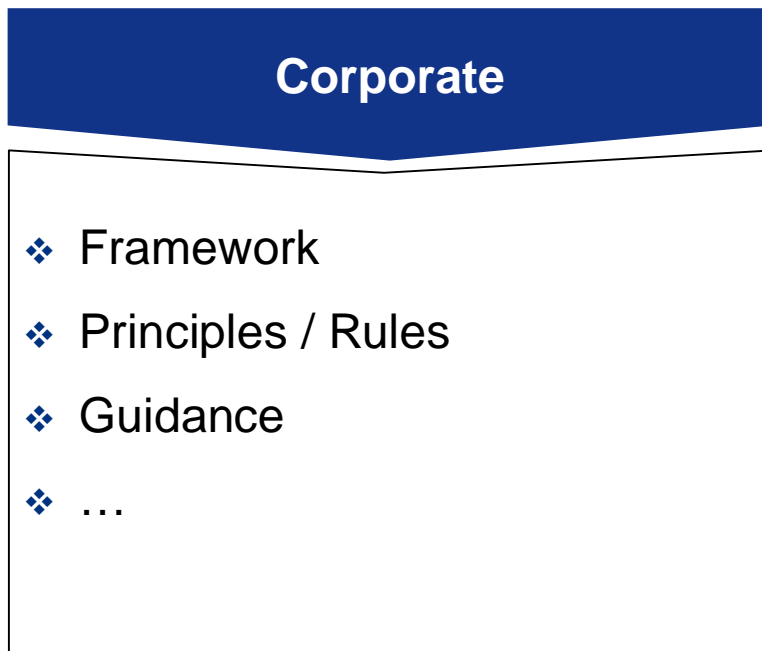
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◆ Key questions

- Do we have a clear and compelling IT strategy?
- Are we appropriately assessing and managing IT risks?
- How do we effectively and efficiently manage changes?
- Are we ensuring system security?
- How projects managed?
- How do we monitor and evaluate IT performance?
- Are we adequately protecting valuable business data?
- Are we compliant to regulatory requirements?
- Do we have an effective IT-Governance in place?







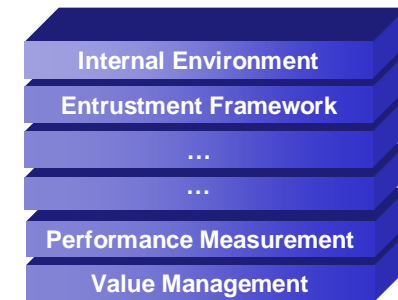
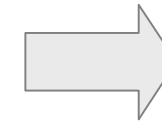
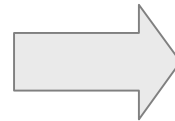
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- ◆ Frameworks as a supplementary reference for design, implementation and audit
- ◆ Reference models next to COBIT include, ITIL, PRINCE2, CMMI, etc.
- ◆ “One size fits all” does not apply
- ◆ Quotes *
 - *“COBIT provides a common language that everyone can understand ... It has helped us benchmark ... and has been useful in explaining issues to people who do not work in IT all the time.”*
 - *“The framework has been helpful ... because it guides self-assessment.”*

* Source: *Information Systems Control Journal – Vol. 4, 2008: Excerpts from the IT-Governance Roundtable, Boston, Nov. 2007*



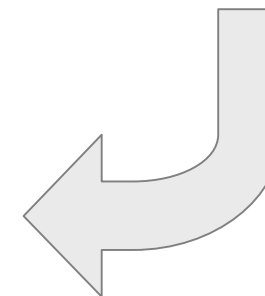
**IT-Governance
Framework
(COBIT 4.0)**



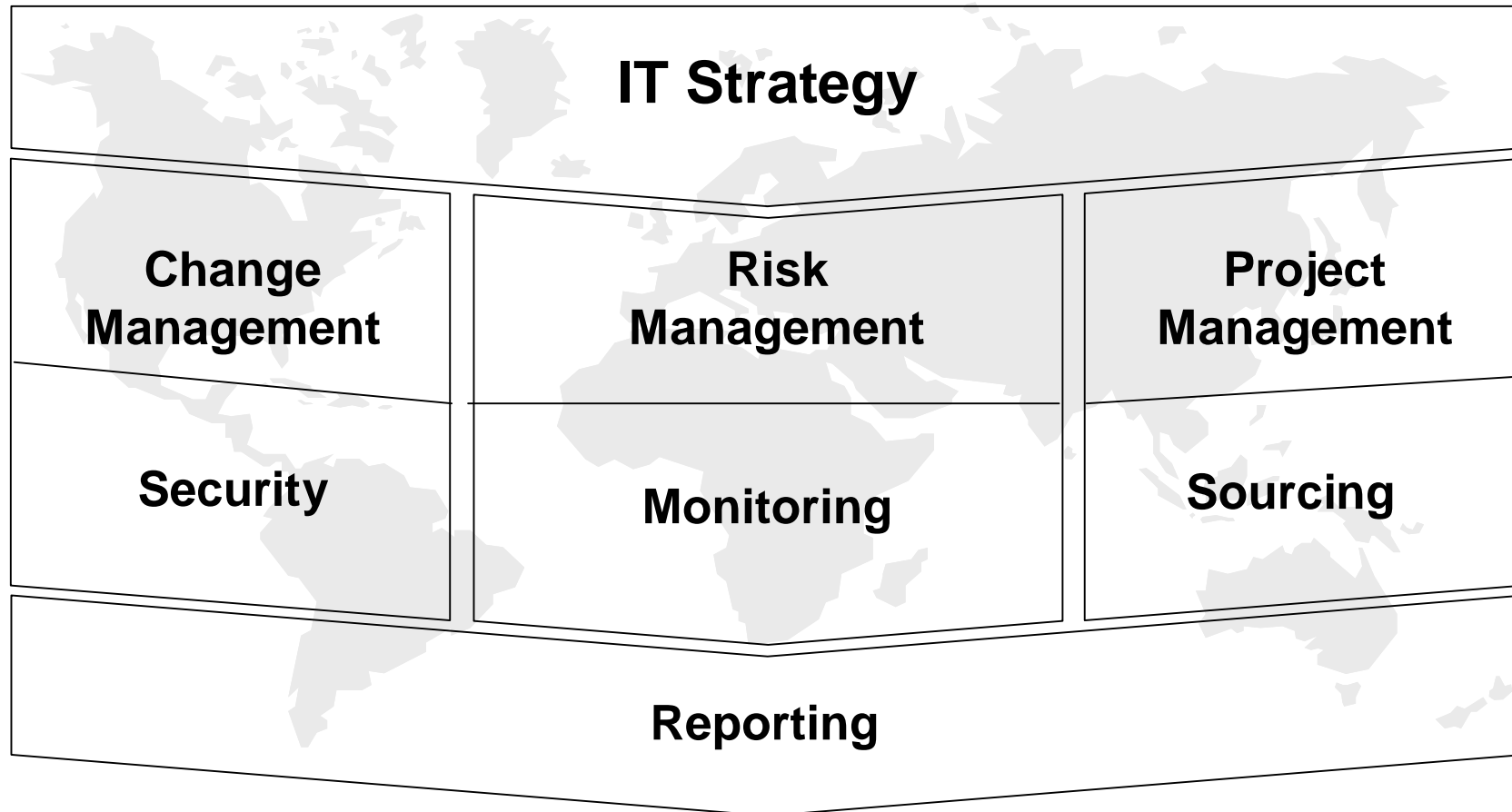
Defines IT-Governance
goals on a generic level

- Content** (Example)
- Goals
 - Organization / Accountabilities
 - Scope (i.e. locations)
 - In-scope processes
 - KPI
 - Monitoring
 - Continuous Improvement

**Derived IT-
Governance
Concept**



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◆ Rule:

- A prescribed guide for conduct or action
- An authoritative statement of what may or may not be done

◆ Principle:

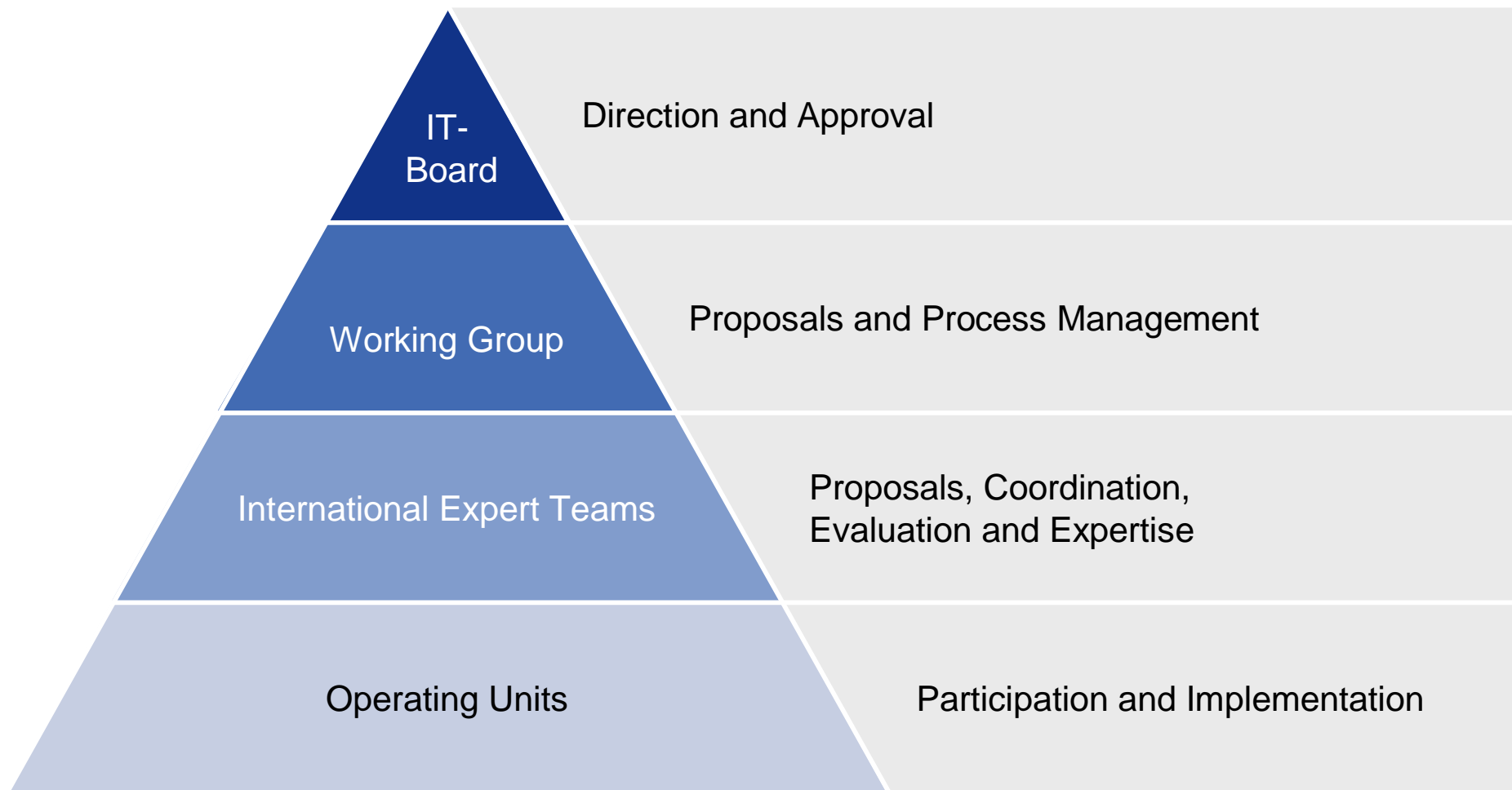
- A fundamental basis for action
- A fundamental doctrine or motivation upon which something is based
- A basic assumption

◆ Generic Principles

- IT-Governance principles apply to all IT and non-IT Managers
- Key content relating to IT-Governance strategy, structure, processes and organization to be documented

◆ Specific Principles (*Sourcing*)

- Divisions responsible for strategic IT-sourcing activities
- All IT related procurement to be signed off by a senior IT manager
- A formalized process for supplier selection is implemented
- Legal council and strategic supply chain management to be included in contract negotiations



Assessment of „as-is“ vs. „to-be“

0 Non-existent

There is a complete lack of IT-Governance practices

1 Initial / ad hoc

The organization recognized issues regarding IT-Governance practices exist and need to be addressed

2 Repeatable but intuitive

Awareness of IT-Governance practices. Practices are developed and applied by individual managers

3 Defined process

The need to act with respect to IT-Governance practice is understood and accepted. Procedures have been standardized, documented and implemented

4 Managed and measurable

IT-Governance practices evolve into an enterprise-wide process and its activities are becoming integrated with the enterprise governance process

5 Optimized

IT-Governance practices strategically linked, leveraging technology as well as other resources to increase the competitive advantage of the business

◆ Key elements

- Clear need to professionalize IT
- Commitment and buy-in of Senior Executives
- Communication and integration of IT personnel, incl. trainings
- Pilot projects and/or prototyping strategy
- Reference frameworks (e.g. COBIT)
- Steering committee and expert teams
- Clear roles and responsibilities
- Continuous improvement (e.g. applying a maturity model)

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◆ Recommended Roles

- Providing assurance over IT-Governance processes and structure
- Post implementation review
- Coordinating continuous improvement activities
- Enabler defining relevant KPI's

◆ Roles Internal Audit should not have

- Accountability
- Implementing improvements based on findings
- Main driver for IT-Governance

Assessing IT-Governance Responsibilities - *Example*



<p>1 Basic</p>	<p>Clear responsibility for the implementation of IT-Governance has not been assigned</p>	<p>IT-Governance roles and responsibilities are rarely included in job descriptions</p>	<p>Formal policies rarely set out IT-Governance responsibilities</p>
<p>2 Managed</p>	<p>A member of senior management (e.g. CIO) is responsible for the implementation</p>	<p>IT-Governance roles and responsibilities are occasionally included in job descriptions</p>	<p>Formal policies rarely set out IT-Governance responsibilities</p>
<p>3 Optimized</p>	<p>Responsibility for implementation have been assigned to senior management</p>	<p>IT-Governance roles and responsibilities are usually included in job descriptions</p>	<p>Formal policies usually set out IT-Governance responsibilities</p>
<p>4 Best Practice</p>	<p>All staff understand that they have responsibility for IT-Governance – it's "everybody's" job</p>	<p>IT-Governance roles and responsibilities are almost always included in job descriptions</p>	<p>Formal policies almost always set out IT-Governance responsibilities</p>

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