

Information Technology
Governance
As part of
Corporate Governance

What is Corporate Governance ?

The effective management of relationship with integrity to produce enhance company performance

If you do not know where you
are going any road will take
you there

Alice in Wonderland

Point No. 1

Corporate Governance is all about knowing where you want to go,

Determining how you want to go there

Facilitating the process to reach there

What is IT Governance

IT governance is the organisational capacity exercised by the board, executive management and IT management to control the formulation and implementation of IT strategy, and in this way ensure the fusion of business and IT.

What is IT Governance

IT governance is the responsibility of the board of directors and executive management. It is an integral part of enterprise governance, and consists of the leadership and organisational structures and processes which ensure that the organisation's IT sustains and extends its strategy and objectives.

IT Governance is concerned with

- IT Strategy
- IT Standards
- Integral part of the organisation
- Alignment with the organisational goals

Point No. 2

IT Strategy must meet with the
Corporate Strategy

IT does not determine corporate
goals, it only assists achieving the
corporate goals

IT should be integrated into the
overall risk management process

IT Governance concerned with

- Data accuracy
- Data safety and security
- Proper mapping of business rules
- Re-engineering

Governance must ensure

Proper, effective and timely
decision making

Transparency of the process to
stake holders

Accountability of its executive

The Cost of Governance

To achieve good governance, controls
are required

Controls cost money

Auditing these controls cost more money

In a company, first year's audit effort tested 134 process and more than 2000 controls in 53 locations and ultimately found no significant weakness

CEO of a company spent \$24 m
on auditing;

before SOX, it would have been
\$10m

Point No. 3

Corporate Governance needs to look at the cost of IT and related controls.

VFM of IT investment

The three E's

Economy

Efficiency

Effectiveness

Corporate Governance and IT – other areas of concern

- Sourcing of IT
- Regulatory Compliance
- Privacy
- Fraud Detection
- Effective internal IT audit

The Outsourcing of IT and Corporate Governance

Who owns the Data

Who owns the IT risks

What are the audit concerns

Point No. 4

All IT related risks should be integrated with the Corporate risks