

IT GOVERNANCE

With IT now a regular agenda item for corporate boards - and with the emergence of IT governance board committees, CIOs have an unavoidable obligation to deliver on the core facets of IT governance.

IT governance is a component of corporate governance and as defined by AS8015 (Corporate governance of information and communication technology) refers to 'the system by which the current and future use of ICT is directed and controlled. It involves evaluating and directing the plans for the use of ICT to support the organisation and monitoring this use to achieve plans. It includes the strategy and policies for utilizing ICT within an organisation'

"If business requirements and change management are the cogs that drive IT transformation, surely governance is the "organisational grease" that stops the friction" S. Sears "The Canberra Book: Theory and Applications of the Governance of Information Technology"

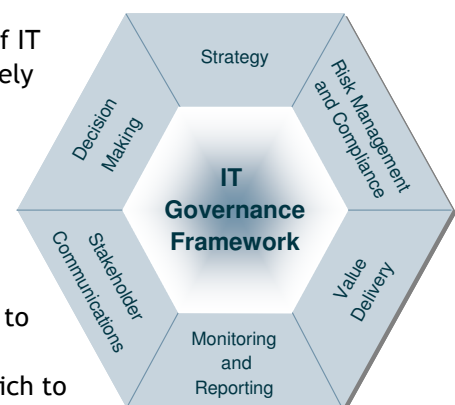
Component	Methodology/Standard
IT Governance	?
Project Management	PMBOK/Prince2
IT Service	ITIL/ISO 20000/eTom
IT Quality	CMMI/ISO 9000
IT Security	ISO 27001
IT Improvement	6 Sigma

IT Governance is now seen as the missing component for an organisation's framework for the management of its ICT structure

Previous governance focus on IT was aimed squarely at compliance. If IT is to be a core enabler of the business it is unwise to concentrate solely on accountability and assurance.

The requirement is to extend this focus and develop a governance framework that integrates both the governance and management of IT into the wider business.

Effective Governance has developed the 'IT Governance Framework' to address the requirement for focus beyond compliance. Governance works best when you have a clear framework of functions against which to articulate your roles and responsibilities.



"Effective Governance worked with Tabcorp to develop and implement an IT governance framework that will assist us on our journey to a higher level of IT governance maturity and effectiveness"

Luke Healy, CIO Tabcorp Casinos Division

By enabling your organisational IT Governance model, there are a number of outcomes and benefits to be derived:

Board level:

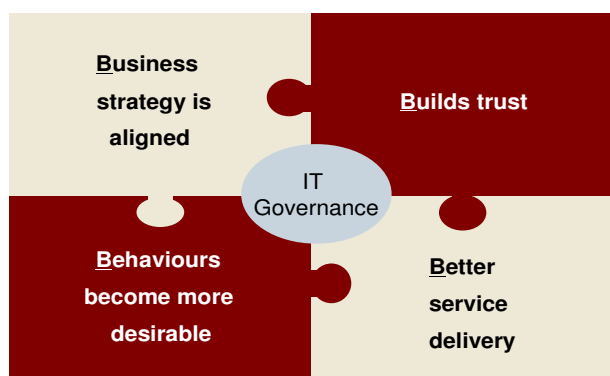
- Ensure that legal obligations are met
- Enable the board to regularly monitor activities
- Helps establish clear authority levels
- Assists in approving financial plans and budgets
- Facilitates the monitoring of risk management strategies

Management level:

- Provides the process for aligning IT investments with business strategy
- Helps to effectively prioritise requests from business units competing for resources
- Reduces redundancy within the project and application portfolios
- Reduces inefficient and over- allocation of resources
- Minimises business losses, reputational damage and a weakened competitive position
- Reduces the failure of IT initiatives to bring the innovation and benefits they promised

Organisation as a whole:

- Provides a clear communication platform across the organisation
- Assists IT management to understand the business
- Reduces unresolved conflict between business and IT management
- Changes the view that business executives take no responsibility for IT-enabled business change
- Minimises the chance that the IT organisation will fail to realise business value
- Reduces the failure of IT initiatives to bring the innovation and benefits they promised
- Or in summary, it delivers the benefits of what we term the 4b's of IT Governance



Ask yourself the following questions as a guide to see if your organisation needs to look at the way it is governing its IT function:

#	Question	Yes or No?
1	Is our IT strategy aligned with our business strategy?	
2	Are our current processes in relation to the governance of IT at the level of maturity we want?	
3	Are we aware of all the risks that could potentially impact our business from associated IT programs of work?	
4	Do we know all the regulatory and legislative requirements for IT?	
5	Do we know what benefits business is gaining, post delivery, from our IT programs?	
6	Is the business satisfied with the service it receives from the IT function?	
7	Are we able to provide an accurate appraisal of the status of IT programs?	
8	Are the board or senior executive receiving the information required to effectively oversee IT?	
9	Are we able to quickly identify the key stakeholders in relation to our IT function?	
10	Are our decision-making processes causing bottlenecks in the completion of our IT operations?	

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