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CME 201 TOPIK DALAM IT GOVERNANCE
PERTEMUAN 2-3
PROGRAM STUDI MAGISTER ILMU KOMPUTER
FAKULTAS ILMU KOMPUTER

DASAR-DASAT TATA KELOLA IT

Pertemuan 2,3

INDIKATOR

Mahasiswa dapat :

- Menjelaskan mengapa organisasi membutuhkan tata kelola IT
- Memahami fungsi dan sumber daya kunci IT
- Memahami pilar tata kelola IT: organisasi, proses dan teknologi

IT Governance

What is IT Governance ?

- IT governance provides the framework to ensure that IT investments and processes can support the organization's overall business needs.

Who is responsible for IT Governance?

- Information Technology (IT) Governance is the responsibility Executive Management and the board of directors (BOD) and is a strong representation of the “tone from the top”.
- Many BODs now have an “IT Committee”

Why is IT Governance Required/Recommended?

- Without effective IT Governance, risk exists that existing IT assets and capabilities may not meet the organization's strategic, operational, or financial objectives, or that additional IT investments will not achieve their intended incremental benefits to the organization.
- The Institute of Internal Auditors (IIA) standard states that an IT governance review needs to be part of Internal Audit planned activities.
- COBIT emphasize the importance of IT Governance

Typical IT Governance Areas

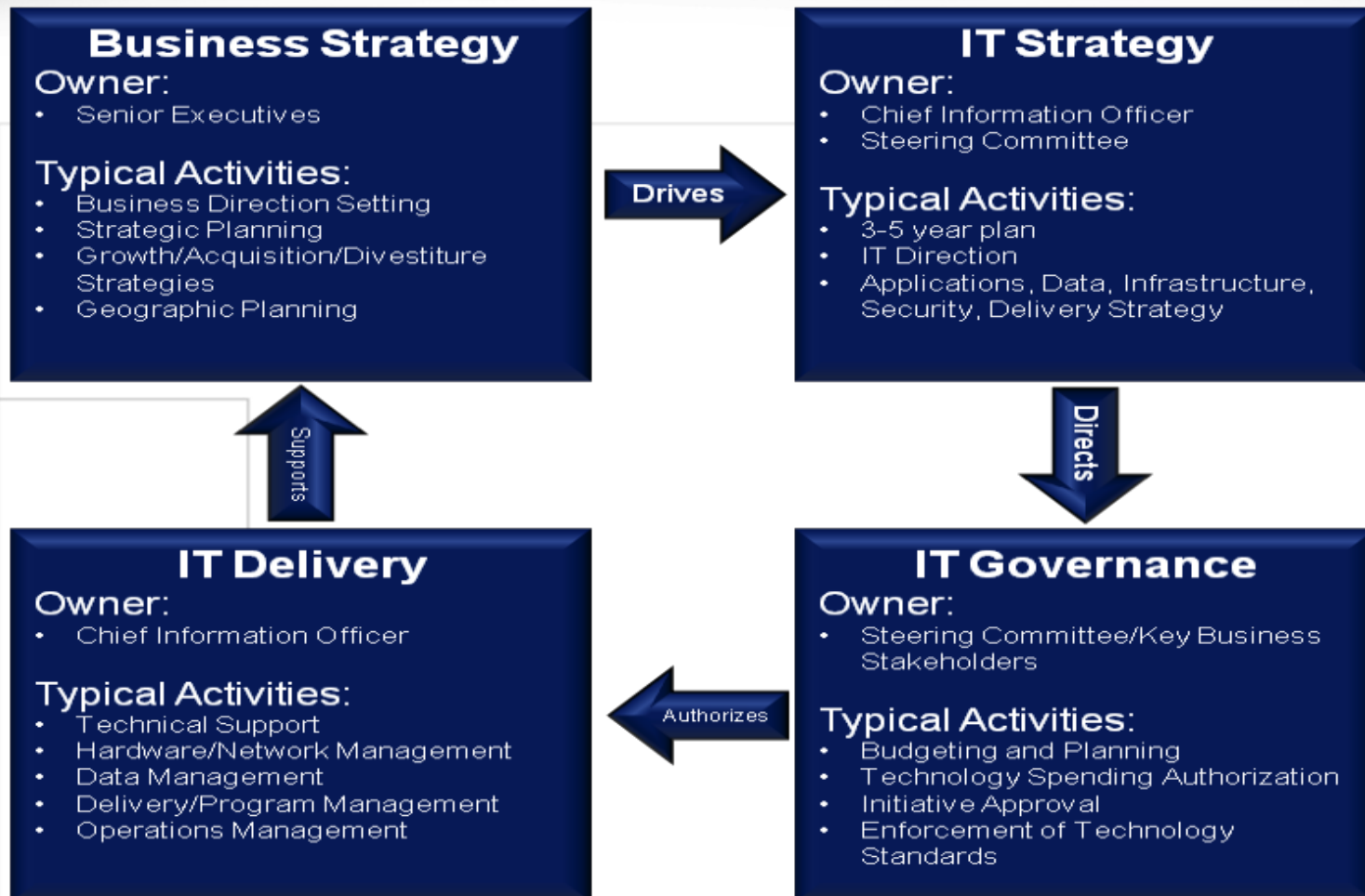
The following five IT governance capabilities are typically included:

IT Governance capability	Definition
Strategic Alignment	Monitoring the linkage of business and IT plans; defining, maintaining and confirming the IT value proposition; and aligning IT operations with enterprise operations.
Risk Management	Having a clear understanding of the appetite for risk, understanding compliance requirements, providing transparency about significant risks to the enterprise and embedding risk management responsibilities into the organization.
Value Delivery / “Project Governance”	Executing the value proposition throughout the delivery cycle; making sure that IT delivers the promised benefits against the strategy, concentrating on optimizing costs and proving the intrinsic value of IT.
Performance Management / “Ongoing IT Operations”	Tracking and monitoring, resource usage, process performance and service delivery.
Resource Management	Optimizing investment in, and the proper management of, critical IT resources: applications, information, infrastructure and people.

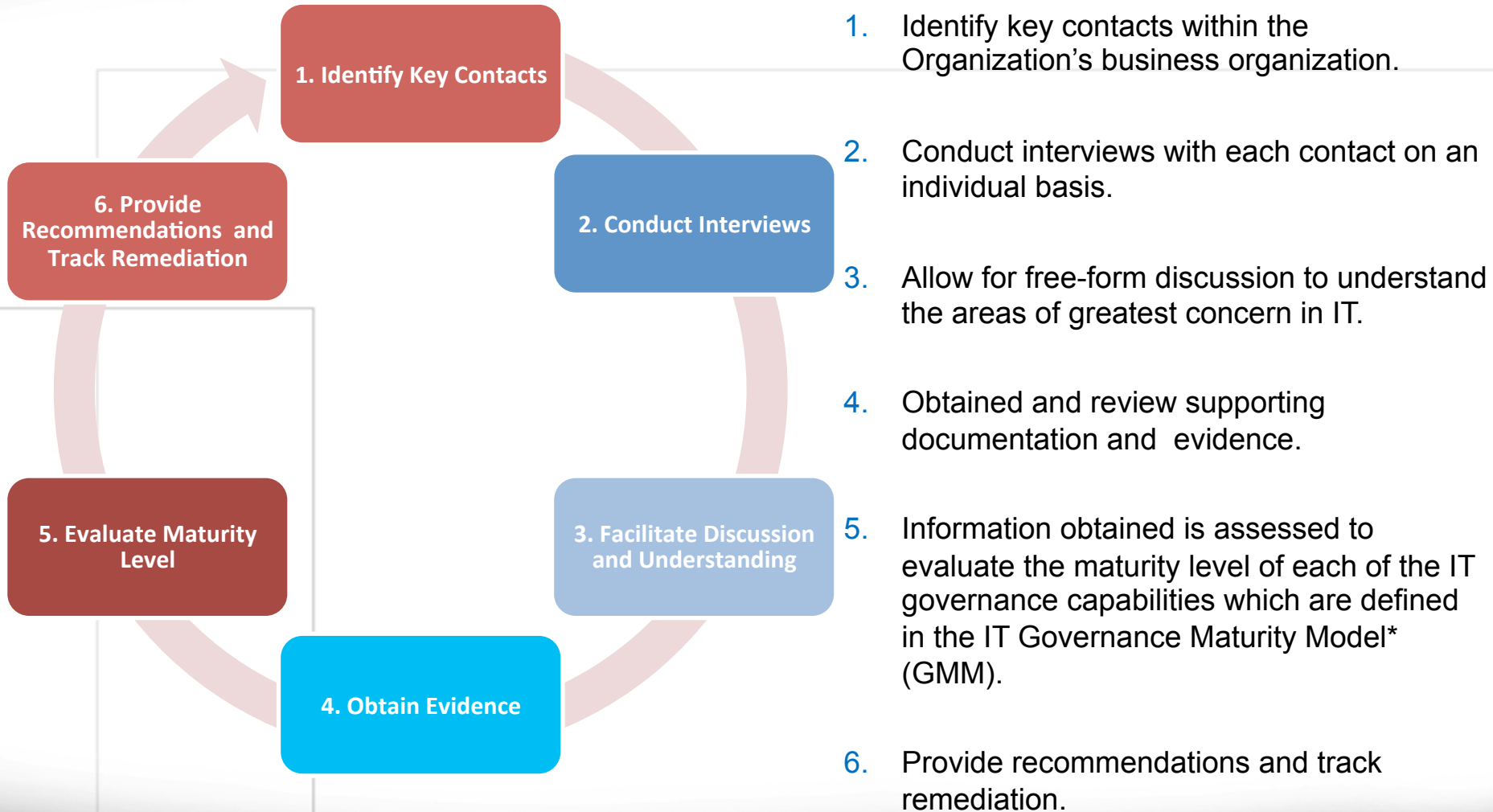
What are the benefits of IT Governance ?

- Alignment of business and IT strategies.
- Greater efficiencies, increased support and reduced costs when implementing change.
- Effective risk management and regulatory compliance.
- Effective and efficient use of IT resources for asset utilization, and business growth and flexibility.
- Improved culture in adherence to company policies and procedures.
- Improved communication of the role of IT in achieving business results and the capability to meet business needs.
- Improved IT performance measurement capabilities.

Where does IT Governance fit in an Organization ?



IT Governance Assessment Approach



Obtain the Evidence

General and #1 – Strategic Alignment

IT Governance Framework	1	Existing Governance Framework/Structure (including details around various committees, Governing Principles etc.)
IT Governance Framework	2	Latest IT Steering Committee meeting material, IT PMO meeting material (if any)
IT Governance Framework	3	IT Org Structure
IT Governance Framework	4	IT Roles, Responsibilities & Accountability document (if applicable)
Strategic Alignment	5	Overall Organization mission, vision details as well as IT mission, vision details.
Strategic Alignment	6	IT Strategy document
Strategic Alignment	7	IT short term and long term plan (3-5 years)

Obtain the Evidence

#2 – Risk Management

Risk Management	8	Evidence of risk assessments performed by management, existence of risk assessment framework. (IT risk management processes to identify, analyze, mitigate, manage, monitor, and communicate IT risk)
Risk Management	9	Documented control objectives and activities relating to IT Risk Management
Risk Management	10	Documented Enterprise Risk Management (ERM) Framework, process and initiatives (if any) and alignment with IT risk management.
Risk Management	11	Third Party/Vendor risk management policies and procedures
Risk Management	12	Documented details around risk appetite and approved risk tolerance levels. (if applicable)
Risk Management	13	IT risk management policies, procedures and standard.
Risk Management	14	Any IT Internal Audit reports in the past 24 months

Obtain the Evidence

#3 – Project Governance and #4 – Managing IT Operations

Managing Ongoing IT Operations	15	Performance metrics for services, projects, processes, and systems
Managing Ongoing IT Operations	16	Sample reports of IT's performance against defined metrics to key stakeholders and executive management
Project Governance	17	Process for the evaluation of investment and services portfolios
Project Governance	18	Established criteria for project prioritization
Project Governance	19	Details around investment types and requirement for stage-gate reviews.
Project Governance	20	Process for establishing ROI (return on investment)

Obtain the Evidence

#5 – Resource Optimization

Resource Optimization	21	Process to identify, acquire and maintain IT resources and capabilities (i.e., information, services, infrastructure and applications, and people)
Resource Optimization	22	Details around enterprise architecture (diagram, principles, approach etc.)
Resource Optimization	23	Roles and responsibilities around resource management.
Resource Optimization	24	Resource gap analysis process
Resource Optimization	25	Policies to guide IT resource sourcing strategies that include service level agreements (SLAs) and changes to sourcing strategies.
Resource Optimization	26	Policies and processes for the assessment, training and development of staff to address enterprise requirements and personal/professional growth.

Conduct Interviews–(Large Insurance Company in Midwest)

1	CIO
2	IT: VP Shared Services, VP Infrastructure, VP Information Security, VP PMO and Application Development
3	CEO (not typical)
4	COO
5	CFO
6	CRO
7	Business Unit Leaders – Region 1, Region 2, Region 3, Region 4, Region 5 (only interviewed 2 of 5)
8	Audit Committee Chairman
9	Board of Director Members – IT (2 members)

Typical Questions

The following are some of the questions we will be discussing during our interviews. Not all questions may be asked during each interview (of course additional questions may be asked to address follow-up points or questions raised).

- Strategic Alignment
 - Do you believe IT is appropriately supporting the business – both from a tactical perspective and from a strategic perspective?
 - What processes exist for defining and updating the IT strategic plan?
 - What improvements could be made by the business and IT to improve this strategic coordination (if any)?

- Project Governance
 - What formal investment criteria are defined to ensure that IT investments align with business requirements?
 - Are IT enabled investments monitored by governance committees such as an IT steering committee?
 - Do you believe that IT is delivering the value for the cost incurred (both capital and operational costs)?

Typical Questions

- Managing IT operations
 - What outcomes and performance measures are established? Are they supported by metrics and targets for IT?
 - Which personnel or committees are responsible for setting performance measures for IT?
 - Are service level agreements with end-user established and monitored – includes service providers?
 - Have there been specific issues or concerns which you believe IT should address to improve its overall performance?

- Resource Management
 - What processes are implemented to ensure IT resource management, which includes, people, hardware, and software, is aligned with business objectives?
 - What demand and capacity planning processes are implemented for IT?
 - Do you believe IT is spending the appropriate money in supporting the business? Are there specific areas you believe could be addressed?

- Risk Management
 - What key IT controls/risk management processes do you believe could be improved – e.g., security or system development?
 - Does the company spend the appropriate time and money monitoring IT controls?
 - Does management appropriately prioritize IT finding for remediation?
 - Does the company spend the appropriate time and money remediating IT controls.

IT Governance Maturity Level Assessment

Example Deliverable (NICE.... But.....)



Recommendations

Strategic Alignment	Priority
Continue with the roll-out of the Corporate-wide IT governance plan	
Risk Management	Priority
1.Internal Audit is not performing IT internal audits in an effective or efficient management 2.IT does not have a well defined process for rolling out an effective IT risk management program	
Project Governance	Priority
1. Evaluate and remediate IT Change Management, System Development and Project Management processes, key areas include: <ul style="list-style-type: none"> • Consistent software testing and QA processes • Standardized Project Management processes 2. Implement “Project Governance” process as part of overall IT Governance 3. Additional approvals for Capital / Operational project spends should be approved by the IT Steering Committee 4. Project Go/No Go criteria should be defined and implemented throughout a project lifecycle	
Managing IT Operations	Priority
Evaluate and optimize IT request processes	
Resource Management	Priority
Evaluate and optimize current IT organizational structure: Do we have right resources in the right place to support the business?	

Legend:



High



Medium



Low

Priority

Priority

Priority

TERIMA KASIH