A framework for IT Governance:

An overview of Australian Standard *AS ISO/IEC 38500:2016*

There are many descriptions of IT Governance. Notwithstanding a focus on data more narrowly, Blueprint OneWorld[1] offers this succinct description:

> *IT governance is a formal framework that aligns IT processes and functions with business strategies and objectives. IT governance arises from the demands placed on organizations to efficiently and effectively handle their data. While, in the past, the benefit of successful IT governance may have simply been a competitive advantage, in recent years, regulations have made IT governance a necessity. IT governance now includes protocols related to data retention, the processing of confidential information, financial accountability and disaster recovery.*

Blueprint OneWorld also proposes how to implement IT Governance. It outlines a number of core concepts for an environment where there are many IT projects over various timeframes competing for constrained resources both between themselves and non-IT projects:

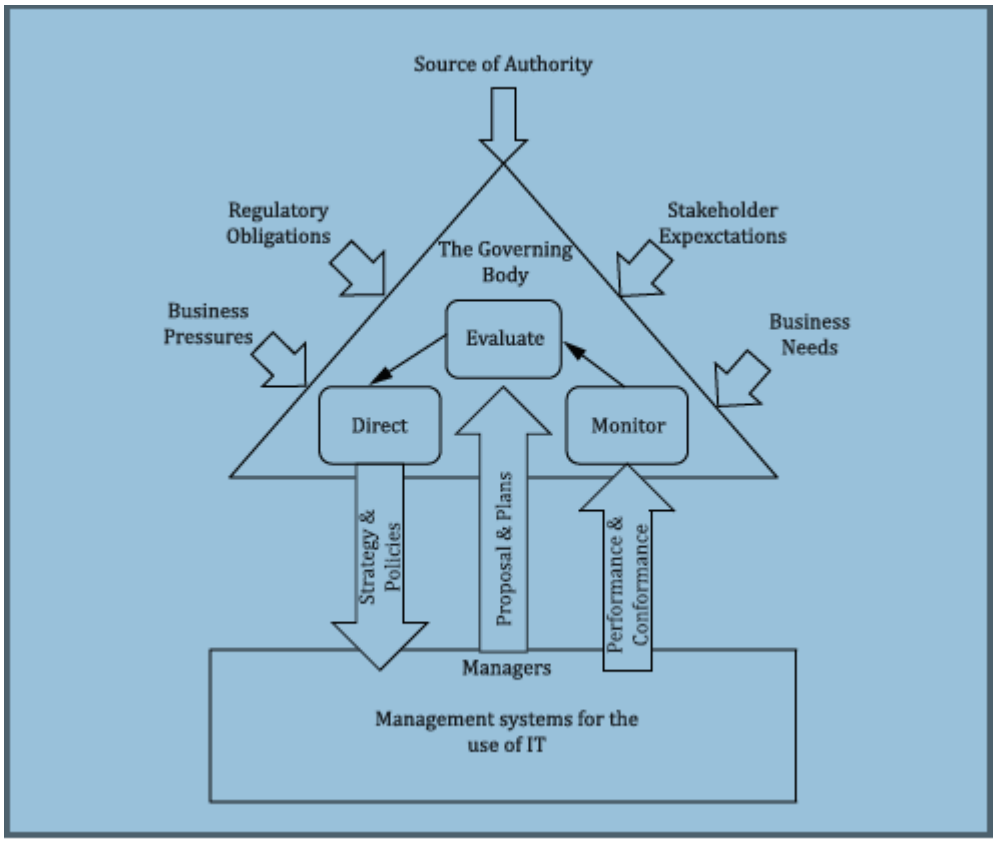
Steps Toward Implementing IT Governance

1) *Take a multidisciplinary approach from the onset*
2) *Adopt a Portfolio-Style Mindset for IT Investments*
    a. *One forward-thinking approach to IT governance calls for conceptualizing IT assets and investments from a portfolio perspective, rather than looking at it on a project-to-project basis. This allows management to assess the risks and values of each investment and understand their relative worth.*
    b. *Under this rubric, one can separate IT investments into three main bodies, according to their functions: Operations, Business Enablement and Innovation.*
        i. *Operations Programs manage data center technologies that improve information systems and support services.*
        ii. *Business Enablement Programs are tools that work to enhance your business's core processes, including any changes that may lower cost or improve profitability.*
        iii. *Innovation Programs are tools designed to encourage breakthroughs in competitive strategy or market dynamics.*
    c. *Understanding IT investments as a portfolio, rather than a monolithic, expense helps IT executives communicate the value and effectiveness of each tool to the broader organization and explain its relevance to the overall success of the company.*

[1] Blog article "Entity Management: IT Governance Best Practices, Mar 27, 2018. https://www.blueprintoneworld.com/blog/governance-best-practices/ Retrieved 14th Dec 2018

3) *Include Ways to Measure and Monitor IT Performance*

The Australian Standard ***AS ISO/IEC 38500:2016 Corporate Governance of IT*** describes a generic model for Governance of IT.



The key elements of the model are that it:

- Recognises the various drivers of IT projects and activity
- Depicts a clear separation between governance and management of IT
- Represents a continuous Evaluate-Direct-Monitor cycle

In the model, the Board and Executive are 'lumped' together with the recognition that in a larger organisation the Executive will perform much of the governance work, with oversight from the Board while in smaller organisation, the Board may be more heavily involved.

The Standard sets out six principles for good corporate governance of IT:

Responsibility	Individuals and groups within the organisation understand and accept their responsibilities both in terms of demand for, and supply of IT and have the authority to meet them
Strategy	The organisation's business strategies take into account current and future capabilities of IT while the plans for use of IT satisfy the current and ongoing needs of the organisation's business strategies
Acquisition	IT acquisition decisions are made for valid reasons on the basis of appropriate and ongoing analysis, with clear and transparent decision-making. There is appropriate balance between benefits, opportunities, costs and risks, in both the short-term and long-term
Performance	IT is fit for purpose in supporting the organisation, providing the services, levels of service and service quality required to meet current and future business requirements
Conformance	The use of IT complies with mandatory legislation and regulations. Policies and practices are clearly defined and implemented
Human behaviour	IT policies, practices and decisions show respect for Human behavior including the current and evolving needs of all the 'people in the process'

The Standard is not in any way prescriptive as to how these principles are met, only that they are met. It is for the business to determine the appropriate policies and processes to give effect to these principles.