

IT Governance: Lead on!



“You can only govern men by serving them”

Victor Cousin, French Philosopher

Is IT Governance a discipline in its own right or is it an integral part of an organisation’s enterprise governance framework?

We would say it should be both; your viewpoint may vary depending on your role in the organisation, but whichever angle you view it from the basic IT governance requirements remain the same.

So how can you step forward and maximise the merits of IT Governance?



1: Understand what an enterprise governance framework is

An enterprise governance framework is an intricate management structure which includes areas such as:

- Accountability and fiduciary duty
- Economic efficiency
- Strategic efficiency
- Stakeholder management
- Risk management

- Financial reporting
- Disclosure and regulatory compliance
- Decision making and board management control

What is IT governance?

IT governance is a subset of the overall enterprise governance framework and is a structure of disciplines that provide senior management with a controlled oversight of the IT function. They also determine the efficiency and effectiveness of IT to facilitate achievement of organisational objectives.

This is achieved by having:

- A robust organisational structure with well-defined roles and responsibilities;
- Shared accountability;
- A focussed view of the IT systems and their performance;
- Formal IT risk management, and
- An IT project framework.

Stronger IT governance practices correlate positively with a superior IT outcome.

2: Understand why IT Governance is important

One of the key goals to successful IT governance is to provide assurance that IT investment creates business value and does not expose the organisation to an unacceptable level of associated risk.

IT governance is the key to managing business expectation of IT; however reality and expectation generally differ!

Discipline

The disciplines of IT governance are the foundations upon which robust controls can be built. IT governance disciplines must include:

- An IT governance framework – this defines the structure for how the IT function will be led as well as the processes, roles, responsibilities to maximise IT as a benefit enabler and service provider.
- Strategic alignment – a mutual understanding between IT and the business to optimise IT opportunities in order to realise business objectives.
- IT-enabled value delivery – a formal approach to demonstrate the benefits achieved from IT investment.
- IT risk management – this ensures that IT and the organisation regularly assess and report on IT-related risk and the organisational impact. Any issues identified should be formally reported, managed and mitigated.

Controls

A formal IT governance structure requires robust IT controls in order for the disciplines of IT governance to be implemented and embedded across the IT function. The headline controls from which IT control practices are derived are as follows:

- Resource management – the IT function must have sufficient, efficient and competent staff at all levels.
- IT policy management – IT policies and supporting processes should be formal, owned, approved and published; and should enable consistent and reliable IT deliverables.
- IT project management – having a defined, effective, managed, monitored and reviewed set of project controls, which is aimed at delivering a quality product to fully meet the requirements of the business, is the difference between an IT project being a success or a failure.
- Performance management – IT management must invest time in monitoring the effectiveness of IT development and operational performance to ensure that it is being maintained at an acceptable level to maximise IT service efficiencies and return on investment.
- Independent assurance – internal and external audit and review provides a timely and objective indicator of the function's compliance with the IT and

organisation policies, disciplines, standards and processes.

Effective IT governance is the essence of adding value to the business and eliminating inefficient IT initiatives.

3: Assess your IT governance arrangements

When should you assess your existing IT governance structure? This is an easy question; the answer is, all the time.

Ongoing assessment of IT governance should be implicit as well as explicit and is necessary for IT governance to support achievement of business objectives and run a successful IT operation.

If you don't have an existing IT governance structure then the answer is still easy: start now!

The majority of IT functions are likely to have a degree of IT governance albeit potentially informal, disparate and/or federated. Disciplines and controls of this nature are likely to be costing your organisation financial loss. This could take a number of forms, for example:

- Cost erosion through operational inefficiencies.
- Poorly trained or incompetent staff.
- Sub-optimal management.
- Poor project control.
- Uninformed decision making.
- Communication breakdown.



4: Make IT Governance a success

Whether your IT operation is large or small, the fundamentals for success remain the same. They don't have to be complicated or onerous. They are:

Identification

What have you got and what do you need?

Management

Who is going to be accountable, responsible, make it happen?

Definition

What do you want and how are you going to achieve it?

Communication

Whom do you need to tell and what do they need to know?

Monitoring and review

What is being done and is it being done properly?

Improvement

What can you do better, where and how?

5: Make it happen for you

We have extensive experience and proven skills in IT governance and can provide a number of options which can be individually tailored to meet your requirements. We provide client-friendly and cost-effective IT governance solutions which will enable you to maximise your organisation's IT investment to deliver business benefits. This will enable your IT functions to grow organically and deliver an optimal IT service. For example:

Consultancy

This can take a number of forms, but predominantly involves either purchasing a predetermined number of days over a defined time period which can be drawn down as required to support your IT governance team.

Alternatively we can work with you to consult, advise and assist in the development, implementation or ongoing management of your IT governance function.

Management team

We can provide IT management professionals who can be contracted to be an integral element of your management team for short, medium or long terms. We have professionals available to support your requirements in all of the IT disciplines.



Implementation

Our professionals also have skills in project management and could work with you to develop and implement an IT governance framework to meet your organisation's needs:

- We can review your existing IT governance structure;
- Work with you to develop a new structure;
- Run a project to implement revisions in the structure;
- Develop new or enhance existing control practices;
- Develop an IT policy and process framework;
- Test changes;
- Provide staff training;
- Provide warranty or ongoing support.

Please feel free to contact us for advice at no obligation.

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