

Framework (*Framework*) to support effective IT governance

OCHI MARSHELLA FA

INFORMATION SYSTEMS STUDY PROGRAM

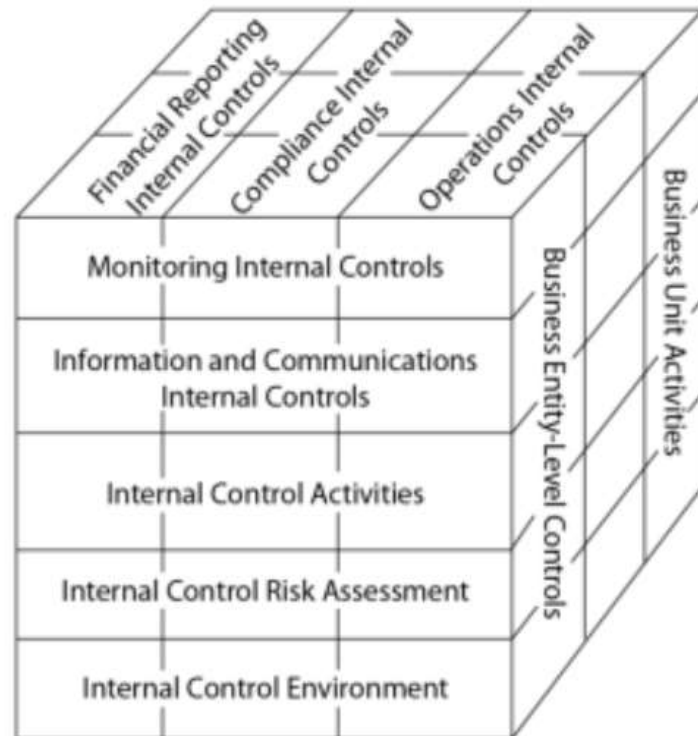
GOVERNANCE is...

A collection of management, planning and reporting and review performance, a process with interrelated decision rights, that establishes controls and performance metrics over IT investments, new or changed delivery and authorization services and compliance with regulations, laws and organizational policies.

*Objective
Tata
Manage*

1. direct and manage IT initiatives
2. align IT investments and priorities more closely with the business, manage, evaluate, prioritize, fund, measure, and monitor requests for IT services and work results in a more efficient manner.
3. Optimize business profits by utilizing resources and assets effectively.
optimally ensure that IT meets its plans, budgets and commitments
establish and explain the accountability and decision-making rights of all parties involved
involved (clearly defining roles and authorities) in managing risks,
changes, and contingencies proactively improve the performance of IT organizations,
compliance, maturity and staff development improve customer service
and overall responsiveness.

Coso (Committee of Sponsoring Organizations of the Treadway Commission) Internal Control Framework



Sumber: Moeller (2013)

Important components of the Control Environment (*Control Environment*)

1. Integrity and ethical values
2. Commitment to competence
3. Supervisory board and audit committee
4. Management philosophy and operating style
5. Organizational structure
6. Internal control that provides a framework for planning, implementing, controlling, and monitoring activities that help achieve overall objectives.
7. Assignment of authority and responsibility
8. HR policies and practices


Control

Internal

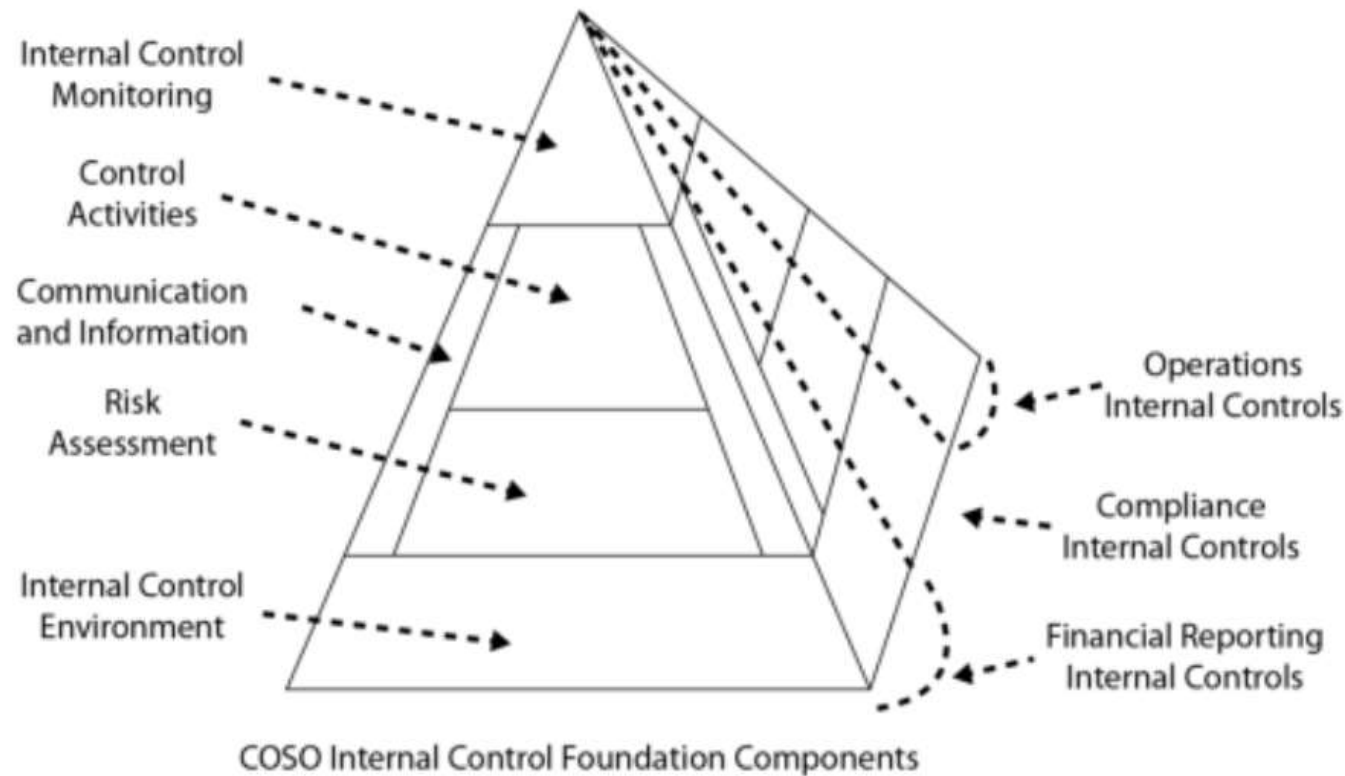
- The COSO internal control framework has a control environment section consisting of integrity and ethical values, commitment to competence of the board of directors and audit committee, management philosophy and operating style of the organizational structure, assignment of authority and responsibility, human resource policies and practices.
- risk assessment consists of control activities and communication and information.
- The internal control evaluation process consists of evaluating action plans and reporting internal control deficiencies.

COSO Framework

Control activities in COSO internal control include:

1. Top level review
 2. Functional management or direct activities
 3. Information processing
 4. Physical control
 5. Work indicators
 6. Separation of duties
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Communication and Information



Sumber: Moeller (2013)

COSO Internal Control Foundation Components

-As an important part of the internal control framework, information and communication are interrelated but each is a component of the internal control system.

-Appropriate information, supported by IT systems, must be communicated up and down the company in a manner and timeframe that allows

person to carry out their duties. For an answer, not quite enough.

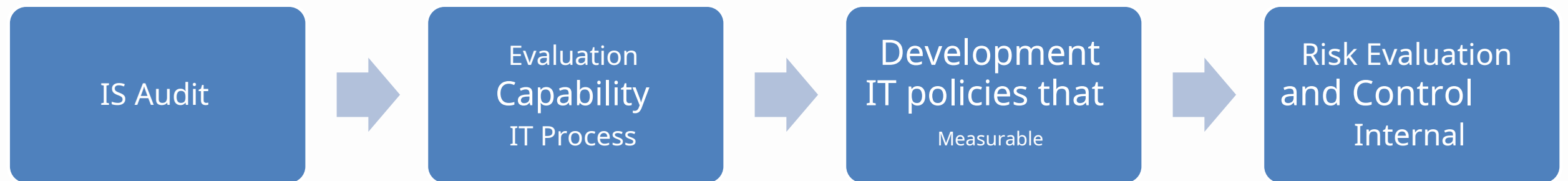
COBIT & IT Service Management

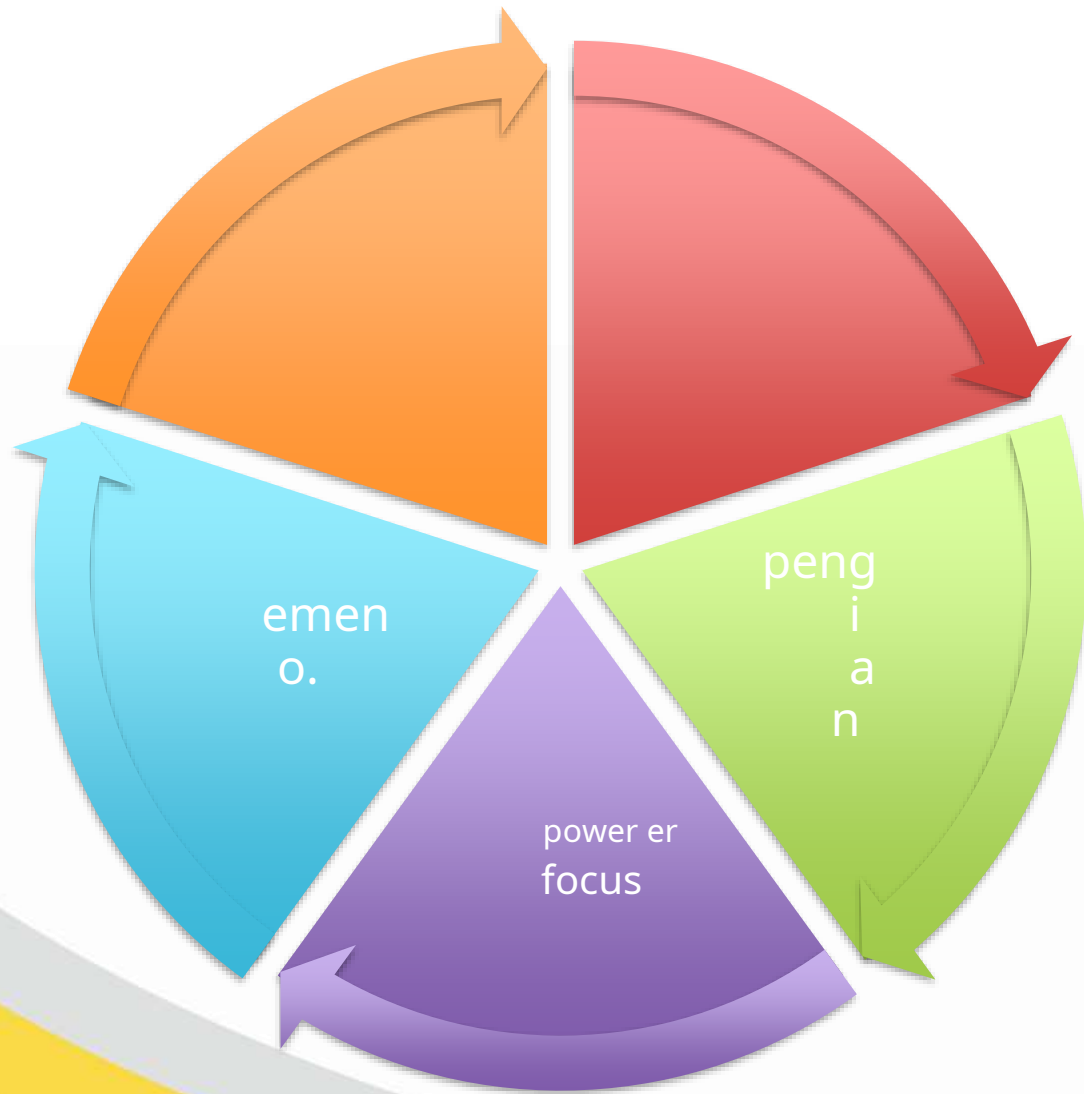


COBIT BECOMES THE SOLUTION

1. COBIT (Control Objectives for Information and Related Technology) adalah framework tata kelola dan manajemen teknologi informasi yang dikembangkan oleh ISACA. COBIT 5 dirilis pada tahun 2012 dan merupakan versi penyempurnaan dari COBIT 4.1.
2. Manajer senior dan profesional teknologi informasi (TI) telah menyatakan keprihatinannya dengan menggunakan kerangka kerja pengendalian internal COSO dalam dunia berorientasi TI saat ini. Perhatiannya adalah bahwa pedoman pengendalian internal COSO yang dipublikasikan tidak memberikan cukup penekanan pada alat dan proses TI. COBIT menjadi solusi dari kelemahan COSO.
3. Meskipun awalnya diluncurkan sebagai panduan untuk membantu profesional auditor TI internal dan eksternal yang meninjau kontrol internal terkait TI, COBIT saat ini telah berkembang menjadi alat yang berguna untuk menilai tata kelola TI dan mengevaluasi semua kontrol internal di seluruh perusahaan.

Example of COBIT 5 implementation



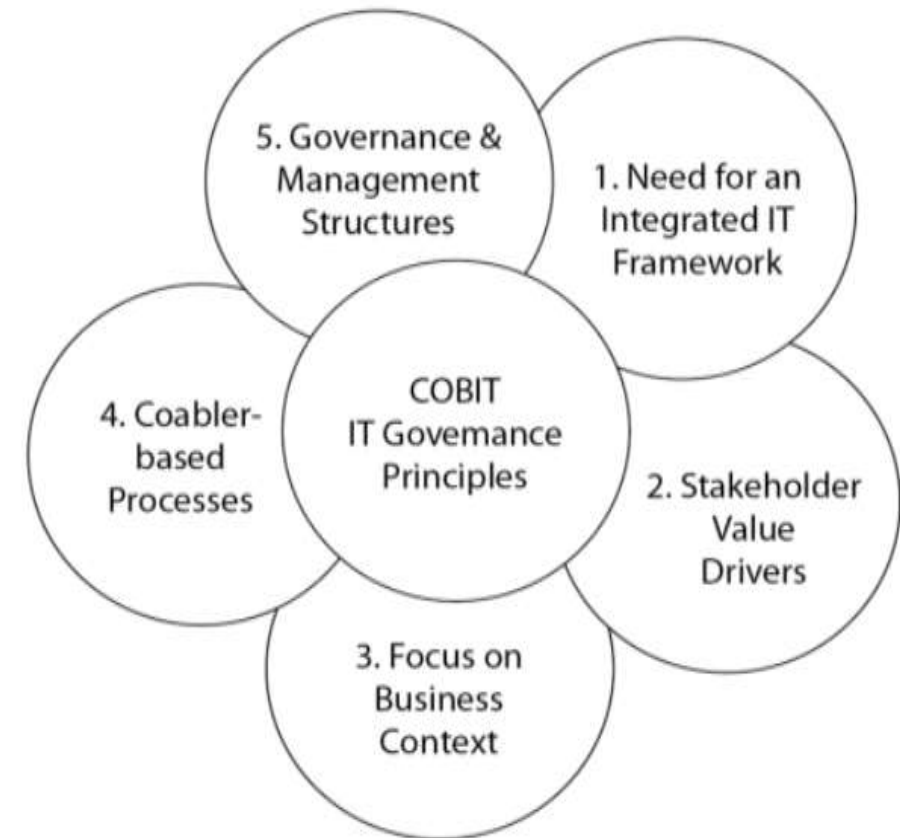


Through the effective implementation of the COBIT framework guidelines, companies should achieve improvements, value creation through enterprise IT, business user satisfaction with IT engagement and services, compliance with relevant laws, regulations and policies.

5 Principles of COBIT

Five principle COBIT or area emphasis defines the elements of the COBIT framework and provides definitions for key elements of IT governance.

The COBIT framework is an effective tool for documenting IT and all other internal controls, and this section looks at the framework in a broader perspective of using COBIT to assist in IT governance processes within management, the enterprise, and internal audit.

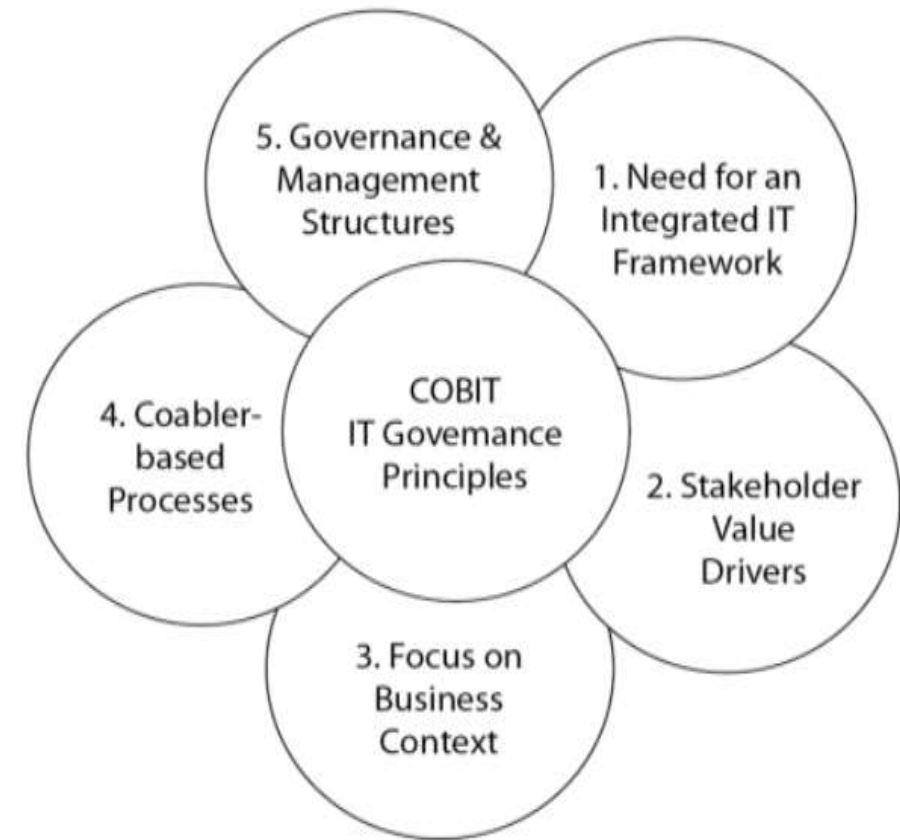


COBIT IT Governance Principles

Sumber: Moeller (2013)

5 Principles of COBIT


1. Principle 1: Building an Integrated IT Architecture Framework
2. Principle 2: Stakeholder Value Drivers
3. Principle 3: Focus on the Business Context
4. Principle 4: Governance and Risk Management Control
5. Principle 5: Governance and Management Performance Measurement Structure



COBIT IT Governance Principles

Sumber: Moeller (2013)

COBIT 5 Objectives

1. Align IT with business needs
 2. Ensure maximum benefits from IT investments
 3. Manage IT-related risks effectively
 4. Increase the efficiency and effectiveness of IT-based business processes
 5. Provide an integrated and comprehensive IT governance and management framework.
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ITSM: The discipline or process for managing IT systems from a customer-centered perspective on IT's contribution to the business. ITSM is the overall discipline or process for managing IT systems from a customer-centered perspective on IT's contribution to the business.

ITIL (Information Technology Infrastructure Library) - An independent, regularly updated collection of IT best practices that was first widely recognized by IT operations in the UK.

COBIT focuses on an IT governance framework while ITIL provides a framework for IT governance and focuses on continuous measurement and improvement of the quality of IT services provided from both a business and customer perspective.

ITIL CLITORIS

ITIL service delivery best practices encompass what is often called the IT infrastructure—the supporting processes that enable IT applications to function and deliver results to system users. Too often, company management focuses on the application development side of IT processes and neglects the critical supporting service delivery processes.

A company may invest significant effort, for example, in building and implementing a new budget forecasting system, but that budget implementation will be of little value unless there are robust processes in place, such as problem and incident management, to enable users of the budget forecasting system to report system difficulties. Strong capacity and availability processes are also needed to enable the new application to perform as expected. These ITIL processes are all part of the IT infrastructure, and a well-designed and well-managed application is of little value to its users without robust service support and delivery processes.

ITIL

CLITORIS

Some of the benefits of ITIL include:

1. increase user and customer satisfaction with the IT services provided,
2. increased service availability, which directly has the potential to increase business profits and revenues,
3. financial savings from reduced rework, lost time, better management and use of resources,
4. increased time to market for IT aspects of new products and services,
5. better decision making and optimized risks for all IT related processes.

THANK YOU

