Readings ReadMe for LM4-IT7723- IT Governance

Rich Halstead-Nussloch, CC-BY License

03Jan22



This work is licensed under the Creative Commons Attribution 4.0 International License. To view a copy of this license, visit http://creativecommons.org/licenses/by/4.0/ or send a letter to Creative Commons, PO Box 1866, Mountain View, CA 94042, USA.

## The IT7723 Story So Far

**In LM1**, we explored definitions, concepts and history of information technology (IT), the IT profession and what it includes and means to be an IT professional. We also prepared to work together throughout the course to increase our skills and capabilities to contribute to the IT profession, e.g., develop an IT Professional Tool Kit. Since IT is so large and ubiquitous, we also set the scope of this course for each of us to focus on IT strategy, IT policy, IT governance and at least one IT subject-matter domain (e.g., database, programming, security, user experience, web, etc.) pertinent to our IT practice.

**In LM2**, we explored strategy in general, business strategy, IT strategy and the relationships between business strategy, IT strategy, value creation, etc. Three key observations we made are: 1) the main goal of the IT function is *maximizing and sustaining value* for the organization; 2) the main purpose of the IT strategy is *alignment* of the IT with the organization; 3) IT strategy should guide the organization’s use of their limited IT resources in maximizing the value of IT to the organization. We also reviewed the role of frameworks, models, and best-practices in aiding strategic planning, and covered specific tools and templates for strategic planning as well.

**In LM3,** we explored policy in general discovering that it is connected to strategy and even more strongly linked to governance. We learned that IT policy can be defined as the administrative and operational procedures allowing and facilitating the disciplined and systematic implementation of sound and safe IT in support of organizational goals and business processes. Connecting to LM2, we learned that we set plans for IT through IT strategy to *maximize and sustain value* for the organization and then use IT policy to *implement our IT plans in a systematic and disciplined manner*. We also reviewed the role of frameworks, models, and best-practices in aiding setting up and implementing policy, and covered specific tools, examples, templates and advice for IT policy as well.

## Advice on what to do in LM4

After reading A4, the exercise associated with LM4, we suggest spending 2 to 5 hours exploring the readings linked here. Make sure that as you read that you think about what you read in terms of IT governance and your IT practice and transfer information as appropriate (with citations) to your A4, D2L Discussion, your IT7723 Tool Kit, your notes in an annotated bibliography, your IT7723 IT Professional Perspective Presentation, etc. Also, develop your perspective on how IT Strategy, IT Policy and IT Governance all fit and work together.

## What is Governance?

Wikipedia (<https://en.wikipedia.org/wiki/Governance#Governance_as_process>) defines “governance” in its most abstract sense as “a theoretical concept referring to the actions and processes by which stable practices and organizations arise and persist.” Furthermore, Wikipedia states the aim of governance actions and processes is “to show how rational actors may come to establish and sustain formal organizations, including firms and states, and informal organizations, such as networks and practices for governing the commons.” Although the initial definition of governance given in the Wikipedia article is closely linked to government, the quoted definition relating governance to process provides a good and relevant foundation for IT governance.

## What is IT Governance?

We now want to focus on IT governance. To get us started, we have initially defined “IT governance” as:

“The governance procedures, processes and actions that allow the executives and the management of an organization to

* Measure the value provided by IT as well as the risks and costs incurred by IT
* Direct, manage, and/or control IT for contributing optimally to organizational value while minimizing IT costs and managing IT risks
* Continuously improve IT and its contribution to the organization and its value”

As a reminder, we have defined initially “IT policy” as:

Administrative and operational procedures allowing and facilitating the disciplined and systematic implementation of sound and safe IT in support of organizational goals and business processes

As a reminder, our initial definition of “IT strategy” from LM2 is:

Plans to, over the long term, align the IT function with the mission, strategic plans, goals, needs, business model and values of the overall organization and support fulfilling efficiently and effectively its business processes.

It is worth noting here that we set plans for IT through IT strategy to *align IT with the business to maximize value* and then use IT policy to *implement our IT plans in a systematic and disciplined manner*. IT governance processes are used by the organization to *measure and ensure IT contributes to organizational value with minimal cost, continuous improvement and controlled risks.* IT strategy, IT policy and IT governance are all related and have many points of overlap. Through the years, this has led to confusion, ambiguity and using the terms somewhat interchangeably. Although becoming too picky is possible here, it is recommended that each IT professional create or adopt a definition for each of the three that allows separation of the three terms from each other.

That IT governance involves some ambiguity is underscored by being covered with multiple interpretations and perspectives:

<https://en.wikipedia.org/wiki/Corporate_governance_of_information_technology> approaches IT governance as a subset of corporate governance. This nesting of IT governance within the larger organizational governance is an important concept and theme that is key to understanding how IT works to make the organization work.

The CIO-Wiki page on IT governance (<https://cio-wiki.org/wiki/IT_Governance>) goes through many of the concepts, relationships, constraints and issues surrounding IT governance and it’s implementation.

It is worthwhile spending an hour or so exploring the Wikipedia and CIO-Wiki pages on IT governance. As you do so, work on forming a model for yourself about how IT strategy, IT policy and IT governance are related and how they might work together to ensure IT helps the organization create value.

## IT Governance Frameworks

For many years, various IT governance frameworks have been developed, implemented, expanded and improved. The CIO-Wiki describes three “neutral” IT Governance Frameworks (<https://cio-wiki.org/wiki/IT_Governance#IT_Governance_Frameworks>) as worthy of consideration. No single framework covers all of IT governance, so familiarity and expertise in many frameworks is helpful for the IT professional to understand IT governance. The IT governance frameworks cited by the CIO-Wiki include:

* ITIL- see <https://en.wikipedia.org/wiki/ITIL>
* COBIT- see <https://en.wikipedia.org/wiki/COBIT>
* ISO 27001/27002- <https://en.wikipedia.org/wiki/ISO%2FIEC_27001> and <https://en.wikipedia.org/wiki/ISO%2FIEC_27002>

It is worth a half hour reviewing these and what the CIO-Wiki has to say about them and IT governance frameworks in general.

Other frameworks for approaching and rationalizing IT governance that are worth some time to become familiar include:

**The Balanced Scorecard**- <https://en.wikipedia.org/wiki/Balanced_scorecard>, which is a tool to monitor and govern an organization’s activities, including IT.

**ISO/IEC 38500**- <https://en.wikipedia.org/wiki/ISO/IEC_38500>, which is a standard for corporate governance of IT.

**COSO**- <https://www.coso.org/Pages/governance.aspx> and <https://en.wikipedia.org/wiki/Committee_of_Sponsoring_Organizations_of_the_Treadway_Commission>

Note- COSO materials are copyrighted by COSO. For details, see- <https://www.coso.org/Documents/Acceptable-Use-of-COSO-Materials.pdf>

**Georgia Technology Authority**- <https://gta-psg.georgia.gov/book-page/enterprise-policies-standards-and-guidelines>, which is an example use of COBIT, ITIL and other IT governance frameworks to create a rational approach to IT governance, IT policy and IT strategy as well for the State of Georgia.

**Governance, Risk and Compliance (GRC)**- <https://en.wikipedia.org/wiki/Governance,_risk_management,_and_compliance>, which is an approach to put together three “practices” important to the success of any organization and especially that organization’s IT function.

**EDUCAUSE on IT Governance/GRC**- <https://www.educause.edu/focus-areas-and-initiatives/policy-and-security/it-governance-risk-and-compliance-program>, which is a portal to EDUCAUSE resources covering IT governance, IT risk and compliance (IT GRC) programs in higher education.

## Links to copyrighted material above are provided by permission as described in the following:

CIO Wiki (<https://cio-wiki.org/wiki/Main_Page>)

<https://creativecommons.org/licenses/by-sa/3.0/us/>

### EDUCAUSE Links (educause.edu)

Copyright:

<https://www.educause.edu/copyright>

<https://creativecommons.org/licenses/by-sa/1.0/legalcode>

Terms of Use: <https://www.educause.edu/terms-of-use>

### US Government Works (Many urls with .gov extension)

<https://www.usa.gov/government-works>

### Wikipedia Links (Wikipedia.org)

Copyright:

<https://en.wikipedia.org/wiki/Wikipedia:Text_of_Creative_Commons_Attribution-ShareAlike_3.0_Unported_License>

<https://creativecommons.org/licenses/by-sa/3.0/>

Terms of Use: <https://foundation.wikimedia.org/wiki/Terms_of_Use/en>