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IT Governance - a key asset to ensure top business performance

It is becoming increasingly important for the top structures of an organisation, and more particularly non technically savvy directors and their management, to understand the language of IT and the people who drive the IT within their organisations. Moreover, as technology advances unabated, the divide between the business-minded and the technologically-minded people is not only difficult to reconcile, it is also exacerbated by the 'silo mentality' that often exists between the business and IT functions in many organisations still today.

Due to the critical role IT plays within most organisations, not enough understanding neither debate surrounding IT, and more importantly the governance thereof, is being entertained within the boardroom.

Essentially governance, and in particular IT governance, is about business decision making and communications - it concerns itself with the manner in which boards regulate and manage IT and not how the IT department manages itself.

"The need for good governance stems from the need of an organisation to make good decisions, and to communicate them effectively throughout the organisation, and supported by the board", says Terry Booyesen, CEO of CGF Research Institute. He continues, saying that, "IT today is the most pervasive function within an organisation, having horizontal presence across most, if not all, lines of business."

Echoing these sentiments, Dave Linacre, Head of ITS in IBM South Africa adds that, "IT therefore must be viewed as one of the organisation's key assets and must be fully understood to not only maximise the benefits obtained from IT, but also to manage and mitigate the risks associated with it." Linacre further adds that, "a new set of governance challenges has emerged as IT has matured, given the emergence and traction of service orientation and Service Oriented Architecture (SOA) as a way of aligning business strategy and imperatives with IT initiatives."

It is precisely for this reason that CIOs (Chief Information Officers), being responsible for the business' technological requirements and the governance thereof, should occupy a board position in order to bridge the technological knowledge gap between the business, it's strategy and IT.

As the distributed nature of services increases across the organisation - they can function properly and efficiently if, and only if, the organisation is governed effectively. Regulatory acts such as Sarbanes Oxley and Basel-II, as well as Corporate Governance recommendations such as King III, stress the need to establish and maintain corporate accountability as well as periodic assessments of IT and its effectiveness. Good and efficient practices of corporate and IT governance is attracting investors as they attach more credibility and faith to the success and stability of organisations that take governance seriously.

It is in this context that companies and organisations today are increasingly focusing on IT governance for 3 key reasons, namely:

1. the need to meet and document compliance to externally imposed business practices, including Sarbanes Oxley, Basel-II, King III and others;

2. the desire to deliver more value to the business from the IT operations and investments, including the need for business-critical systems to be resilient and available when the business or consumer requires them; and
3. the desire to improve the agility, value and innovative capabilities of strategic and developmental initiatives.

Booyesen concludes saying that, “Business Continuity Planning (BCP) and Management, and resilient infrastructure and architecture, are key contributors to sound corporate and IT governance discipline. As such, it must form an integral part of the governance implementation and ongoing governance process lifecycle.”

Without BCP, IT governance and ultimately corporate governance fails with consequent impacts on the organisation’s stakeholders, marketplace perception and reputation, and in some cases the survival of the organisation itself.

For more information on the captivating subject of IT Governance, contact:

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