

Aligning Corporate Governance with IT Governance and Why Should I Care?

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Introduction

- Stakeholders across an organization often have differing perceptions regarding the roles, responsibilities, and the key components for effective governance. Our program will present strategies and discussions to better align those charged with designing, developing and overseeing governance with IT professionals balancing compliance and program requirements with their day-to-day operational pressures.

Objectives

Understand	Roles and responsibilities of board members, executives, auditors and IT Professionals
Recognize and Address	Common communication challenges
Consider	Frameworks for Governance, Risk Management and Cybersecurity
Improve	Skills for managing both upwards and downwards
Understand	Increased governance risks for global or highly decentralized organizations

Corporate Governance

- The framework of rules and practices by which a board of directors ensures accountability, fairness, and transparency in a company's relationship with its all stakeholders (financiers, customers, management, employees, government, and the community). – *Business Dictionary*
- The system of rules, practices and processes by which a company is directed and controlled. Corporate governance essentially involves balancing the interests of a company's many stakeholders, such as shareholders, management, customers, suppliers, financiers, government and the community. – *Investopedia*
- The mechanisms, processes and relations by which corporations are controlled and directed. Governance structures and principles identify the distribution of rights and responsibilities among different participants in the corporation ... includes the rules and procedures for making decisions in corporate affairs. – *Wikipedia*

IT Governance

- The structure around how organizations align IT strategy with business strategy, ensuring that companies stay on track to achieve their strategies and goals, and implementing good ways to measure IT's performance. It makes sure that all stakeholders' interests are taken into account and that processes provide measurable results – CIO Magazine
- IT governance is the primary way that stakeholders can ensure that investments in IT create business value and contribute toward meeting business objectives – Robert Smallwood, AIIM Community
- IT governance (ITG) is defined as the processes that ensure the effective and efficient use of IT in enabling an organization to achieve its goals. – Gartner

IT Governance

OBJECTIVES

- Strategic alignment
- Value delivery
- Resource management
- Risk management

COMPONENTS

- Leadership/Structure
- Policies
- Frameworks
- Education, Training, Awareness
- Risk Assessment
- Compliance
- Monitoring

SCOPE

- Information Governance
- Data Governance
- Security

IT Governance - Stakeholders

- Board of Directors
- Executive / Senior Management
- Company Employees
- Customers
- Vendors
- Auditors
- CIO
- Security Officers
- IT Managers
- Engineers
- Developers
- IT Staff

IT Frameworks/Standards

- **CobiT ®**
- **ITIL**
- **VaLiT ®**
- **ISO 38500**
- **NIST**
- **Center for Internet Security Top 20 Controls**

*How to Help
Leadership
Understand IT and
IT Governance*

- Educate
- Listen
- Communicate
- Translate
- Be Strategic
- Be Open and Honest

*How to Help
Leadership
Understand IT and
IT Governance*

- **Cyber Security –**
 - Risk tolerance
 - Align with risk to the entity
 - Explain in words they can understand
 - Be realistic
 - Explain communication plan

How to Help IT Professionals Value and Manage Governance Programs

- Education and Training – explain “why” this is important
- Tone – make it important, “walk the talk”
- Empowerment – encourage innovations to simplify, automate
- Risk management – policies, procedures and level of effort should align with risk
- Transparency – in discussion of issues, problems, events

*Current Challenges
including
Globalization and
Geographically
Disbursed
Workforces*

- Time zones
- Cultures
- Languages
- Regulations
- Virtual Work Environment

Costs of Compliance – Risk vs. Reward

- Sooner Is Better – Build governance framework and supporting infrastructure before you need it
- Less Is More – “KISS” – don’t document to document, align with size, complexity of organization
- Empowerment – encourage innovations to simplify, automate
- Risk management – policies, procedures and level of effort should align with risk
- Transparency – in discussion of issues, problems, events

Why Should I Care?

- Sets Expectations
- Clarifies Roles and Responsibilities
- Creates Accountability
- Aligns IT within the Organization
- Reduces Risk
- Provides Continuity and Consistency
- Provides a “Voice” for IT
- Connects you to the larger entity

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- Louise Peabody has over 30 years of experience providing advisory, accounting and IT services in the Washington DC area. She is a former partner at CohnReznick LLP where she recently focused on clients' risk management and compliance needs. Louise has extensive experience consulting with emerging and complex businesses, not-for-profits and government agencies advising on implementation and sustainment of governance and internal controls programs. She fosters an integrated approach to governance helping directors, executives and employees understand and participate in achieving organizational objectives. Louise is a Certified Public Accountant, and holds a Certification in Risk Management Assurance (CRMA) and a Project Management Professional (PMP) certification. She is a Board Member for the *STEM for Her Foundation* overseeing Program Development. Her background provides a unique mix of experience addressing financial, operational, IT and compliance challenges