

# **Establishing balance in direction and control of information technology**

## **ISO 38500: Corporate Governance of Information Technology Extended MasterClass**

### **Event Outcomes – Photographs and Self Assessment Results**

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This document contains photographs and self-assessment results of the two day workshop held at the Melia Hotel, Kuala Lumpur, on 16-17 April 2009.

Seventeen participants from diverse backgrounds shared experiences and explored the meaning of the new International Standard for Corporate Governance of Information Technology, in eight sessions.

The photography duties were undertaken by our host from Expitris Worldwide Sdn Bhd, Mr Agim Metalla.

The self-assessment results were compiled at the end of day 2, from the responses of participants to the 84 point self-assessment undertaken during the class. It became evident through the session that there is considerable diversity in the approach to, and performance of, governance arrangements for IT across the organisations represented. Even the best performer has opportunities for improvement, while the weaker performers

Have many opportunities and should prioritise their efforts to maximise the value of improvement.

Following the results, readers will find the outline of the two day session, as a reminder of the topics addressed and as an enticement to join us for a future event.

I thank Expitris Worldwide for their efforts in setting up this session, and I thank the participants for their interest and their very strong contribution to the discussion during the eight sessions.

Mark Toomey  
20 April 2009.





# Class Photo #1





# Class Photo #2







# Ready to start





# Group discussion





# Pleasant environment





# Discussing the Principles





# Attentive participation





# A different perspective





# Lucky prize winner

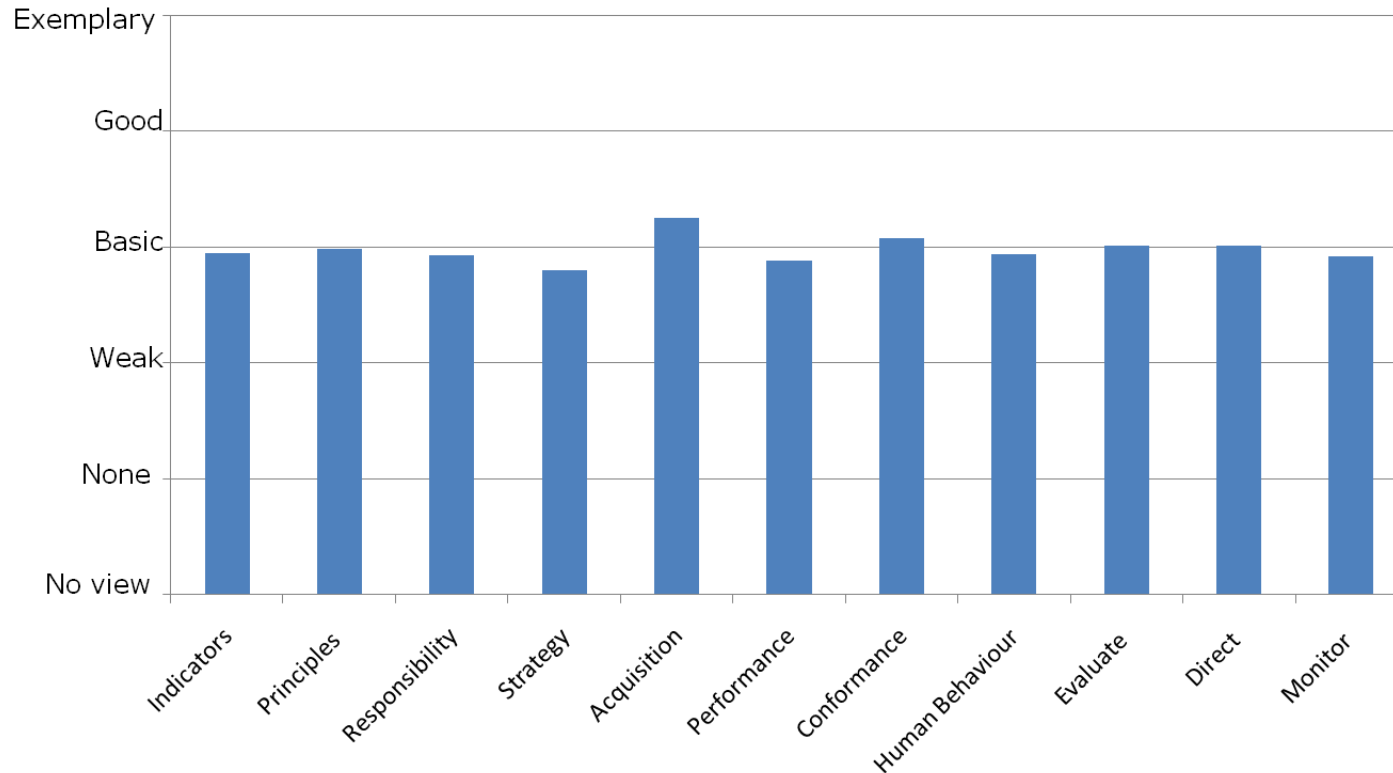




# Self-assessment Results

## – Overall Alignment

**Overall alignment to ISO/IEC 38500 (15 responses)**

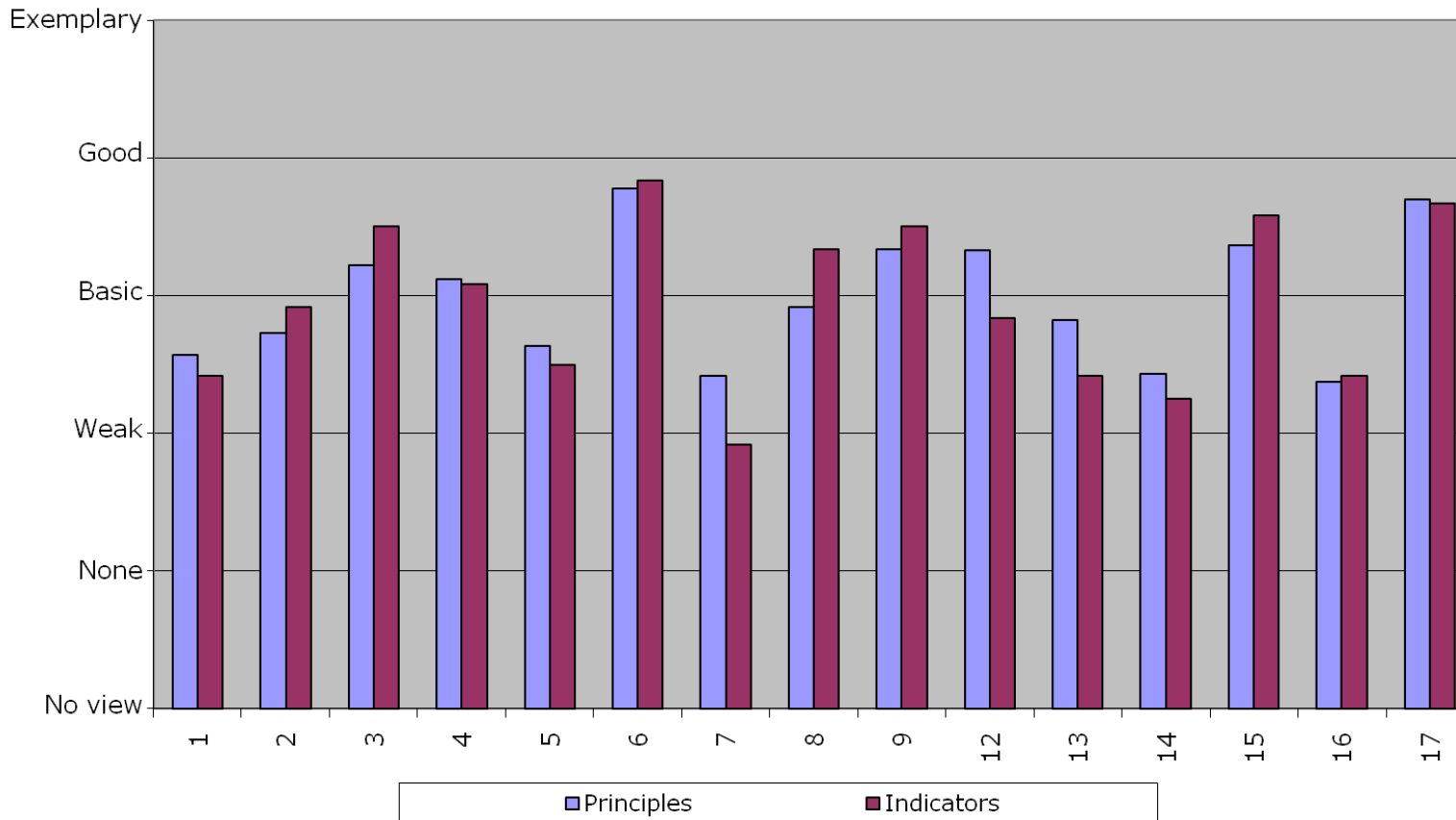


On average, participants in the class rated their corresponding organizations as exhibiting only a basic level of governance. They lack sufficient clarity on allocation of responsibility for successful use of IT, they need to plan for more effective use of IT, they need to pay more attention to the performance of their IT, and they should build on the strengths in their acquisition and conformance processes. They need to give more attention to respecting the human behaviours that are crucial to IT success, and they should ensure that their governance arrangements give equal attention to monitoring, as for evaluating and directing.

# Self-assessment Results

## – Alignment comparison

**Comparison of alignment scores**

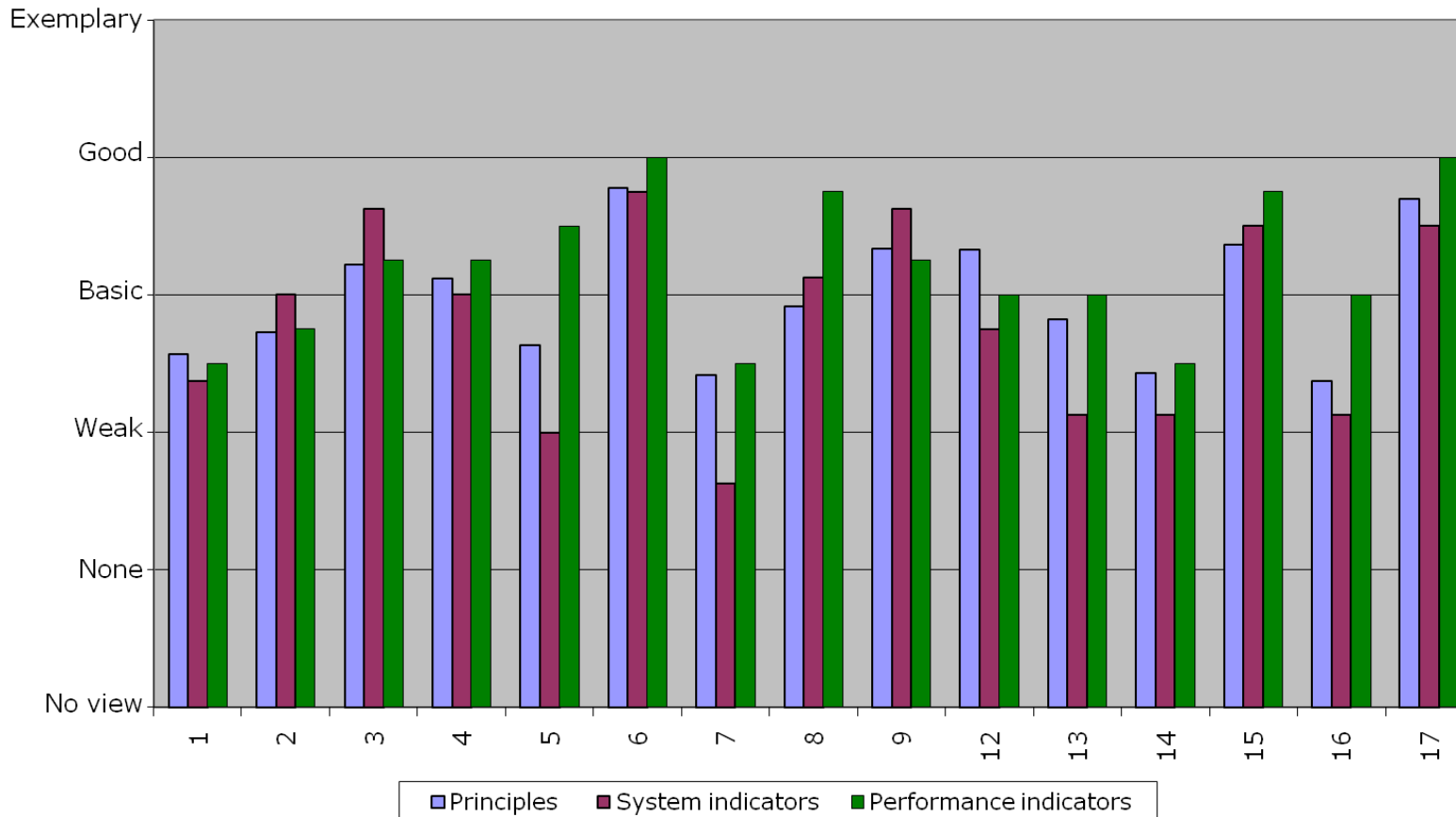


The 15 complete responses submitted (numbered 1 to 17) suggest that there is considerable diversity of performance in governance of IT among the organizations represented. Only 6 responses rated the corresponding organization as having basic or better governance on both the principles and the 12 initial indicators of governance. Only one response rated the organisation as being near the desirable “good” level of alignment. As is often the case, the indicators appear to be a good predictor of overall alignment.



# Self-assessment Results – Performance Alignment

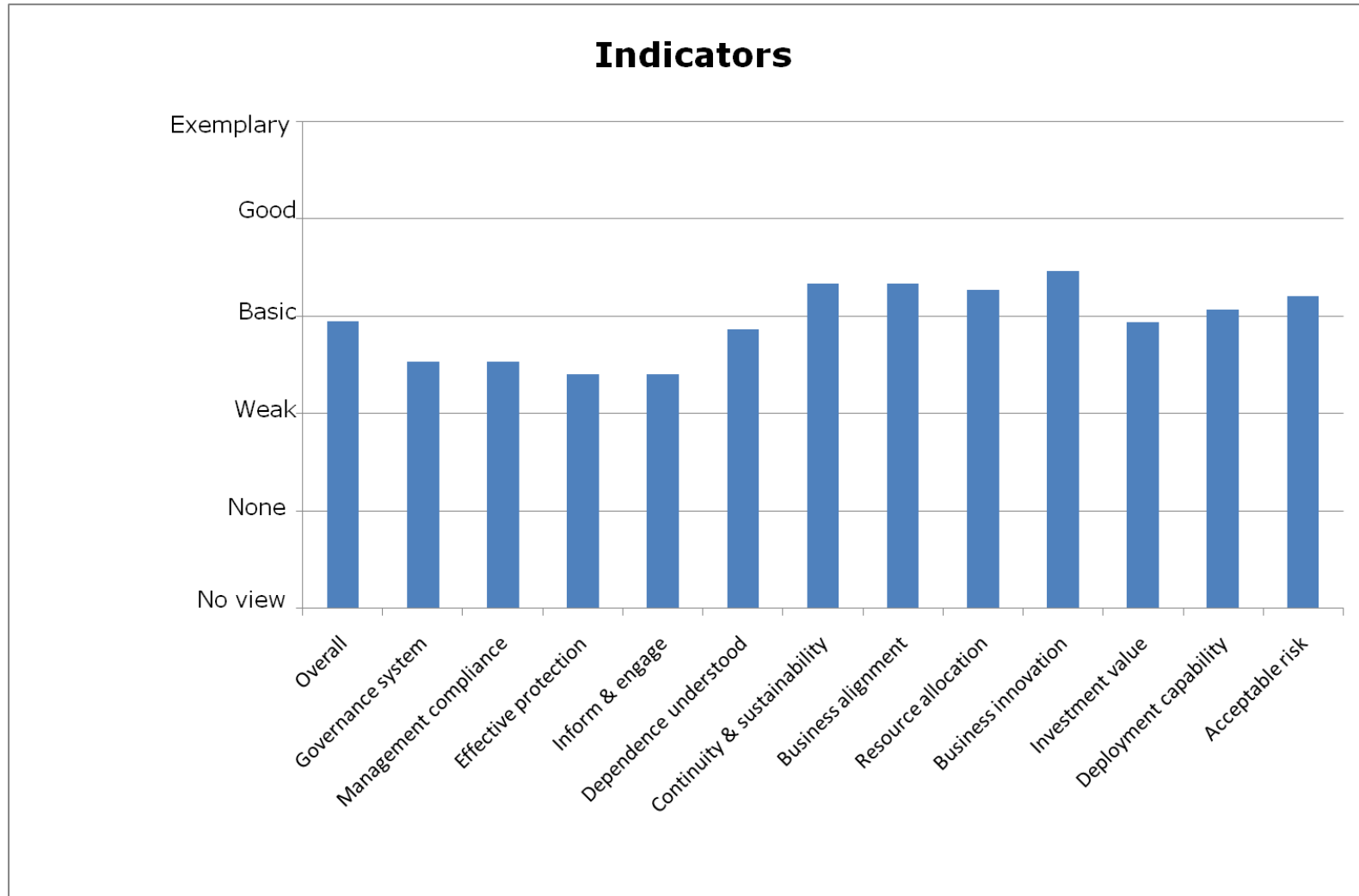
**Comparison of alignment scores**



Considered at a slightly finer level of granularity, the self-assessment indicators suggest that the level of success with use of IT is consistent with the extent of conformance to the principles. Only two participants scored results (the performance indicators) significantly higher than the principles. While the two participants who scored performance as being good overall, they should still look at the opportunity for improved principles conformance to lock in the advantage. Other respondents should look for opportunities to improve performance

# Self-assessment Results

## – Overall Alignment



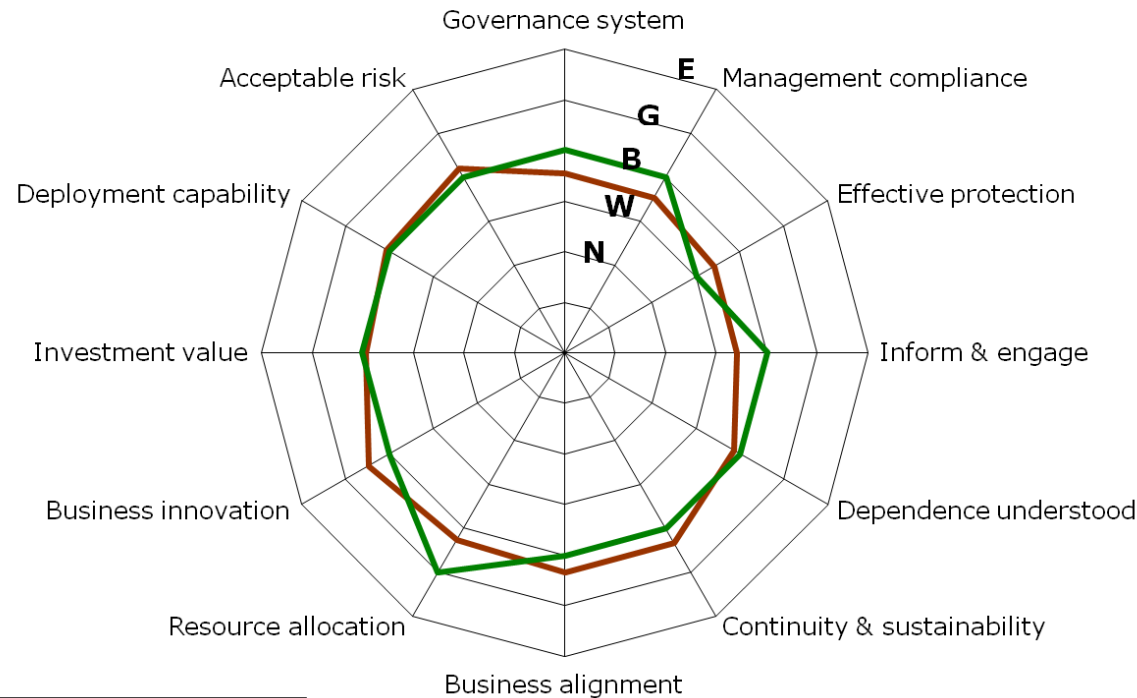
Across all responses, the performance against the indicators suggest general weakness in the establishment of an effective system for governance of IT, with associated low confidence on effectiveness of protection against problems and weakness in communicating essential information. However, higher scores on a range of perceived outcomes is higher, suggesting that, as is often the case, IT is being “held together” by the expertise and efforts of people, rather than through a systematic approach. Despite such efforts, lower scores on value and deployment capability underpin the importance of stronger governance.



# Self-assessment Results

## – Overall Alignment

### Alignment - 12 Indicators



— Average — Median

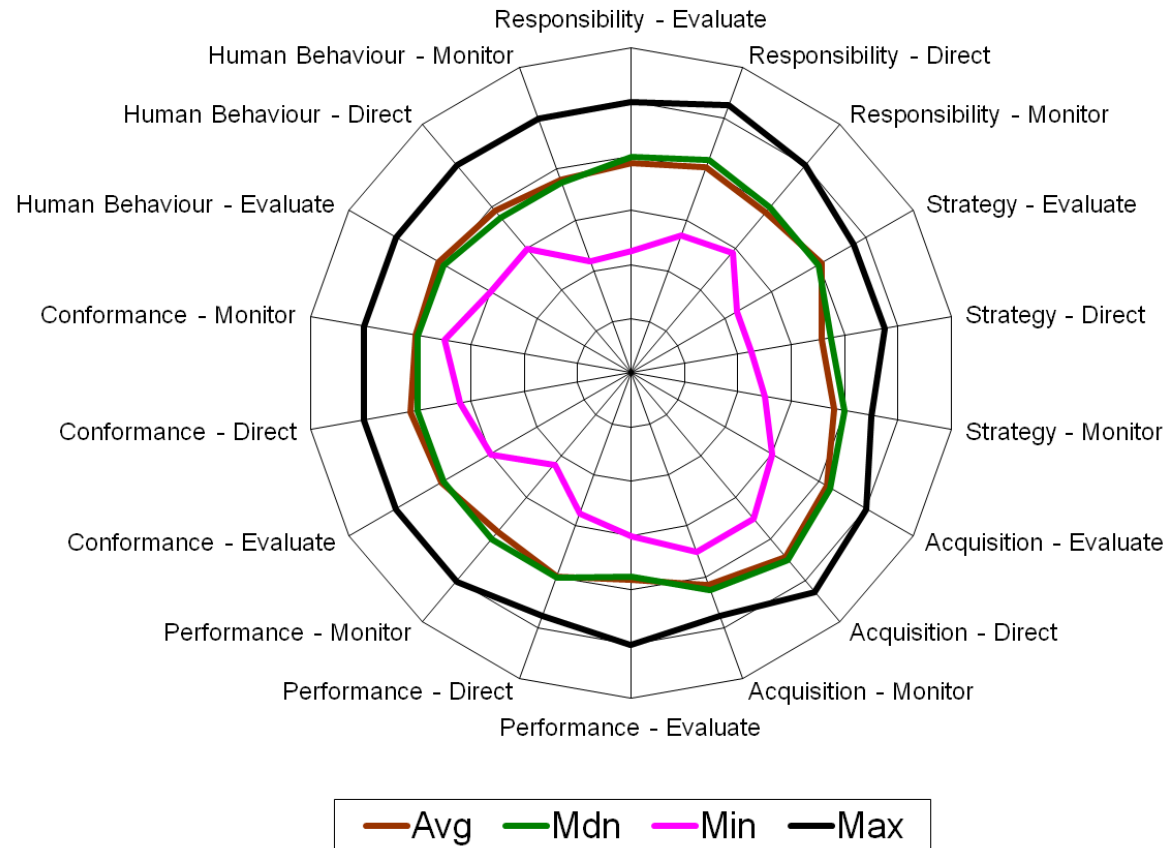
E = Exemplary G = Good B = Basic W - Weak N = None

The radar view of the twelve indicators reveals that the low average scores on points such as "Governance system", "Management compliance" and "Resource allocation" may be the result of some individuals scoring these points very low, while the majority gave scores closer to "basic". On the other hand, the low median for "Effective protection" suggests that fewer participants have significant confidence in this regard. This score pattern is reflected in the "Continuity & sustainability", "Business alignment" and "Business innovation" axes.

# Self-assessment Results

## – Overall Alignment

### Alignment - Principles - 18 points



Scoring on principles was very consistent, ensuring that median and average scores are quite close, and views are quite consistent. Notice the patterns of low scores, where the level of control over acquisition and conformance issues appears greater. Notice also how the low scores tend to dip around the monitor discipline, for several principles. Similar dips are also apparent for monitoring in the high scores.



# **Session 1: Setting the scene**

- ➡ 1. Introductions, Experience and Objectives.**
- 2. The Gimli Glider Case Study: A metaphor for governance of IT.**
- 3. Experience of failure in Governance of IT: the Australian Customs Service Case.**



## **Session 2: Fundamental Concepts**

- ➔ **1. The difference between “IT Governance” and “Corporate Governance of IT”;**
- 2. Business systems and technology enabled change;**
- 3. Base concepts for corporate governance of IT;**
- 4. Key messages in ISO/IEC 38500;**





# **Session 3: The Governance Model**

- ➔ **1. The Evaluate-Direct-Monitor Model;**
- 2. Using ISO/IEC 38500 to assess and improve corporate governance of IT;**
- 3. Preliminary self-assessment**



# Session 4: Principles

- ➔ **1. The Concept of Principles**
- 2. The Responsibility Principle**





# Responsibility

- Establish clearly understood responsibilities for ICT (AS 8015).
- Individuals and groups within the organization understand and accept their responsibilities in respect of both supply of, and demand for IT. Those with responsibility for actions also have the authority to perform those actions. (ISO 38500).



# Session five: **Principles**

- ➔ **1. The Strategy Principle**
- 2. The Acquisition Principle;**





# Strategy

- Plan ICT to best support the organization (AS 8015).
- The organization's business strategy takes into account the current and future capabilities of IT; the strategic plans for IT satisfy the current and ongoing needs of the organization's business strategy (ISO 38500).



# Acquisition

- Acquire ICT Validly (AS 8015).
- IT acquisitions are made for valid reasons, on the basis of appropriate and ongoing analysis, with clear and transparent decision making. There is appropriate balance between benefits, opportunities, costs, and risks, in both the short term and the long term (ISO 38500).





# Session 6: Principles

- ➔ **1. The Performance Principle;**
- 2. The Conformance Principle;**
- 3. The Human Behaviour Principle.**



# Performance

- Ensure that ICT performs well, whenever required (AS 8015).
- IT is fit for purpose in supporting the organization, providing the services, levels of service and service quality required to meet current and future business requirements (ISO 38500).





# Conformance

- Ensure that IT conforms with formal rules (AS 8015).
- IT complies with all mandatory legislation and regulations. Policies and practices are clearly defined, implemented and enforced (ISO 38500).



# Human Behaviour

- Ensure IT use respects human factors (AS 8015).
- IT policies, practices and decisions demonstrate respect for Human Behaviour, including the current and evolving needs of all the 'people in the process' (ISO 38500).



# **Session 7: Applying ISO/IEC 38500 2:00 – 3:30**

- ➔ **1. Case Study: Practical application of ISO/IEC 38500 in Tertiary Education.**
- 2. Using Policy to implement principles.**





## **Session 8: Action Planning**

- ➔ 1. Building on the self-assessment**
- 2. Sponsorship for change**
- 3. Easy steps to adoption**
- 4. Making fundamental change**



# **What do you have to lose?**

## **Seize the opportunity!**

### **ISO/IEC 38500.**

### **Thank you.**

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