IT Governance

Information Risk Management

Information Technology (IT) Governance is a specialist area, which is focused on assisting executive management understand their accountability for the control of IT and for delivering value to the business through the use of technology.

Historically, governance has had a compliance and financial focus, however, demands and expectations of business leaders is changing. As technology is key enabler to achieving improved business performance, the focus on the specialist area of IT Governance is increasing.

Investors, boards, CEOs, senior management, regulatory bodies, auditors and IT professionals are becoming increasingly focused on ensuring the business benefits from IT investments are realised and that the risks inherent in the use of technology are effectively managed. Business leaders accept that technology is shaping their future and this is reflected in their commitment to maintaining or increasing IT budgets.

Technology is no longer just supporting business functions – it is creating new needs, new products, new processes, and new organisational structures. In some industries, such as financial institutes, technology is a core component of the product or service itself.

KPMG Approach

IT Governance is the judicious and competent management of people and information to optimise the value, security and control of systems-enabled business processes.

For organisations to optimise business performance through effective use of IT, they must have an appropriate approach to the governance and management of technology.

KPMG's service delivery model for effective governance of IT is comprises of the following processes (depicted in the diagram):

- At the core of our IT governance model is *Value Delivery* and *Risk Management*;
- *Performance Measurement* of core processes; and
- *Specialist processes* supporting core processes.

**KPMG's service delivery model**
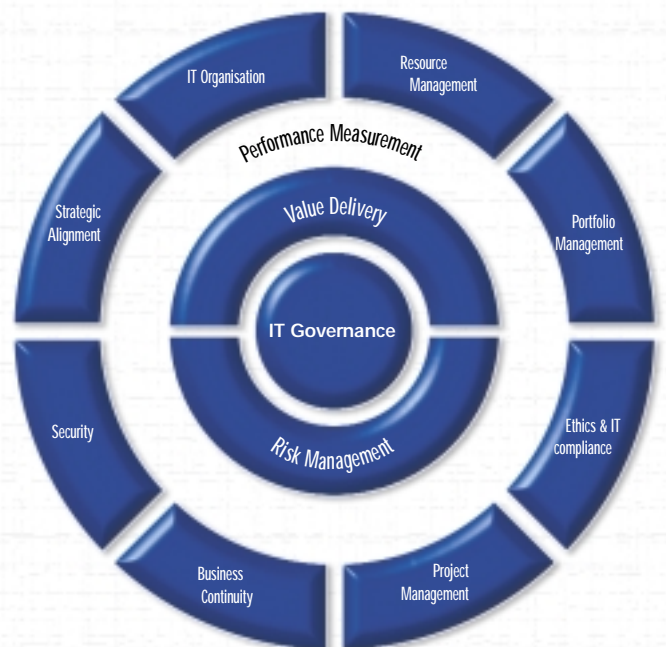
Value Delivery

Organisations now invest heavily and rely significantly on IT systems. More than being just a fundamental business support tool, these systems increasingly represent significant commercial advantage. The cost reductions and customer service improvements available through integration of supply chain applications are examples of such competitive advantage.

IT is now a strategic component of most organisations and as such, must deliver significant commercial advantage and actively contribute to the growth and success of an organisation.

Risk Management

In the fast moving area of IT and e-commerce, it is a constant challenge for organisations to balance their business goals with the business risks of using, or not using technology.

Coupled with the regulatory specific compliance requirements associated with using technology, IT risk management has many perspectives that need to be considered.
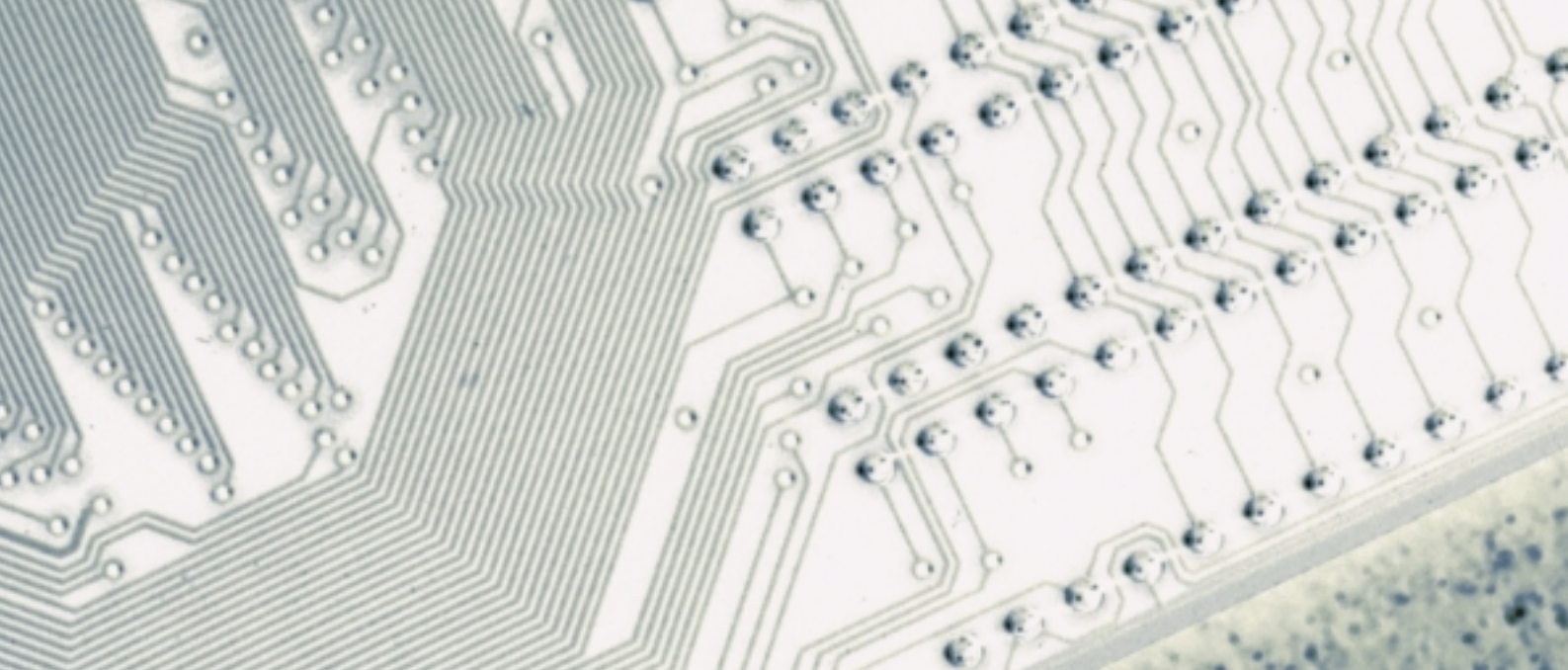
Performance Measurement

Many organisations also question the value they receive from their investment in IT and whether this investment is effectively protected.

Specialist Processes

IT governance encompasses the whole organisation and cuts across the overall management of information. Many organisations are reluctant to implement IT governance because of lack of specialised skills and diverse tools and techniques in the organisation.

Our approach to deliver on IT governance is to engage multi-discipline teams, where specialists are drawn from different areas within KPMG. These include:

- Information Security;
- IT Performance Improvement;
- Business Continuity;
- Business Application Analysis;
- Project Risk Management;
- Financial Modelling;
- Compliance with Legislation and Regulation; and
- Information Technology Risks and Controls Assessments.

Benefits to Organisation

Some benefits derived from using our IT Governance services may include:

- Increasing the contribution of IT to the delivery of your objectives by managing IT for business effectiveness not just IT efficiency;
- Making more effective use of senior management time by focusing on risks and their management in relation to the overall performance of the business;
- Using the information assets of your business effectively to achieve and monitor compliance with the requirements of the King Report on Corporate Governance and legislation, such as Electronic Communications and Transactions Act, Promotion of Access to Information Act; and
- Ensuring there are fewer unforeseen threats to your organisation by proactively assessing business and IT risk.
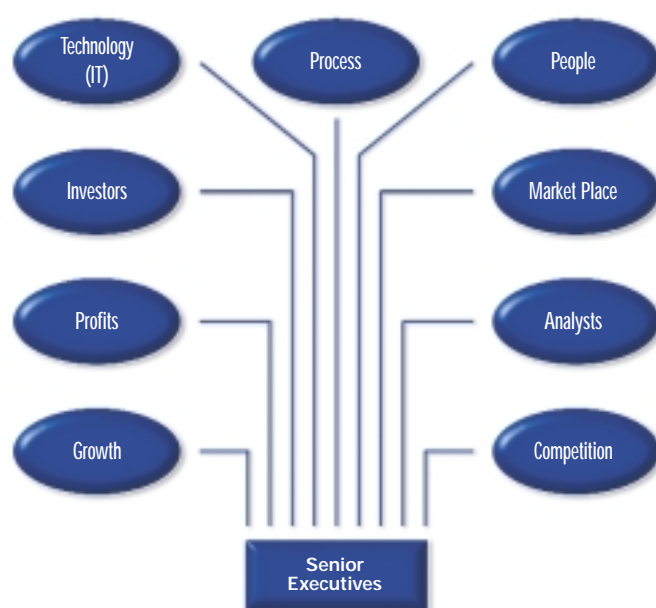
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