



**Thought Leadership** INSIGHT CREATES VALUE  
**Leadership éclairé** LA PERSPICACITÉ CONFÈRE DE LA VALEUR.

*IT Governance, the added value  
proposition that will enhance reporting*

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***IT Governance, the added value proposition that will enhance reporting***  
***The International Standards for the Professional Practice of Internal Auditing 2110.A2 requires the internal audit activity to assess IT governance. As an added value proposition, Internal Audit has the opportunity to visually depict changes in maturity over time, providing the Audit Committee and Management with enhanced reporting and insight, not typical of assurance report.***

***Why is assurance on IT Governance important?***

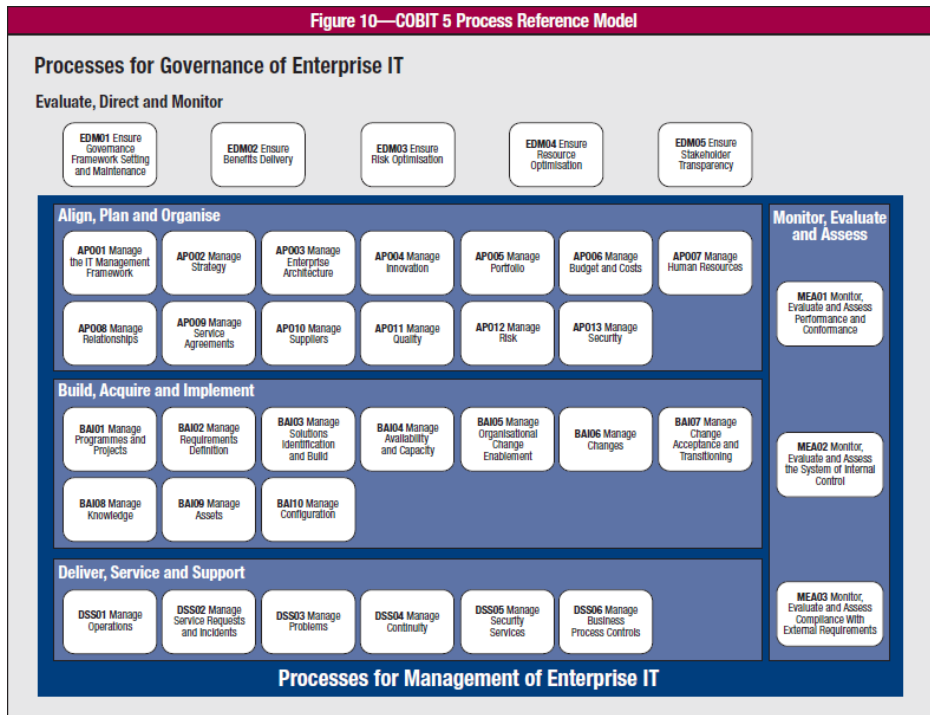
As defined by the Institutes of Internal Auditors, Information Technology (IT) governance “consists of the leadership, organizational structures, and processes that ensure that the enterprise’s information technology supports the organization’s strategies and objective”. Internal Auditors are very aware of the importance of business and IT alignment, and that IT goals should support business goals, as this will ensure that resources are focused on the right activities to achieve maximum benefits to the enterprise.

***How is Internal Audit best positioned to provide insight into IT Governance and how it is performing over time?***

Internal Audit is an established, independent and trusted advisor to the enterprise that understands the business. Internal Auditors appreciate that a growing number of organizations are largely driven by IT, and those that have proven to be successful view IT as an enabler and understand that maturing processes within IT will ultimately enhance enterprise value-creation.

***What framework could be used to achieve this objective?***

COBIT 5 is a globally recognized framework for the management and governance of IT. COBIT 5 provides a *Process Assessment Model (PAM)* that can be performed on any of its individual 37 processes (enablers) which cover all aspects related to the governance and management of IT. The assessment model is vendor agnostic and conforms to ISO/IEC 15504-2. The process enablers encompass the standard IT Internal Audit universe.

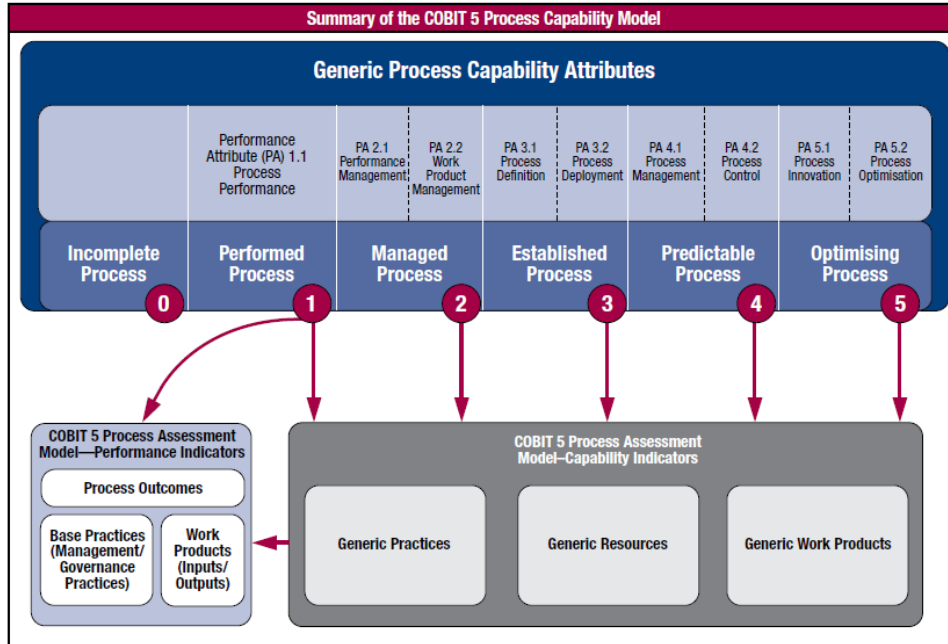


Source: COBIT 5: Enabling Processes

***How is the assessment process performed?***

IT governance should first be assessed as it will address risks related to the alignment of IT with the enterprise. Using the COBIT 5 *goals cascade* methodology, additional processes will be identified that directly contribute to the achievement of enterprise goals.

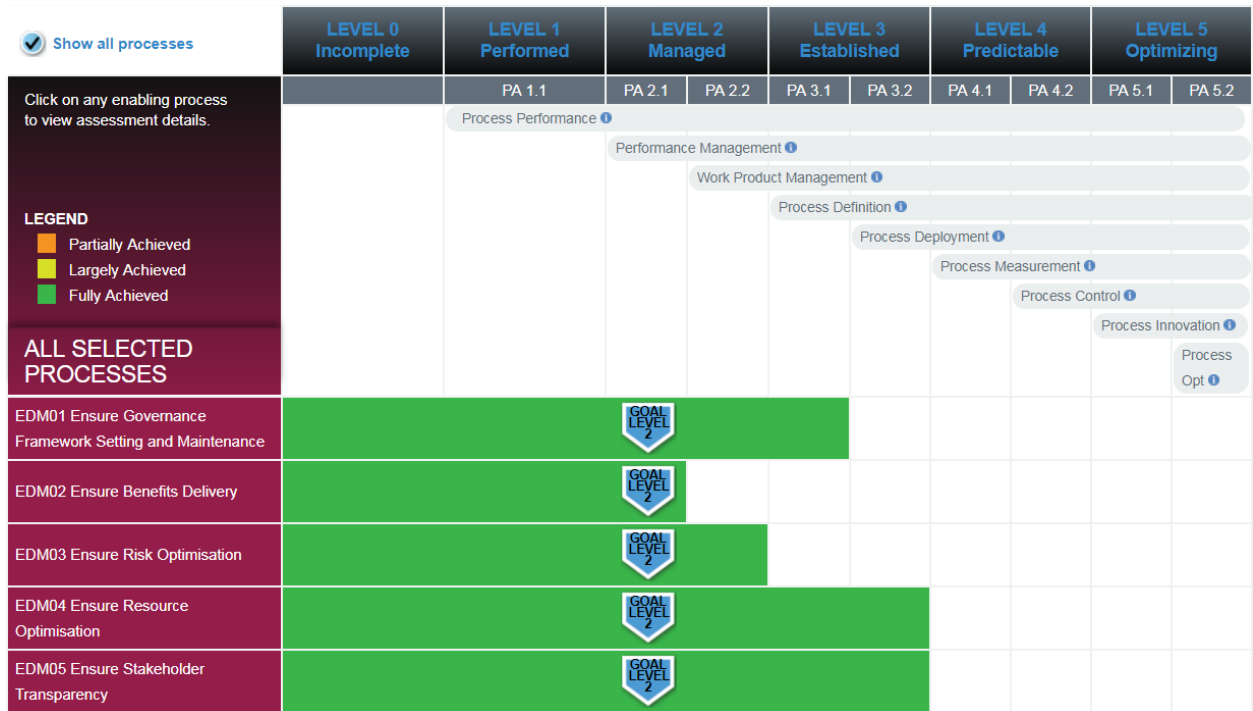
As illustrated below, each process is assessed using the COBIT 5 PAM leveraging the criteria and understanding of IT’s established practices and outcomes. An initial baseline period should be selected and then a subsequent future period selected so that Internal Audit can report on changes in maturity and process capability over time (typically every two years). Internal Audit will then have the ability to report on achievements and improvement in IT, not just the typical control gaps.



Source: COBIT 5: Process Assessment Model (PAM): Using COBIT 5

***What could your reporting look like?***

For each process, you can show the change in process capability since your previous internal audit. Below is an example for COBIT 5 IT Governance processes where the goal level (2) represents the previous assessment and the bar chart represents the most recent assessment.



Source: COBIT 5 Online Self-Assessment Report

**What if COBIT 5 is not the framework you have adopted?**

Other frameworks with maturity model type assessments may also be leveraged if your organization has adopted a different industry standard. If so, then it would be recommended to use that framework, to ensure a common language of understanding between all stakeholders.

**Conclusion**

Showing comparative changes in maturity and process capability over time will:

- Provide high-value impactful insight into IT Governance demonstrating improvements in IT capability;
- Grab the attention and engage the Audit Committee and Management on how IT Governance risks are being managed; and
- Visually enhance the typical assurance report.

The application of the COBIT 5 PAM demonstrates how this can be achieved. By Neil Power, CIA, CISA, CISM, CRISC, MCSE, COBIT 5 Certified Assessor