



## **Chapter II**

# **Leveraging COBIT 4.0 as IT Governance Framework**

## **The COBIT Framework**

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Good IT governance requires IT services that contribute to the achievement of the organisation's objectives. To satisfy those business objectives, the information that is delivered by IT to the business and its processes needs to conform to certain control criteria, which COBIT refers to as seven business requirements for information:

- *Effectiveness* deals with information being relevant and pertinent to the business process as well as being delivered in a timely, correct, consistent, and usable manner.
- *Efficiency* concerns the provision of information through the optimal (most productive and economical) use of resources.

- *Confidentiality* concerns the protection of sensitive information from unauthorised disclosure.
- *Integrity* relates to the accuracy and completeness of information, as well as to its validity in accordance with business values and expectations.
- *Availability* relates to information being available when required by the business process now and in the future. It also concerns the safeguarding of necessary resources and associated capabilities.
- *Compliance* deals with complying with those laws, regulations, and contractual arrangements to which the business process is subject, that is, externally imposed business criteria, as well as internal policies.
- *Reliability* relates to the provision of appropriate information for management to operate the entity and exercise its fiduciary and governance responsibilities.

Because these criteria are generic they can be applied in each organisation. On the other hand, the definitions may be too abstract, making it more difficult to translate the information criteria to a specific situation. In the context of further COBIT development, a more comprehensive research is conducted together with the University of Antwerp Management School (UAMS) in order to obtain a better view on business goals and IT goals and the way they support one another.

Based on this research, conducted in eight different industry segments, a set of generic business and IT goals was identified and an analysis was done how they are linked to each other.

Figure 1 presents a matrix on how IT goals can support the achievement of business goals for companies in the financial sector: “P” represents a primary link and “S” a secondary link. This figure shows for example that the IT goal “developing innovative IT services with a focus on information security” is important in supporting the business goals “improving competitiveness through IT” and “improving customer orientation and service.”

This research resulted in the definition of 20 generic business goals and 28 generic IT goals that now serve as a base for COBIT 4.0 (see Figures 2 and 3). When combining both figures, they illustrate the relationship between business goals, IT goals, and IT processes. Figure 2 lists the 20 generic business goals, organised according the four perspectives of the business balanced scorecard, being *financial perspective*, *customer perspective*, *internal per-*

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