

# PUBLIC ADMINISTRATION INNOVATION THROUGH EGIT AND COBIT®2019

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# Motivation

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- Can EGIT be used effectively to digitalization of public administration IT in the context of the COVID-19?
- How does EGIT relate to the COBIT® 2019 structure with respect to effective public administration IT innovation?

# Outline

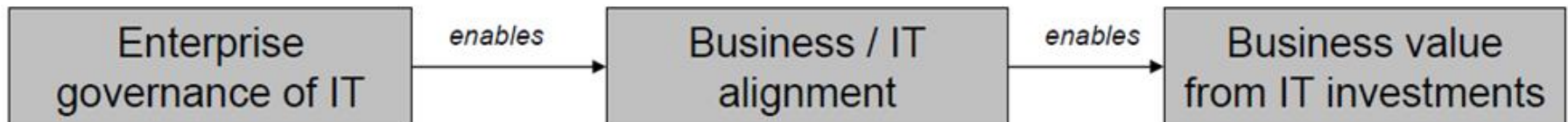
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1. Introduction to EGIT
2. Potential benefits of innovation through EGIT
3. COBIT® 2019 as the methodological framework of EGIT
4. Best practices and identified processes of EGIT
5. Conclusion

# 1 Introduction to EGIT

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- EGIT (Enterprise Governance of IT) is concerned with providing value from the digital transformation and mitigating the business risk arising from the digital transformation.
- Over the years, best practice frameworks have been developed and promoted to assist in the process of understanding, designing and implementing EGIT.
- EGIT clearly goes beyond IT-related responsibilities and extends to the (IT) business processes needed to create and protect the business value of IT as shown the Alignment value conceptual model.



# 1 Introduction to EGIT

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**EGIT ISO 38500** standard sets out six principles

**1. Responsibility,**

*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.*

**2. Strategy,**

*the organization's business strategy considers the current and future capabilities of IT; the strategic plans for IT satisfy the current and ongoing needs of the organization's business strategy.*

**3. Acquisition,**

*IT acquisitions are made 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.*

# 1 Introduction to EGIT

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**EGIT ISO 38500** standard sets out six principles

**4. Performance**

*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.*

**5. Conformance (consensus),**

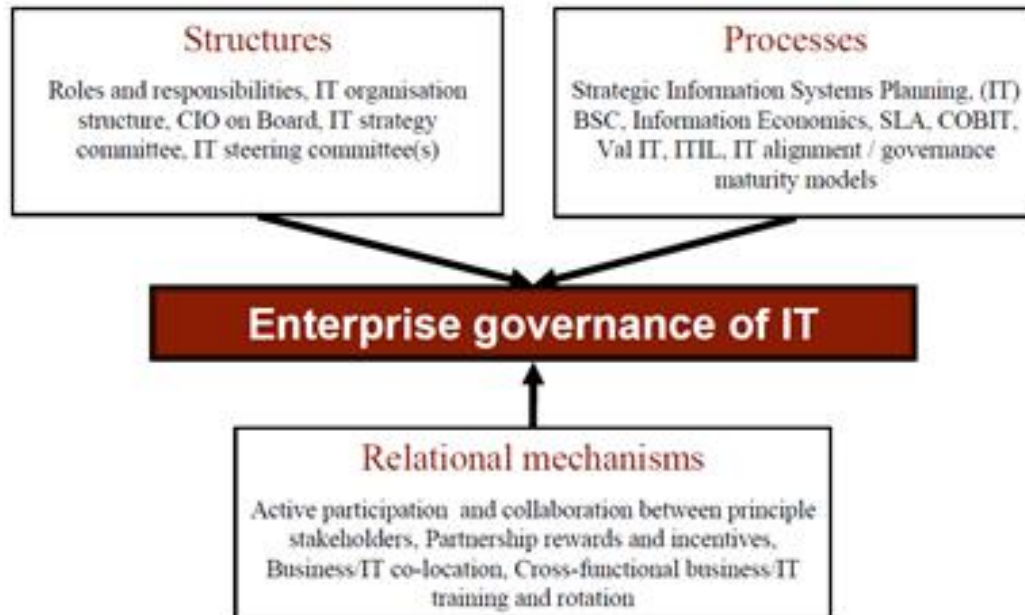
*IT complies with all mandatory legislation and regulations. Policies and practices are clearly defined, implemented and enforced..*

**6. Human Behavior,**

*IT policies, practices and decisions demonstrate respect for Human Behavior, including the current and evolving needs of all the 'people in the process'.*

# 1 Introduction to EGIT

EGIT addresses the definition and implementation of processes, structures and relational mechanisms in the organization that enable both business and IT people to execute their responsibilities in support of business/IT alignment and the creation of business value from IT-enabled business investments.



## 2. Potential benefits of innovation through EGIT

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EGIT is concerned with providing value from the digital transformation and mitigating the business risk arising from the digital transformation. More specifically, 3 main results can be expected after the successful adoption of EGIT:

- 1. Realization of benefits*
- 2. Risk optimization*
- 3. Resource optimization*



### 3. COBIT® 2019 as the methodological framework of EGIT

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#### **The COBIT® 2019 methodological Framework:**

- is intended for the governance and management of business information and technologies focused on the entire company;
- clearly distinguishes between governance and management, these two disciplines involve different activities, require different organizational structures and serve different purpose.

#### **The governance ensures that:**

- *stakeholders' needs, conditions and capabilities were assessed to set balanced and agreed business goals;*
- *the direction of the company's development was determined through setting priorities and decision-making;*
- *performance and compliance were monitored based on agreed direction and goals.*

#### **The Management:**

- *plans, builds, operates and monitors activities in accordance with the direction set by the management body to achieve the company's goals.*
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### 3. COBIT® 2019 as the methodological framework of EGIT

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#### **The COBIT® 2019 was developed based on 2 sets of principles:**

- Six Principles that describe the core requirements of a governance system for enterprise information and technology:
  1. *Providing stakeholder value to satisfy their needs and to generate value from the use of IT*
  2. *Holistic approach*
  3. *Dynamic governance system*
  4. *Governance distinct from management governance*
  5. *Tailored to enterprise need*
  6. *End to end governance*
- Three Principles for a Governance Framework:
  1. *Based on a conceptual model*
  2. *Open and flexible governance*
  3. *Aligned to major standards*

### 3. COBIT® 2019 as the methodological framework of EGIT

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#### **Governance and management objectives of innovation EGIT:**

To achieve business goals through IT, a number of governance goals need to be achieved. The basic concepts related to the objectives of administration and management are:

- Each management or management goal always involves one process and a number of related components of other types that help achieve the goal.
- A governance objective relates to a governance process, while a management objective relates to a management process. Boards and executive management are typically accountable for governance processes, while management processes are the domain of senior and middle management.

### 3. COBIT® 2019 as the methodological framework of EGIT

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#### **Components of the governance system:**

In order to meet the goals of administration and management, each company must implement, adapt and maintain a management system built from next components:

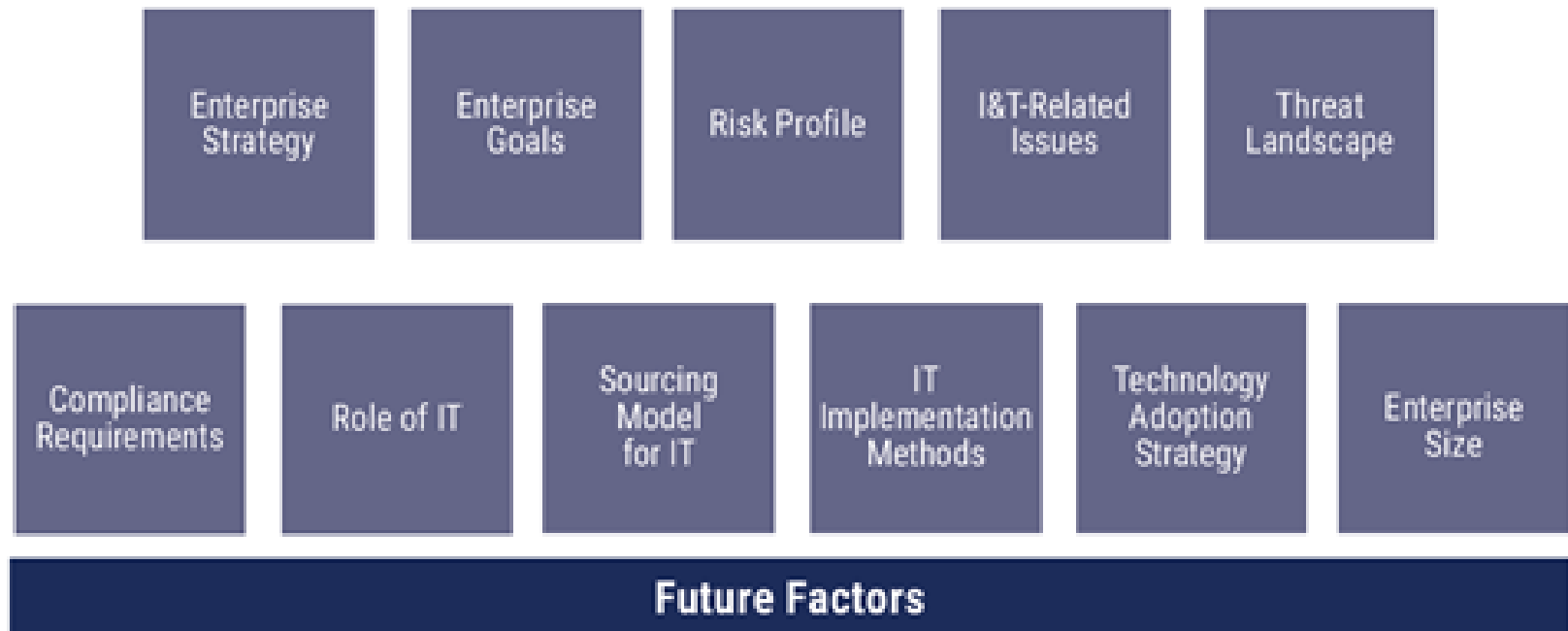
- *Processes*
- *Organizational structures*
- *Principles, policies, procedures*
- *Culture, ethics and behavior*
- *People, skills and competencies*
- *Services, infrastructure and applications*

The above mentioned components interact with each other and the result is a comprehensive IT management system.

### 3. COBIT® 2019 as the methodological framework of EGIT

#### Process of design governance system

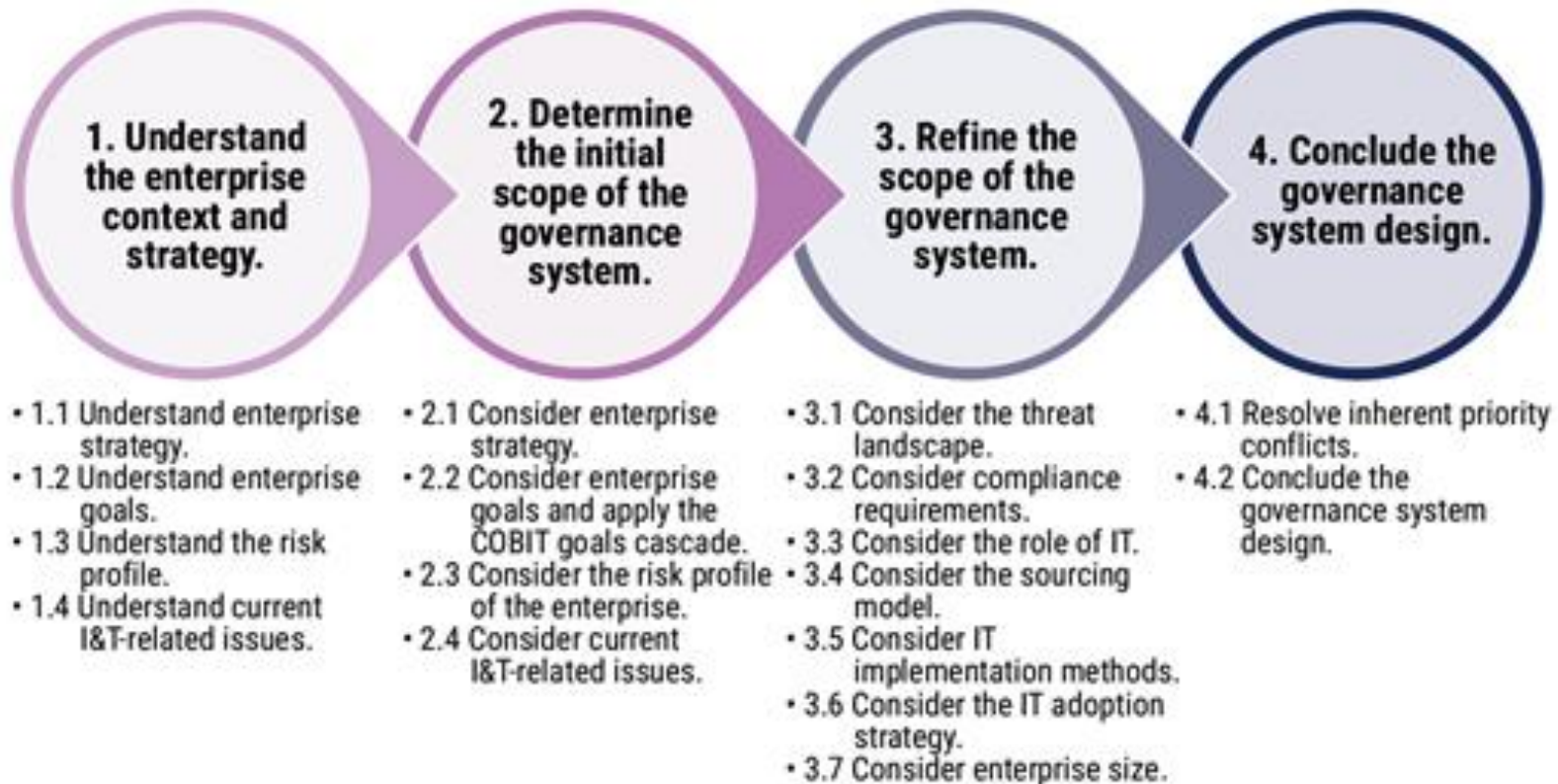
The success of an IT governance system design depends on design factors which include any combination of the following factors.



# 3. COBIT® 2019 as the methodological framework of EGIT

## Governance system design

- The process of designing an IT management system is generally divided into several phases that include steps.



# 4. Best practices and identified processes of EGIT

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Additional practices have been identified and subsequently published, which can be divided into further areas according to identification and definition:

- *structures*
- *processes*
- *relational mechanisms*

# 4. Best practices and identified processes of EGIT

## Practices identified & defined structures

Best Practice	Definition
IT strategy committee at level of board of directors	Committee at level of board of directors to ensure IT is regular agenda item and reporting issue for the board of directors
IT expertise at level of board of directors	Members of the board of directors have expertise and IT expertise regarding the value and risk of IT
(IT) audit committee at level of board of directors	Independent committee at level of board of directors over viewing (IT) assurance activities
CIO on executive committee	CIO is a full member of the executive committee
CIO (Chief Information Officer) reporting to CEO (Chief Executive Officer) and/or COO (Chief Operational Officer)	CIO has a direct reporting line to the CEO and/or COO
IT steering committee (IT investment evaluation prioritization at executive / senior management level)	Steering committee at executive or senior management Level responsible for determining business priorities in IT investments.
IT governance function / officer	Function in the organization responsible for promoting, driving and managing IT governance processes
Security / compliance / risk officer	Function responsible for security, compliance and/or risk, which possibly impacts IT
IT project steering committee	Steering committee composed of business and IT people focusing on prioritizing and managing IT projects
IT security steering committee	Steering committee composed of business and IT people focusing on IT related risks and security issues
Architecture steering committee	Committee composed of business and IT people providing architecture guidelines and advise on their applications
Integration of governance/alignment tasks in roles and responsibilities	Documented roles and responsibilities include governance/alignment tasks for business and IT people



# 6 Conclusion

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- Research has shown that companies poorly design or prepare approaches to EGIT perform worse in aligning business and IT strategies and processes. As a result, these businesses are less likely to achieve their thoughtful business strategies and realize the business value they expect from the digital transformation.
- EGIT can be implemented using many methodological frameworks. The COBIT® 2019 methodological framework seems to be very suitable, as it has built-in structures, processes and relational mechanisms that support the creation and implementation of effective EGIT.
- According to the authors, the key principles of COBIT® 2019, which ensure the creation of effective EGIT, are:
  - Dynamic governance system,
  - Governance distinct from Management,
  - End-to-end governance system.

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Thank you for your attention

Q & A