FACULTY OF MANAGEMENT
FINAL EXAMINATION JUNE 2016

DEPARTMENT OF BUSINESS MANAGEMENT

MODULE	:	**IT GOVERNANCE**
CODE	:	**BMI9X03**
DATE	:	**JULY SUPPLEMENTARY**
DURATION	:	**3 HOURS**
TIME	:	**08:30 – 11:30**
TOTAL MARKS	:	**99**

EXAMINER(S)	:	**PROF B VON SOLMS**
(EXTERNAL) MODERATOR:		**DR R PIDERIT**

NUMBER OF PAGES : **5 PAGES**

1. This examination is 'open book' and the student can bring along and use any material chosen.

2. Answer any 3 questions. All questions count 33 marks.

3. Marks will be assigned for the presentation, structure, readability etc of your answer. All your answers must be well structured, logical and easy to read and understand.

4. Presentation is very important, and in every question the structure, format, readability and related aspects will count 5 marks.

Question 1

You, as the CIO of your company, get a memo from your CEO containing the following:

"At the last Board meeting, the aspect of international best practices for IT Governance was on the agenda of the meeting because an item in the external auditor's report criticized the lack of the presence of any reference to such best practices in our IT Governance Strategy.

Please provide me with a comprehensive memorandum on this matter indicating for eg

- What an International Best Practice is
- Why we should use such a practice in our IT Governance Strategy
- A discussion of leading practices related to IT Governance
- A Plan of Action of how our company can move towards using such a practice for our IT Governance
- What benefits we will get from doing so

Please send me a comprehensive memorandum on your views about the items noted above which I can include in the Board agenda. "

Write this memo and make a special effort to structure it logically and present you views in a way which is easy to understand for the Board members who are not IT experts. Provide an Executive Summary which summarizes the memo - many Board members have little time and will probably only read this Executive Summary – so ensure it provides an good overview of the full memo.

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Question 2

You, as the CIO of your company, get a memo from your CEO containing the following:

"At the last Board meeting, I introduced the aspect of Cyber Security on the agenda of the Board's meeting because I am worried about the fact that the board is not very serious about this matter. Some members see the fact that some of our customer data was compromised through a hack, as a technical matter for which you as the CIO is responsible and liable.

I am worried about this view as our company is totally dependent on our IT infrastructure and the sensitive data and information stored and processed by the IT systems.

Please provide me with a comprehensive memorandum on this matter indicating for e.g.

- What Cyber security is
- Why our Cyber Security is a risk to our company
- Why this is an important Board matter

- What are the potential consequences to the Board if we ignore this issue
- What we should do to make the Board more aware of their responsibility and accountability
- International documents and local legal requirements
- Other related aspects
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Please send me a comprehensive memorandum on your views about the items noted above which I can include in the Board agenda. "

Write this memo and make a special effort to structure it logically and present you views in a way which is easy to understand for the Board members who are not IT experts. Provide an Executive Summary which summarizes the memo - many Board members have little time and will probably only read this Executive Summary – so ensure it provides an good overview of the full memo.

[33]

Question 3

The Figure below (from Cobit 5's 'A Business Framework for the Governance and Management of Enterprise IT'), provides a mapping from 17 Enterprise Goals to 17 IT Goals.

Comprehensively interpret and discuss this Figure's use as a tool to support IT Governance.

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Figure 22—Mapping COBIT 5 Enterprise Goals to IT-related Goals

IT-related Goal			Enterprise Goal																
			Stakeholder value of business investments	Portfolio of competitive products and services	Managed business risk (safeguarding of assets)	Compliance with external laws and regulations	Financial transparency	Customer-oriented service culture	Business service continuity and availability	Agile responses to a changing business environment	Information-based strategic decision making	Optimisation of service delivery costs	Optimisation of business process functionality	Optimisation of business process costs	Managed business change programmes	Operational and staff productivity	Compliance with internal policies	Skilled and motivated people	Product and business innovation culture
			1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.	17.
			Financial					Customer					Internal					Learning and Growth	
Financial	01	Alignment of IT and business strategy	P	P	S			P	S	P	P	S	P	S	P			S	S
	02	IT compliance and support for business compliance with external laws and regulations			S	P											P		
	03	Commitment of executive management for making IT-related decisions	P	S	S					S	S		S		P			S	S
	04	Managed IT-related business risk			P	S			P	S		P			S		S	S	
	05	Realised benefits from IT-enabled investments and services portfolio	P	P				S		S		S	S	P		S			S
	06	Transparency of IT costs, benefits and risk	S		S		P				S	P		P					
Customer	07	Delivery of IT services in line with business requirements	P	P	S	S		P	S	P	S		P	S	S			S	S
	08	Adequate use of applications, information and technology solutions	S	S	S			S	S		S	S	P	S		P		S	S
Internal	09	IT agility	S	P	S			S		P			P		S	S		S	P
	10	Security of information, processing infrastructure and applications			P	P		P									P		
	11	Optimisation of IT assets, resources and capabilities	P	S							S		P	S	P	S	S		S
	12	Enablement and support of business processes by integrating applications and technology into business processes	S	P	S			S		S			S	P	S	S	S		S
	13	Delivery of programmes delivering benefits, on time, on budget, and meeting requirements and quality standards	P	S	S			S					S		S	P			
	14	Availability of reliable and useful information for decision making	S	S	S	S			P		P		S						
	15	IT compliance with internal policies			S	S											P		
Learning and Growth	16	Competent and motivated business and IT personnel	S	S	P			S		S						P		P	S
	17	Knowledge, expertise and initiatives for business innovation	S	P				S		P	S		S		S			S	P

Question 4

The diagram below, from ISO 38500, provides a Model for IT Governance.
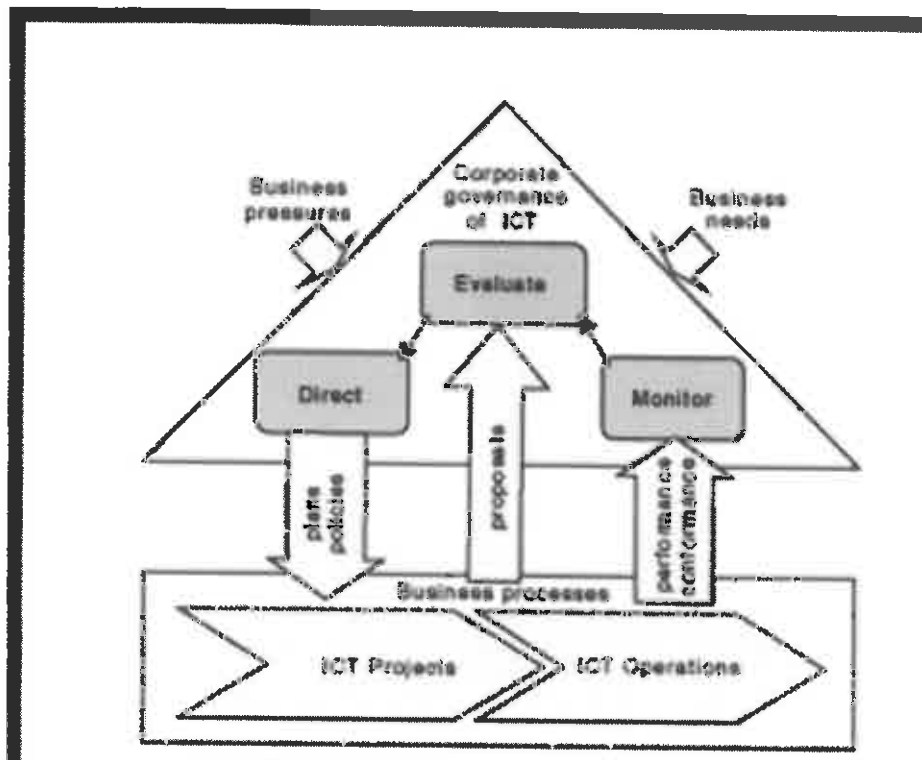
Critically and comprehensively discuss how this diagram lies at the core of good IT Governance.

In the discussion refer to the following:

- a. What the diagram represents as a whole
- b. What each part of the diagram represents
- c. How you will explain this diagram to your CEO to based your company's IT Governance on
- d. How you will go about to adapt your company' present unstructured approach to IT Governance to move towards the ideas represented in the diagram.

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