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RELEVANCE AND NECESSITY OF STANDARDS FOR ICT GOVERNANCE

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ABSTRACT

Our social and commercial systems have become heavily reliant on various forms of information and digital technology, from computer and Internet, to mobile phones, and the burgeoning suite of flexible digital devices. Businesses are also deploying information and communication technologies (ICT) in daily functions, regardless of their sector representation, and accordingly transforming the medium and pace of conversation between stakeholders. Time constraints, the expectation of prompt customer service and transactions by their customers and suppliers, and the lure of cost efficiencies are also acting as motivators for organizations to acquire ICT resources. Technology promises improved capacity for innovation in a range of supply chain areas, but the vision does not automatically translate to reality without attention to due procedure and issues of governance relating to implementation.

There are numerous examples that reflect and reinforce the integral role played by ICT in maintaining the daily operations of organisations and nations alike. Cases of risk or failure of systems illustrate how we increasingly rely upon technology for security and operational effectiveness. Railway network failures [1], stock market crashes [2], bungled pay packets [3][4], and airline delays [5] have all been blamed on ICT system problems. Issues of speed of transactions and efficiency of communication and information flows that transmit globally play a significant role in the magnitude of such events. Natural disasters can also disrupt the delicate balance of ICT systems, for example, an earthquake off the coast of Taiwan in December 2006 severed a fibre optic cable and disrupted Internet and other communication services to a number of southeast countries for weeks over the busy Christmas and New Year period [6] and business communication was significantly hampered.

ICT implementation, maintenance and protection have thus become integral parts of every business operation that seeks to innovate for a sustained competitive advantage [7][8]. Organisational stakeholders want assurances that the technology being used by them is secure and provides no opportunity for hackers to break in, resulting in fraud or identity thefts. Some of the risks from poor governance of ICT include lack of compliance with disclosure and other regulations, loss of trust by customers and staff, breaches of privacy laws, abuse of power and other ethical obligations, and diversion from achieving targets in strategic plans [9]. It is hence imperative that managers of ICT-dependent operations regularly review, monitor and update their systems.

There have been a number of cases globally of abuses of ICT capabilities in organisations [10][11]. Such cases encompass the crimes of fraud and theft of intellectual property, through to instances of deception and breaches of ethics. The ‘big brother’ capability given to employers by ICT creates the risk of breaches of privacy, confidentiality, and personal security [12][13]. In response to these concerns the AS8015-2005, Australian Standard for Corporate Governance of Information and Communication Technology (ICT) was released in January 2005. At the time of its release, AS8015 was the first standard of its kind in the world [14] setting a benchmark for countries and companies globally.

The scope of the standard is to provide guidance for executives, business unit managers, ICT specialists, and external service providers, regarding optimal use of ICT and the governance
of related resources [15]. The standard comprises of six principles: Responsibility; Plan; Acquisition; Performance; Conformance; and Human behaviour [15][14]. These principles highlight responsibilities for managers in relation to their ICT practices. Evaluating the use of ICT; preparation and implementation of plans and policies, and their monitoring of conformance are the three tasks for management outlined in the standard [15][14]. The AS8015 hence reminds the senior management and directors that the ‘buck stops with them’ and they have the overall responsibility, accountability and answerability of maintaining ICT systems.

In May 2008, AS8015-2005 was adopted as ISO/IEC 38500:2008 [16]. The fundamental principles between the two remain the same and like AS8015-2005, the ISO/IEC 38500:2008 also has six principles and similar management responsibilities. There is currently no certification program for ISO/IEC 38500:2008. It exists now as a guide rather than a compliance tool. This paper questions if the standards for ICT governance offer the potential to address problematic issues, or do they simply add to ICT bureaucracy? Is the application of a standard for corporate governance practical in fast-paced, high risk, organisational environments where our sentiments of security and trust are frequently challenged?

Keywords: Information and Communication Technology (ICT), Corporate Governance, Ethics, AS8015-2005, ISO/IEC 38500:2008.

References:


