

## TECHNICAL NOTE – ORGANIZATION OF IT GOVERNANCE

IT governance is the part of the corporate governance that seeks to ensure that the use of IT adds value to the business with acceptable risks. To that end, IT governance tends to avoid or mitigate weaknesses still common in the management of an organization. Some of these are an inadequate planning process, recurrence of unsuccessful projects and contracts that do not reach their goals, which, in the context of the Federal Public Administration (APF), are reflected in the loss of quality and of efficiency of public services provided to society.

Since 2007, the Federal Court of Accounts of Brazil (Tribunal de Contas da União - TCU), through the Department of External Control of Information Technology (Secretaria de Fiscalização de Tecnologia da Informação - Sefti), has promoted periodic surveys and carried out audits in order to assess the state of IT governance in federal public organizations. The reduced maturity in IT governance presented by a considerable share of federal public organizations has contributed to the occurrence of unwanted situations. Some examples are the prioritization of IT investments not aligned with business needs, IT risks not properly identified and treated, acquisitions in violation of applicable legislation, unavailability of public services provided with the use of IT and information and security breaches.

### Objective of the study

Over the past few years, the TCU found that many public organizations, especially those with the lowest levels of maturity, are having difficulties in properly directing their efforts and resources in order to improve governance and IT management, not knowing, many times, which principles should guide IT management, which IT processes should be implemented, or which organizational structures should be created. In this context, considering that the improvement of public governance is one of the strategic objectives of the TCU, the Technical Note 7/2014 – Sefti/TCU was drafted, which aimed to propose a series of agreements to support the bodies and entities of the APF to continuously improve IT governance, considering the business priorities and risks involved. The full text of the Technical Note can be obtained at [www.tcu.gov.br/fiscalizacaoti](http://www.tcu.gov.br/fiscalizacaoti).

### IT governance enablers

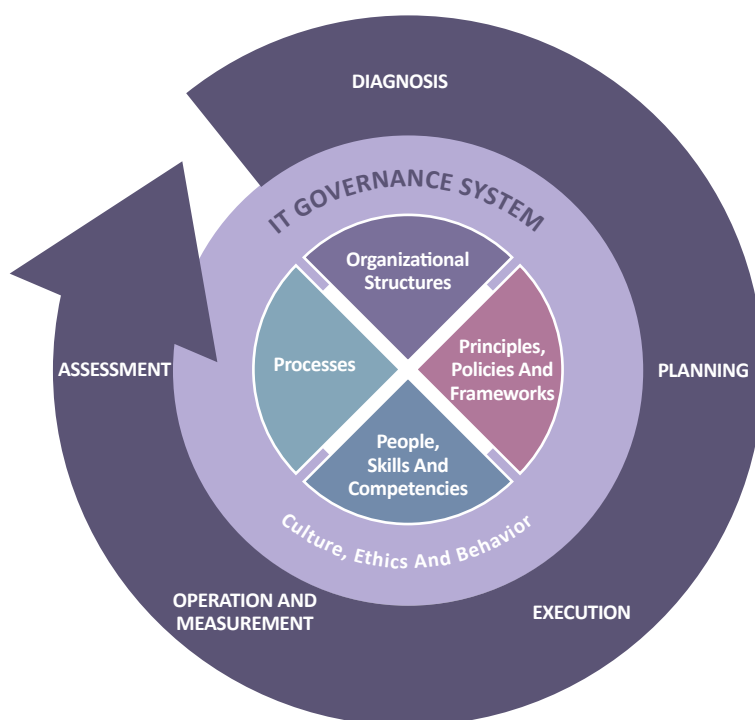
The Technical Note 7/2014 – Sefti/TCU conveyed understandings structured around five IT governance enablers, which are nothing more than factors that have the ability to, individually or collectively, influence the proper functioning of organizational IT governance. The enablers are:

- 1. principles, policies and frameworks:** in order for the high administration of public organizations to govern IT in order to meet institutional needs, it is necessary for it to establish a set of principles, guidelines, and frameworks that guide the desired behavior in management and in the use of institutional IT;
- 2. organizational structures:** play a key role in the decision-making process. Important issues related to the allocation of resources, investing and the prioritization of IT projects are typically decided organizational structures, such as high administration and the IT committee;
- 3. processes:** describe an organized set of practices and activities to achieve certain goals and produce a set of outputs in order to support the achievement of an organization's IT goals. It is important to stress that there is not only one single set of processes and practices that should be necessarily implemented by all of the organizations
- 4. culture, ethics and behavior:** refer to the set of individual and collective behaviors in an organization. The cultural issue is an important aspect of IT governance, because it enables other mechanisms to fulfill their functions properly, in order to provide value creation for the organization.
- 5. people, skills and competencies:** people represent the most important asset of an organization. It is they who, through using their skills and competencies, perform a set of activities that aim to meet business needs, in order to comply with the institutional mission.

### IT governance enablers

In an organization, the IT governance enablers do not exist in isolation, that is, they relate and interact with each other to deliver benefits for the organization with optimized resources and managed risks. This interaction of enablers was given the name IT Governance System (Sistema de Governança de TI - SGTI).

The Technical Note 7/2014 – Sefti/TCU was also concerned with describing some steps that public organizations could take in order to improve, cyclically and gradually, their IT governance system. The document proposes that this process cover at least: the evaluation of the current state of IT governance (diagnosis); definition of the desired state and necessary changes, (planning); implementation of changes and enhancements (execution); system operation with the incorporated enhancements, as well as the measurement of efficiency and efficacy (operation and measurement); and verification of the plan's success, promoting continuous improvement through the new cycle (assessment).



### Expected Benefits

It is intended that the recommendations contained in the Technical Note help federal public organizations to properly govern their IT, in order to enable the provision of higher quality public services, optimizing available IT resources and reducing the risks to acceptable levels.

### Judgment

Judgment: 3.051/2014-TCU-Full Court

Date of session: 5/11/2014

Reporter: Substitute Minister- Weder de Oliveira

TC: 023.050/2013-6

Technical Unit responsible: Department of External Control of Information Technology (Secretaria de Fiscalização de Tecnologia da Informação - Sefti)