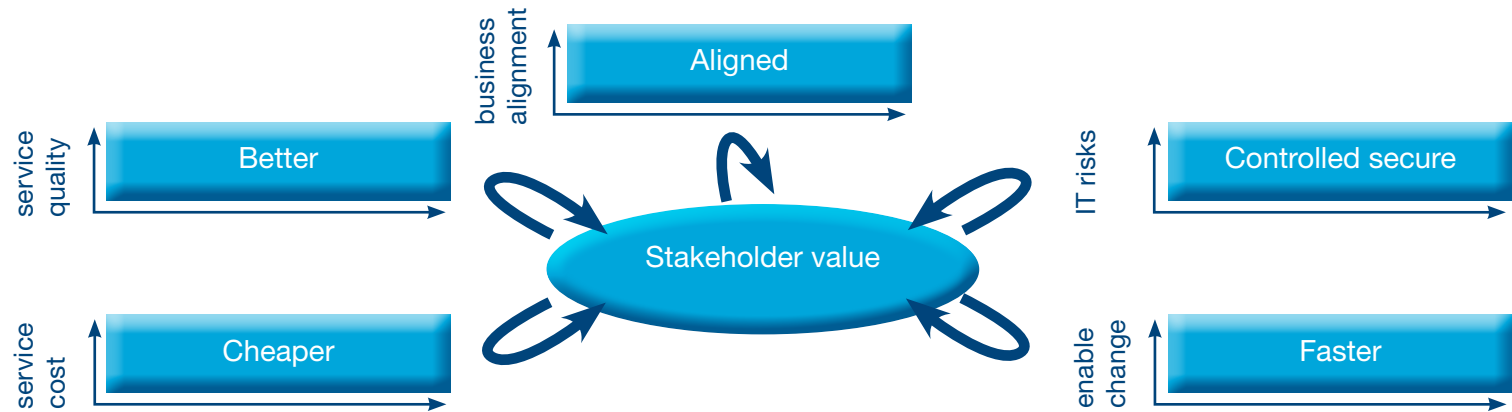# King III, IT governance and your organisation

IT governance definition

IT Governance arrangements define the decisions, the involvement by various stakeholders, and the structures, processes, responsibilities and other mechanisms required to make decisions.

This involves building the right capacity, processes and structures in order to make the right decisions that achieve alignment, manage risks, enable change, deliver quality IT services and manage service cost.

In the end, IT Governance is about setting the rules and building the capabilities to run IT in order to create stakeholder value.

service quality — Better

service cost — Cheaper

business alignment — Aligned

Stakeholder value

IT risks — Controlled secure

enable change — Faster

King III says:

| Principles	Summarised recommendations
1) The Board should be responsible for IT Governance	IT governance on the Board's agenda; IT governance framework should be established.
2) IT should be aligned with the performance and sustainability objectives of the company	IT strategy integrated with the company's strategic and business processes; IT value proposition defined, maintained and validated; Consideration given to the negative impact IT could have on the environment.
3) The Board should delegate to management the responsibility for the implementation of an IT governance framework	Formal reporting lines for IT, internally and into business; CEO should appoint an individual responsible for IT management of IT (i.e. CIO)
4) The Board should monitor and evaluate significant IT investment and expenditure	Amount spent on, and the value received from IT, formally measured and managed; Board should oversee value delivery in IT.
5) IT should form an integral part of the company's risk management	IT risk forms part of the company's risk management activities and considerations; adequate DR arrangements are in place; compliance to IT related laws, rules, codes and standards.
6) The Board should ensure that information assets are managed effectively	Formal processes to manage information in place and encompass information security (protection of information), management of information and protection of personal information (information privacy)
7) A risk committee and audit committee should assist the Board in carrying out its IT responsibilities	Risk committee addresses risks through risk management, monitoring and assurance processes; risk committee understands those areas most dependent on IT for effective and continuous operation; Audit Committee responsible for IT as it relates to financial reporting.

King III IT governance framework
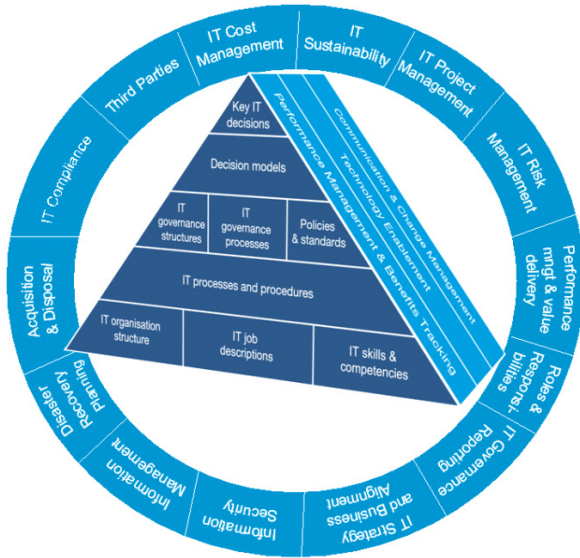
Focus areas:

- IT Strategy
- IT and Business Alignment
- Value Delivery
- Performance Management
- Information Security
- Information Management
- Roles and Responsibilities (including Board, management, audit committee and risk committee)
- IT compliance
- Business Continuity Planning (including Disaster Recovery Planning)
- IT project management and benefit realisation
- IT Sustainability
- IT Risk Management
- Third Parties
- IT Cost Management

How can PwC support?

- Provide an assessment of your current IT Governance arrangements against King III and other best practices such as ITIL, CobiT, ISO 38500, ISO 17799, Val IT

- Support you in determining what to apply from King III and if not, determine why not

- Develop an implementation programme to implement improvements in IT Governance

- Support the implementation of improvements in IT Governance by utilising our PwC IT Governance framework and methodologies to accelerate the programme

Healthcheck for IT Governance Tool
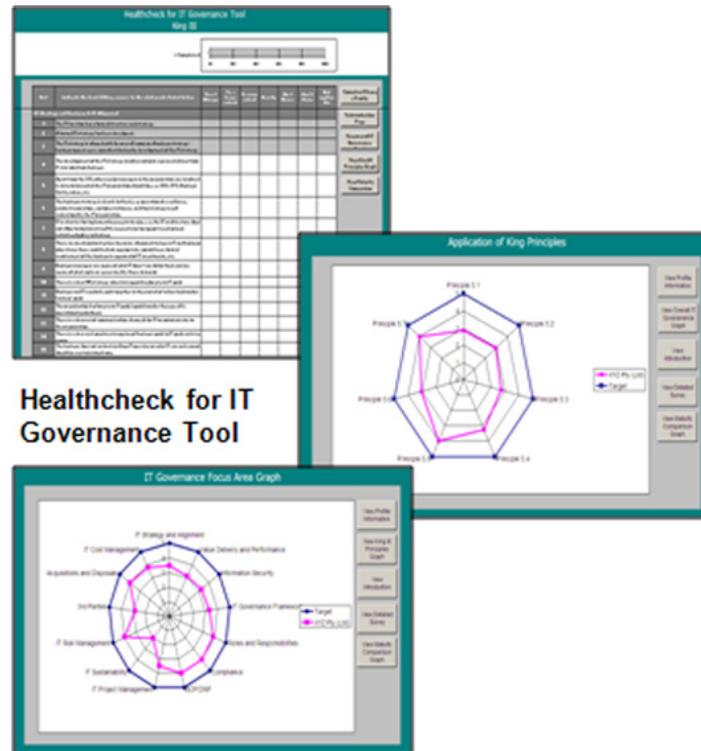
Contact:
Contact our regional experts for more information on this subject.

Gauteng
Angeli Hoekstra
+27 11 797 4162
angeli.hoekstra@za.pwc.com

Mark Telfer
+27 11 797 4628
mark.telfer@za.pwc.com

Western Cape
Francois Le Roux
+27 21 529 2014
francois.le.roux@za.pwc.com

Kwazulu-Natal
Binesh Rajkaran
+27 31 271 2016
binesh.rajkaran@za.pwc.com

Eastern Cape
Chris Knox
+27 43 707 9600
chris.knox@za.pwc.com

Central Region
Rudloph Laubscher
+27 51 503 4100
rudolph.laubsher@za.pwc.com