# IT Governance report: Food for thought and next steps

In last year's articles, the relevance of IT governance was highlighted. Given the status of digitalization, the need for organizations to make disclosures on the governance, risk and compliance of their automated systems is increasing rapidly.

This is not a new topic; in countries like South Africa with its King reports, IT governance has been on the board agenda for decades. Other countries have also introduced similar approaches as part of corporate governance codes.

However, recently some new initiatives were launched, especially in the Netherlands, which could help in shaping the agenda going forward. The professional association of registered IT auditors in the Netherlands (NOREA), with a history of approximately 50 years, launched an initiative, called the IT Governance Reporting Initiative, ITGRI, to help organizations in disclosing their IT governance[1].

Although it is not the main task of IT auditors to develop these guidelines, there have been multiple examples in the past where technology control frameworks were shaped with the insights of auditors. Therefore, the current initiative looks promising and is not limited to country borders. While it is formally still in draft, pilots are under way to evaluate if this could work both from an organization and audit perspective. The materials are also being "tested" in master theses at universities. Feel free to reach out about contributing to this initiative.

[1] NOREA IT Governance Reporting Initiative, second consultation version January 2023, www.norea.nl
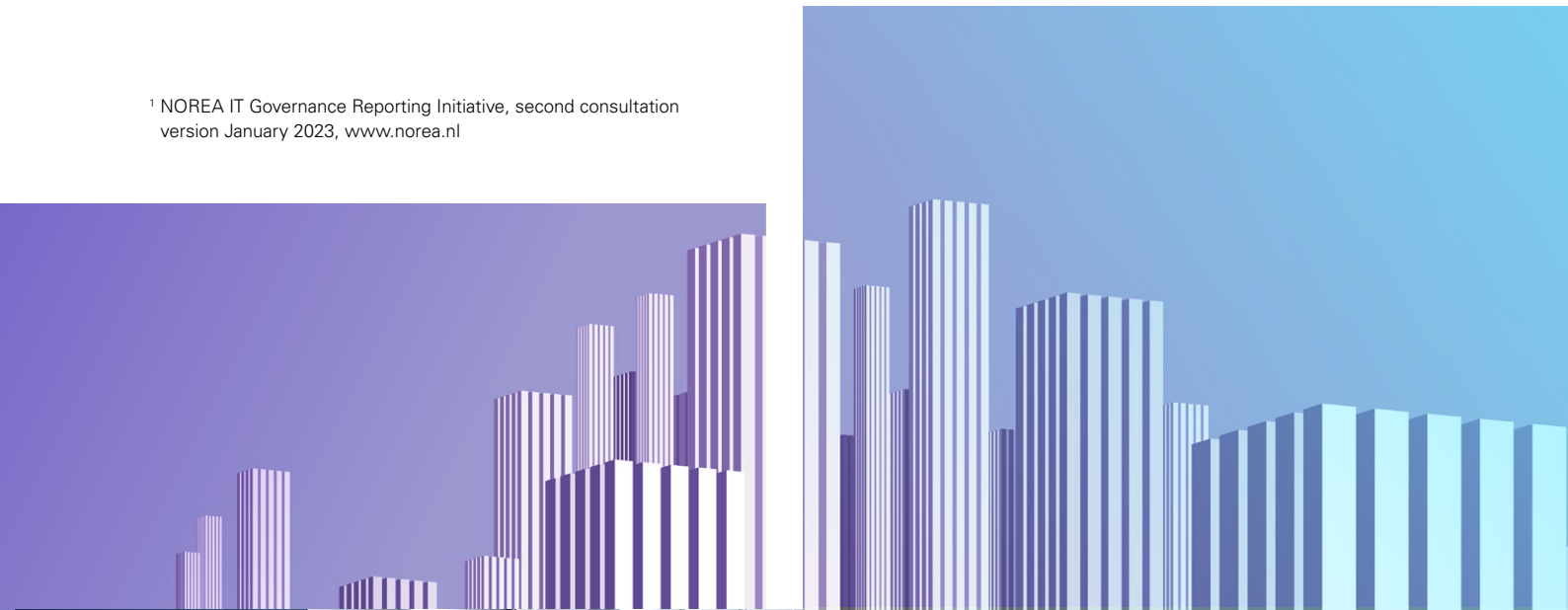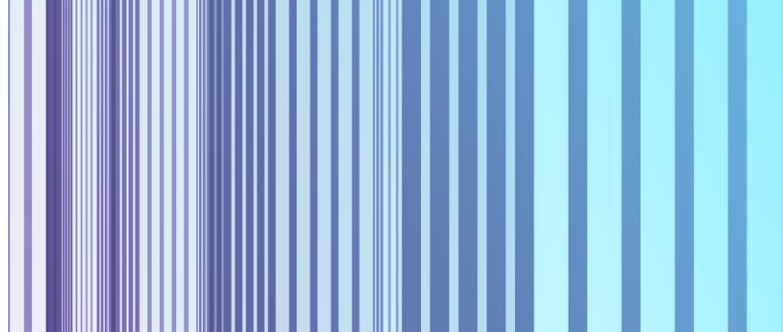
The ITGRI is a practical guidance for organizations to draft an IT governance report. This standard is part of the GRI Sustainability Reporting Standards (GRI Standards). The GRI Standards enable an organization to report information about its most significant impacts on the economy, environment, and people, including impacts on their human rights, and how it manages these impacts. The advantage of using an existing standard as a starting point is that integration with other reporting obligations can be achieved and there is a known structure which can be used.

The GRI Standards are structured as a system of interrelated standards that are organized into three series: GRI Universal Standards, GRI Sector Standards and GRI Topic Standards.

The GRI Topic Standards contain disclosures that the organization uses to report information about its impacts in relation to material topics. It is interesting to look at the pre-selected material topics as this frames the topics seen of relevance as part of the IT governance.

The current list covers:

- Digital Innovation and Transformation
- Data Governance and Ethics
- Sourcing
- Cybersecurity
- ICT Continuity Management
- Privacy

For all these topics, specific objectives, measures and disclosure suggestions are listed, providing a detailed overview which forms a good basis for any IT governance report.

The ultimate objective of this IT Governance Reporting Initiative is to develop disclosure criteria for organizations regarding governance, risk and compliance of their automated systems. In most countries, such a report is not legally required at present but disclosure criteria provide a basis to report in a consistent manner.
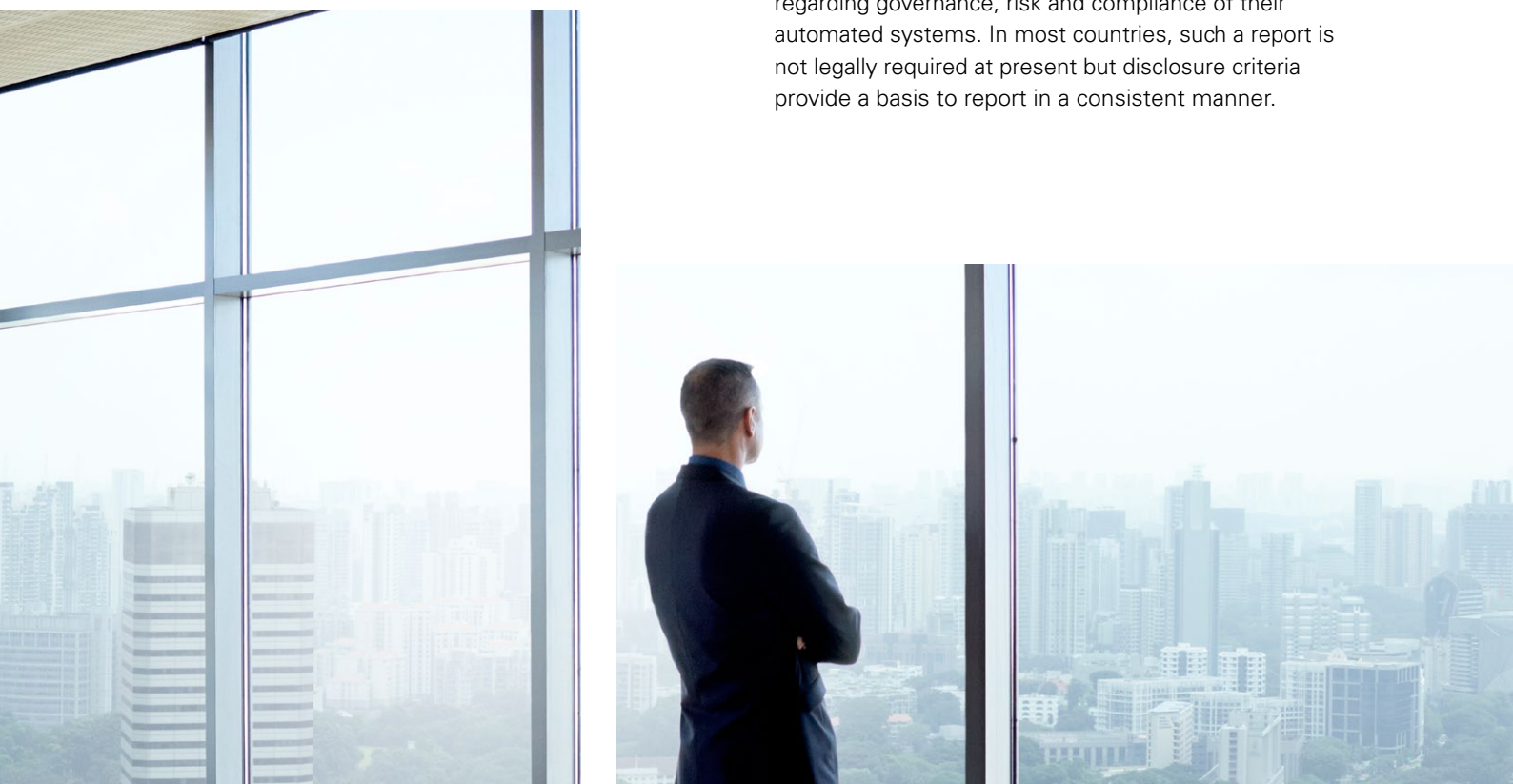
Furthermore, the IT Governance Reporting Initiative provides practical guidance for independent IT auditors to provide an assurance opinion. The opinion of the independent IT auditor enhances the degree of confidence of the intended users of the IT governance report about the reliability of the report and encourages the compiling organization to pay continuous attention to adequate IT governance to safeguard IT continuity of the organization.

Also, in the Swiss marketplace we see the relevance of IT governance disclosures increasing and the audit profession is taking a broader IT scope in performing the financial statement audit. Topics like cybersecurity and operational resilience are becoming part of the annual report. This journey will continue.

Summary

Transparency to all stakeholders about IT Governance is relevant. As a board member it is beneficial to discuss the status of the selected topics within your organization and explore with the IT management how to disclose the quality thereof. Stimulating these exercises and pilots lifts IT Governance to a more mature level. It is worthwhile to look closer at the NOREA IT Governance Reporting Initiative and consequently kick off the use thereof in your organization.

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