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Information technology — Governance of IT — Application of ISO/IEC 38500 to the governance of IT enabled investments

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Foreword

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This document was prepared by Joint Technical Committee ISO/IEC JTC 1, *Information technology*, Subcommittee SC 40, *IT Service Management and IT Governance*.

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Introduction

In today's rapidly evolving digital age, the world is experiencing unpredictable changes through shifts in political and economic power combined with disruptive business models, seemingly constant technology breakthroughs and innovative approaches to conducting business.

How can governing bodies prepare their organizations to address constant and new challenges while being ready for an increasing information and technology driven future?

Information Technology (IT) supports the core functions of all organizations, underpins the basis of almost all business activities and interfaces with customers and other stakeholders. Investments in IT enablement and the contribution of IT to the business capability and performance of the organization play a significant role in the achievement of strategic plans and the delivery of business value.

Effective governance of IT enabled investments will provide governing bodies with a better understanding of their obligations and how value is derived to support the organization's business opportunities and to appropriately mitigate the organisation's risk.

Risks comprise such things as the failure to deliver required capabilities, failure of the business to achieve the required benefits, with the impact on the organization leading to e.g. business disruption, breach of obligations, regulatory non-compliance, failures of security, loss of data, down time. Effective governance will proactively prevent or mitigate the IT aspects of the risk of such events occurring, for example, by addressing prolonged underinvestment.

Governance of IT, including investments in IT, is part of sound corporate governance. Governance of IT is not IT management but should be supported by a governance framework and the organization's IT management system.

This document provides guidelines to members of the governing bodies to apply the principles and model documented in ISO/IEC 38500 to IT enabled investments. Throughout this document the word "investments" is synonymous with IT enabled investments.

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