

COMMITTEE IT-030

DR AS/NZS ISO/IEC 38500 CP

(Project ID: 100022)

Combined Postal Ballot/Draft for Public Comment Australian/New Zealand Standard

LIABLE TO ALTERATION—DO NOT USE AS A STANDARD

**BEGINNING DATE
FOR COMMENT:** 20 November 2009

**CLOSING DATE
FOR COMMENT:** 18 December 2009

Important: The procedure for public comment has changed – please read the instructions on the inside cover of this document.

Corporate governance of information technology

(Revision of AS 8015—20XX)

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Draft for Public Comment Australian/New Zealand Standard

The committee responsible for the issue of this draft comprised representatives of organizations interested in the subject matter of the proposed Standard. These organizations are listed on the inside back cover.

Comments are invited on the technical content, wording and general arrangement of the draft.

The method for submission of comment on this document is to register and fill in an online form via Standards Hub Website. Instructions and examples of comment submission are available on the website. Please use the following link—

<https://www.hubstandards.org.au/hub/public/listOpenCommentingPublication.action>

Comment must be via Hub, any emails or forms sent to us by fax or mail will not be considered by the Committee when it reviews the Public Comment received.

Please place relevant clause numbers beside each comment.

Editorial matters (i.e. spelling, punctuation, grammar etc.) will be corrected before final publication.

The coordination of the requirements of this draft with those of any related Standards is of particular importance and you are invited to point out any areas where this may be necessary.

Please provide supporting reasons and suggested wording for each comment. Where you consider that specific content is too simplistic, too complex or too detailed please provide an alternative.

If the draft is acceptable without change, an acknowledgment to this effect would be appreciated.

Once you have registered and submitted your comments via the online form, your comments are automatically submitted to the committee for review.

Normally no acknowledgment of comment is sent. All comments received via the Standards Hub Website by the due date will be reviewed and considered by the relevant drafting committee. We cannot guarantee that comments submitted in other forms will be considered along with those submitted via the Standards Hub online form. Where appropriate, changes will be incorporated before the Standard is formally approved.

If you know of other persons or organizations that may wish to comment on this draft Standard, could you please advise them of its availability. Further copies of the draft are available from the Publisher SAI Global at <http://www.saiglobal.com/>

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Draft for Public Comment

STANDARDS AUSTRALIA/STANDARDS NEW ZEALAND

Committee IT-030—ICT Governance and Management

DRAFT

Australian/New Zealand Standard

Corporate governance of information technology

(Revision of AS 8015—20XX)

(To be AS/NZS ISO/IEC 38500)

Please note that this document is currently being balloted by the committee and the results of the postal ballot will be contingent on public comment received.

Comment on the draft is invited from people and organizations concerned with this subject. It would be appreciated if those submitting comment would follow the guidelines given on the inside front cover.

Important: The procedure for public comment has changed – please read the instructions on the inside cover of this document

This document is a draft Australian/New Zealand Standard only and is liable to alteration in the light of comment received. It is not to be regarded as an Australian/New Zealand Standard until finally issued as such by Standards Australia/Standards New Zealand.

PREFACE

This Standard was prepared by the Joint Standards Australia/Standards New Zealand Committee IT-030, ICT Governance and Management.

The objective of this Standard is to promote effective, efficient and acceptable use of IT in all organisations.

This Standard is identical with, and has been reproduced from, ISO/IEC 38500:2008.

As this Standard is reproduced from an international standard, the following applies:

- (a) Its number appears on the cover and title page while the international standard number appears only on the cover.
- (b) In the source text 'this Standard' should read 'this Australian/New Zealand Standard'.
- (c) A full point substitutes for a comma when referring to a decimal marker.

None of the normative references in the source document have been adopted as Australian or Australian/New Zealand Standards.

DRAFT

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DRAFT

INTRODUCTION

The objective of this standard is to provide a framework of principles for Directors to use when evaluating, directing and monitoring the use of information technology (IT) in their organizations.

Most organizations use IT as a fundamental business tool and few can function effectively without it. IT is also a significant factor in the future business plans of many organizations.

Expenditure on IT can represent a significant proportion of an organization's expenditure of financial and human resources. However, a return on this investment is often not realized fully and the adverse effects on organizations can be significant.

The main reasons for these negative outcomes are the emphasis on the technical, financial and scheduling aspects of IT activities rather than emphasis on the whole business context of IT use.

This standard provides a framework for effective governance of IT, to assist those at the highest level of organizations to understand and fulfil their legal, regulatory, and ethical obligations in respect of their organizations' use of IT. The framework comprises definitions, principles and a model.

This standard is aligned with the definition of Corporate Governance that was published as a Report of the Committee on the Financial Aspects of Corporate Governance (the Cadbury Report) in 1992. The Cadbury Report also provided the foundation definition of Corporate Governance in the OECD Principles of Corporate Governance in 1999 (revised in 2004). Users of this standard are encouraged to familiarise themselves with the Cadbury Report and the OECD Principles of Corporate Governance.

Governance is distinct from management, and for the avoidance of confusion, the two concepts are clearly defined in the standard.

While this standard is addressed primarily to the governing body, which may in turn direct that certain actions be taken by the management of the organization, it also allows that, in some (typically smaller) organizations, the members of the governing body may also occupy the key roles in management. In this way, it ensures that the standard is applicable for all organizations, from the smallest, to the largest, regardless of purpose, design and ownership structure.

The standard is also intended to inform and guide those involved in designing and implementing the management system of policies, processes, and structures that support governance.

AUSTRALIAN/NEW ZEALAND STANDARD

Corporate governance of information technology

1 SCOPE

This standard provides guiding principles for directors of organizations (including owners, board members, directors, partners, senior executives, or similar) on the effective, efficient, and acceptable use of Information Technology (IT) within their organizations.

This standard applies to the governance of management processes (and decisions) relating to the information and communication services used by an organization. These processes could be controlled by IT specialists within the organization or external service providers, or by business units within the organization.

It also provides guidance to those advising, informing, or assisting directors.

They include:

- senior managers;
- members of groups monitoring the resources within the organization;
- external business or technical specialists, such as legal or accounting;
- specialists, retail associations, or professional bodies;
- vendors of hardware, software, communications and other IT products;
- internal and external service providers (including consultants);
- IT auditors.

PREPARATION OF JOINT AUSTRALIAN/NEW ZEALAND STANDARDS

Joint Australian/New Zealand Standards are prepared by a consensus process involving representatives nominated by organizations in both countries drawn from all major interests associated with the subject. Australian/New Zealand Standards may be derived from existing industry Standards, from established international Standards and practices or may be developed within a Standards Australia, Standards New Zealand or joint technical committee.

During the development process, Australian/New Zealand Standards are made available in draft form at all sales offices and through affiliated overseas bodies in order that all interests concerned with the application of a proposed Standard are given the opportunity to submit views on the requirements to be included.

The following interests are represented on the committee responsible for this draft Australian/ New Zealand Standard:

Australian Bankers Association
Australian Chamber of Commerce and Industry
Australian Computer Society
Australian Industry Group
Australian Information Industry Association
Australian Institute of Company Directors
Australian Institute of Project Management
Australian Prudential Regulation Authority
Consumers' Federation of Australia
Council of Small Business Organisations of Australia
Department of Communications, Information Technology and the Arts
Department of Defence (Australia)
Department of Finance and Administration (Federal)
Engineers Australia
Information Systems, Audit and Control Association
IT Service Management Forum (Australia)
Macquarie University
NZ Computer Society
Project Management Institute
RMIT University
Society of Consumer Affairs Professionals
Software Quality Association (ACT)

Standards Australia

Standards Australia is an independent company, limited by guarantee, which prepares and publishes most of the voluntary technical and commercial standards used in Australia. These standards are developed through an open process of consultation and consensus, in which all interested parties are invited to participate. Through a Memorandum of Understanding with the Commonwealth government, Standards Australia is recognized as Australia's peak national standards body.

Standards New Zealand

The first national Standards organization was created in New Zealand in 1932. The Standards Council of New Zealand is the national authority responsible for the production of Standards. Standards New Zealand is the trading arm of the Standards Council established under the Standards Act 1988.

Australian/New Zealand Standards

Under a Memorandum of Understanding between Standards Australia and Standards New Zealand, Australian/New Zealand Standards are prepared by committees of experts from industry, governments, consumers and other sectors. The requirements or recommendations contained in published Standards are a consensus of the views of representative interests and also take account of comments received from other sources. They reflect the latest scientific and industry experience. Australian/New Zealand Standards are kept under continuous review after publication and are updated regularly to take account of changing technology.

International Involvement

Standards Australia and Standards New Zealand are responsible for ensuring that the Australian and New Zealand viewpoints are considered in the formulation of international Standards and that the latest international experience is incorporated in national and Joint Standards. This role is vital in assisting local industry to compete in international markets. Both organizations are the national members of ISO (the International Organization for Standardization) and IEC (the International Electrotechnical Commission).

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