

JUST RELEASED:

COBIT® 4.0

THE NEWEST EVOLUTION
OF *CONTROL OBJECTIVES*
FOR INFORMATION
AND RELATED TECHNOLOGY,
THE WORLD'S LEADING
IT CONTROL AND
GOVERNANCE FRAMEWORK

COBIT

4.0

Successful organizations understand the benefits of information technology (IT) and use this knowledge to drive their shareholders' value. They recognize the critical dependence of many business processes on IT, the need to comply with increasing regulatory compliance demands and the benefits of managing risk effectively. To aid organizations in successfully meeting today's business challenges, the IT Governance Institute® (ITGI) has published version four of *Control Objectives for Information and related Technology* (COBIT®).

COBIT is an IT governance framework and supporting toolset that allows managers to bridge the gap between control requirements, technical issues and business risks. COBIT enables clear policy development and good practice for IT control throughout organizations. ITGI's latest version—COBIT® 4.0—emphasizes regulatory compliance, helps organizations to increase the value attained from IT, enables alignment and simplifies implementation of the COBIT framework. It does not invalidate work done based on earlier versions of COBIT but instead can be used to enhance work already done based upon those earlier versions. When major activities are planned for IT governance initiatives, or when an overhaul of the enterprise control framework is anticipated, it is recommended to start fresh with COBIT 4.0. COBIT 4.0 presents activities in a more streamlined and practical manner so continuous improvement in IT governance is easier than ever to achieve.

Supporting IT Governance

COBIT supports IT governance by providing a framework to ensure that:

- IT is aligned with the business
- IT enables the business and maximizes benefits
- IT resources are used responsibly
- IT risks are managed appropriately

Benefits of Implementing COBIT

Implementing COBIT allows for:

- Better alignment based upon a business focus
- An understandable view of IT for management
- Clear ownership and responsibilities
- General acceptability with third parties and regulators
- Shared understanding among all stakeholders based on a common language
- Fulfillment of the COSO requirements for the IT control environment

COBIT has become the integrator for IT best practices and the umbrella framework for IT governance because it is harmonized with other standards and continuously kept up to date. The process structure of COBIT, in conjunction with its high-level, business-oriented approach, provides an end-to-end view of IT that aids organizations in getting the most value possible from their IT investments.

COBIT Framework History

The COBIT framework was defined in the first edition, copyrighted in April 1996 by the IT Governance Institute. Following on from its definition, the application of international standards and guidelines and research into best



practices led to the development of the control objectives. Audit guidelines were next developed to assess whether these control objectives are appropriately implemented.

Research for the first and second editions (1998) included an extensive mapping to international standards and was carried out by teams in Europe, the US and Australia.

The COBIT® 3rd Edition® project (released in 2000) consisted of developing the management guidelines and updating the second edition based on new and revised international references. In addition, the COBIT framework was revised and enhanced to support increased management control, introduce performance management and further develop IT governance.

Overview of COBIT 4.0

COBIT 4.0 provides good practices across a domain and process framework. Like previous releases of COBIT, COBIT 4.0 leverages the experience of numerous international experts. The COBIT control framework links IT initiatives to the business requirements, organizes IT activities into a generally accepted process model, identifies the major IT resources to be leveraged and defines the management control objectives to be considered. COBIT 4.0 represents a consensus of experts from around the world who continually work together to maintain the relevancy, benefit and timeliness of COBIT.

COBIT 4.0 marks the first major update of the COBIT core content since the release of COBIT 3rd Edition in 2000. The new COBIT volume consists of four sections:

- The executive overview
- The framework
- The core content (control objectives, management guidelines and maturity models)

- Appendices (mappings and cross-references, additional maturity model information, reference material, a project description and a glossary)

The core content is divided according to the 34 IT processes. Each process is covered in four sections of approximately one page each, combining to give a complete picture of how to control, manage and measure the process. The four sections for each process, in order, are:

1. The high-level control objective for the process
 - (a) A process description summarizing the process objectives
 - (b) A high-level control objective represented in a waterfall summarizing process goals, metrics and practices
 - (c) The mapping of the process to the process domains, information criteria, IT resources and IT governance focus areas
2. The detailed control objectives for the process
3. Management guidelines: the process inputs and outputs, a RACI (Responsible, Accountable, Consulted and/or Informed) chart, goals and metrics
4. The maturity model for the process

Another way of viewing the process performance content is:

- Process inputs are what the process owner needs from others.
- The process description describes what the process owner needs to do.
- The process outputs are what the process owner needs to deliver.
- The goals and metrics show how the process should be measured.
- The RACI chart defines what needs to be delegated and to whom.
- The maturity model shows how the process can be improved.

How Is COBIT 4.0 Different From COBIT 3rd Edition?

COBIT 4.0 is an enhancement of COBIT 3rd Edition and in no way invalidates any implementation or execution activities based on COBIT 3rd Edition. The introduction of COBIT 4.0 provides the opportunity to further improve IT governance and control arrangements, where appropriate. Mappings to support this transition are included in a COBIT 4.0 appendix, and release 3.2 of COBIT Online® (a web-based database reflecting the most current COBIT material) will remain available, in a frozen state, to support transition activity. Future COBIT update activity will take place electronically and on an ongoing basis via new releases (post-3.2) of COBIT Online. Occasional print copies will be released when the update activity warrants.

For More Information

Additional information about COBIT 4.0 is available at www.isaca.org/cobit. The COBIT 4.0 publication can be downloaded for no charge on the web site. COBIT 4.0 can also be purchased at www.isaca.org/bookstore, along with other valuable COBIT products.

IT Governance Focus Areas

- **Strategic alignment** focuses on ensuring the linkage of business and IT plans, on defining, maintaining and validating the IT value proposition, and on aligning IT operations with enterprise operations.
- **Value delivery** is about executing the value proposition throughout the delivery cycle, ensuring that IT delivers the promised benefits against the strategy, concentrating on optimizing costs and proving the intrinsic value of IT.
- **Resource management** is about the optimal investment in, and the proper management of, critical IT resources: processes, people, applications, infrastructure and information. Key issues relate to the optimization of knowledge and infrastructure.
- **Risk management** requires risk awareness by senior corporate officers, a clear understanding of the enterprise's appetite for risk, transparency about the significant risks to the enterprise, and embedding of risk management responsibilities into the organization.
- **Performance measurement** tracks and monitors strategy implementation, project completion, resource usage, process performance and service delivery, using, for example, balanced scorecards that translate strategy into action to achieve goals measurable beyond conventional accounting.



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