Quick Reference Guide
COBIT 5® Framework

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This quick reference guide serves as a supplement to our library of whitepapers and other guidance on COBIT® 5 and IT Governance.

COBIT 5 is arguably the most widely used and well known IT governance and management best practice framework developed by ISACA. This framework incorporates the older versions of COBIT, Risk IT and Val IT, and ISO/IEC 38500.

COBIT 5 provides a comprehensive framework that assists enterprises in achieving their objectives for the governance and management of enterprise information and technology assets (IT). It enables IT to be governed and managed in a holistic manner for the entire enterprise, taking in the full end-to-end business and IT functional areas of responsibility, considering the IT-related interests of internal and external stakeholders.

The COBIT 5 framework is generic and useful for enterprises of all sizes, whether commercial, not-for-profit or in the public sector.

Simply stated, it helps enterprises create optimal value from IT by maintaining a balance between realizing benefits and optimizing risk levels and resource use.

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Introducing COBIT® 5

Defining IT Governance

ISACA define IT governance as 'The processes and relationships that lead to reasoned decision-making in the use of IT'.

Governance ensures efficient execution, guidance and oversight for continued business transformation and compliance activities and is achieved through the correct organizational structures, transparent processes and information management by defining the relevant controls, boundaries, authorities, responsibilities and tasks necessary to achieve and sustain the organization's objectives and strategy.

Differentiating between governance and management is crucial to understanding the COBIT concepts and perspective.

Most business, nowadays, is highly integrated with technology. Because so many business processes are completely dependent on Information Technology, it is inevitable that any consideration of business governance will extend into the IT realm.

Good governance supports the delivery of an organization's strategic objectives and sustains the organization's strategy.

What is COBIT® 5

COBIT is an IT governance and management framework 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.

COBIT emphasizes regulatory compliance, helps the enterprise increase the value attained from IT, enables alignment and simplifies implementation of the COBIT framework.

The latest version of this framework released is COBIT version 5, which consolidates and integrates the COBIT 4.1, Val IT 2.0 and Risk IT frameworks, and also draws significantly from the Business Model for Information Security (BMIS) and ITAF.

COBIT 5 recognizes that delivering stakeholder value requires good governance and management of information and technology (IT) assets and that enterprise boards, executives and management have to embrace IT like any other significant part of the business. External legal, regulatory and contractual compliance requirements related to enterprise use of information and technology are increasing, threatening value if breached, and must therefore be governed and managed effectively. COBIT 5 provides a comprehensive framework that assists enterprises to achieve their goals and deliver value through effective governance and management of enterprise IT.

COBIT 5 assists enterprises and their executives as they endeavour to maintain quality information to support business decisions and generate business value from IT-enabled investments, i.e., achieve strategic goals and realise business benefits through effective and innovative use of IT.

COBIT 5 helps enterprises create optimal value from IT by maintaining a balance between realizing benefits and optimizing risk levels and resource use. It enables information and related technology to be governed and managed in a holistic manner for the entire enterprise, taking in the full end-to-end business and functional areas of responsibility, considering the IT-related interests of internal and external stakeholders.

The COBIT® 5 Product Family.

The COBIT 5 product family consists of the base framework and a number of detailed extension modules.
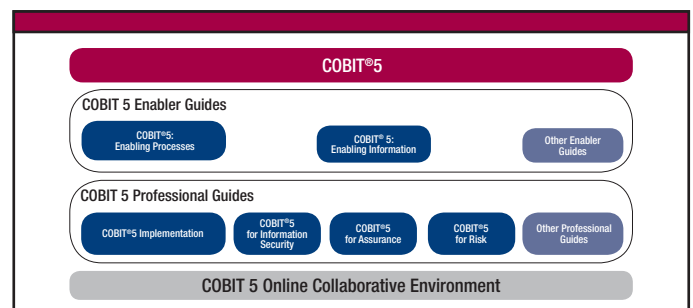

Figure 1 - COBIT 5 Product Family (©ISACA 2012)

COBIT 5 is the base framework for the governance and management of enterprise IT. This contains the core principles and concepts and introduces the best practice framework.

The enabling process enabler guide contains further detail on the governance and management processes. There are five levels of processes down to activities. Also included in this enabler guide are RACI matrices, process inputs and outputs, detailed process purpose statements, and process goals with measures.

The enabling information enabler guide provides more detail on the information required and created as part of the governance and management of enterprise IT.

The COBIT 5 professional guides help the various user groups adopt and use COBIT 5 in their functional domains, such as information security, assurance and risk.

COBIT® 5 Framework in Detail

Principle 1: Meeting Stakeholder Needs

This principle introduces the COBIT 5 goals cascade. The enterprise goals for IT are used to formalize and structure the stakeholder needs. Enterprise goals can be linked to IT-related goals, and these IT-related goals can be achieved through the optimal use and execution of all enablers, including processes. This set of connecting goals is called the COBIT 5 goals cascade. The chapter also provides examples of typical governance and management questions that stakeholders may have about enterprise IT.
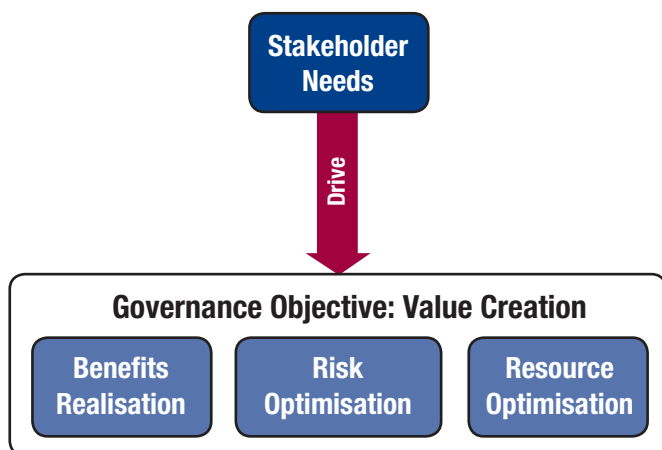

Figure 2 - COBIT 5 Governance Objectives (©ISACA 2012)

The primary governance objective of COBIT 5 is value creation for the enterprise and stakeholders. This objective is decomposed into benefits realization, risk optimization, and resource optimization.

Principle 2: Covering the Enterprise End-to-end

This principle explains how COBIT 5 integrates the governance of enterprise IT into enterprise governance by covering all functions and processes within the enterprise.

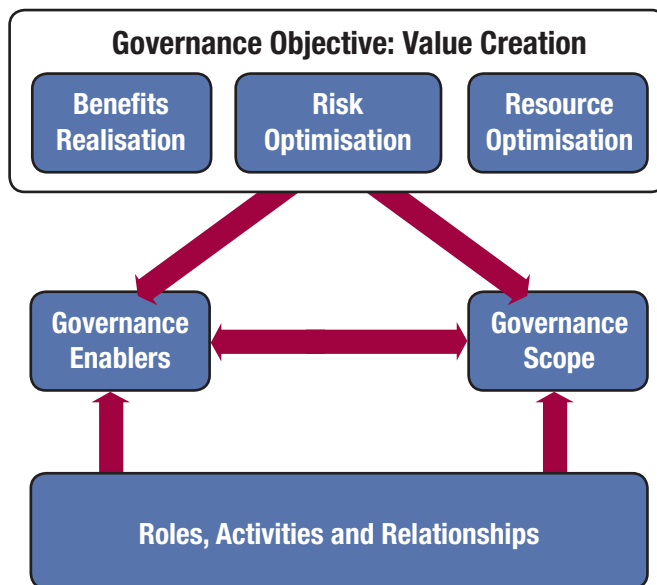The below diagram illustrates the key component of the COBIT 5 governance system.

Figure 3 - COBIT 5 End-to-end enterprise coverage (©ISACA 2012)

Principle 3: Applying a Single Integrated Framework

Principle 3 describes the COBIT 5 architecture that achieves the integration identified and suggested by the COBIT 5 framework. The past versions of COBIT, other ISACA and governance guidance and best practice are included in the knowledge base, which will be maintained and updated.

The COBIT enablers reference this knowledge base in order to effectively govern and manage enterprise IT operations.
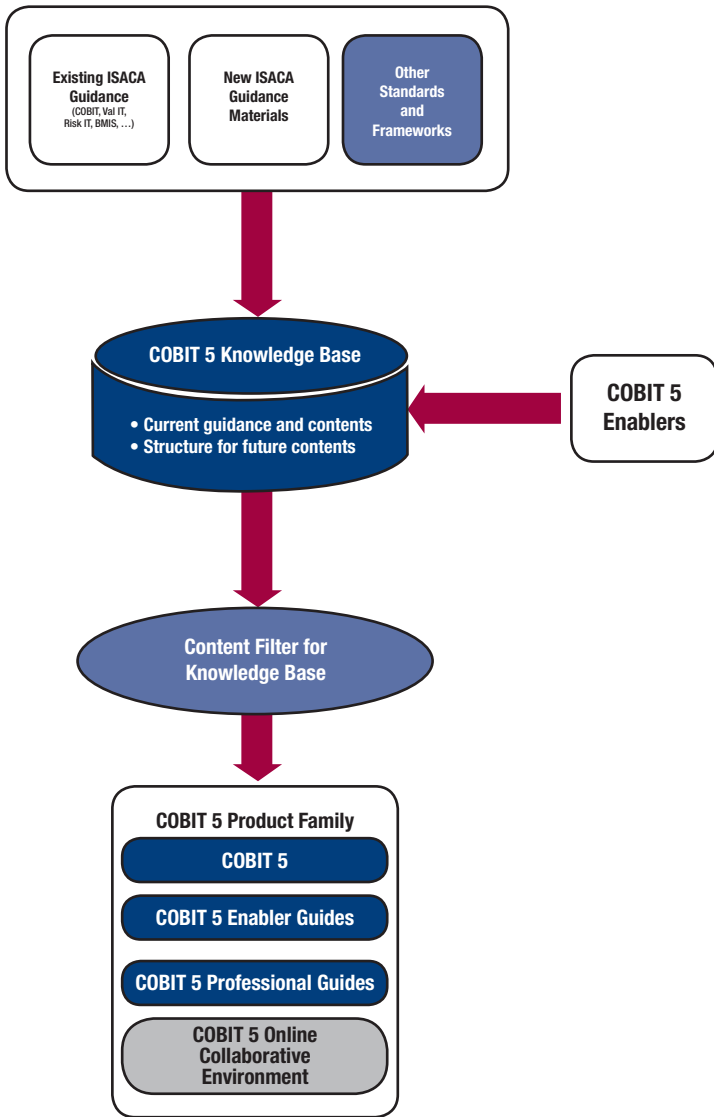
Principle 4: Enabling a Holistic Approach

This principle introduces enablers and a common way of looking at how enablers are presented: the generic enabler model. Each enabler has a number of enabler dimensions which include stakeholders, enabler goals, lifecycle and good practices. Enabler performance management ensures each of these dimensions are measured and monitored. Performance lag indicators refer to those measures that report performance after the fact, and lead indicators refer to indicators that can be measured and reported on before the enabler's outcome.

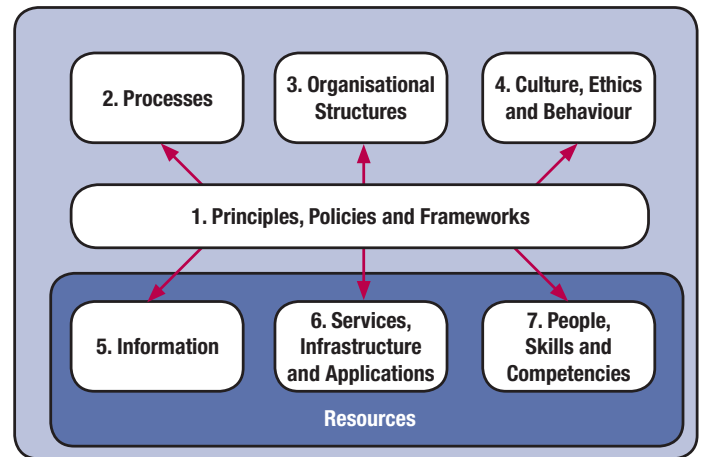Figure 4 - COBIT 5 Framework Integrator (©ISACA 2012)

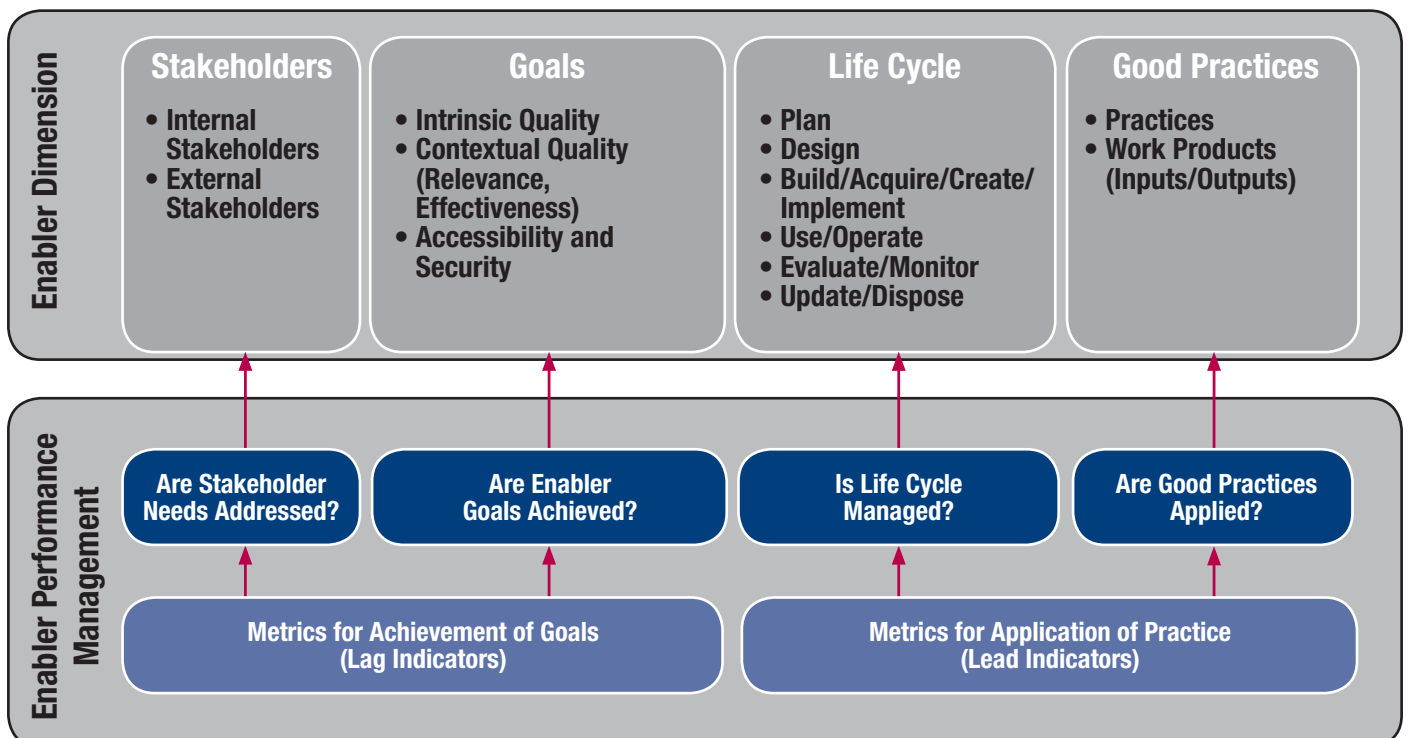Figure 5 - COBIT 5 Enterprise Enablers (©ISACA 2012)

Figure 6 - COBIT 5 Enabler Dimensions (©ISACA 2012)

Principle 5: Separating Governance from Management

This principle discusses the difference between management and governance, and how they interrelate. The high-level COBIT 5 process reference model illustrates how stakeholder needs drive all governance and management functions.
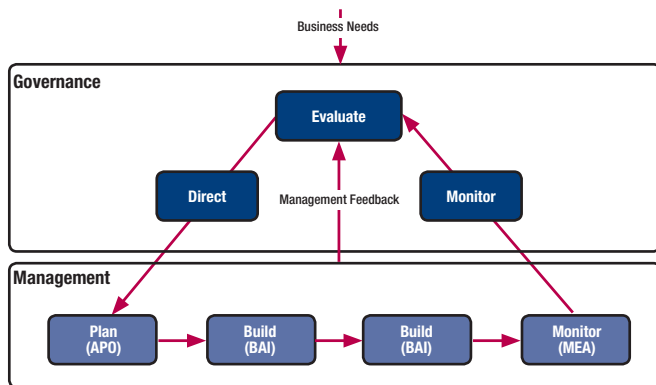

Figure 7 - COBIT 5 High Level Process Reference Model (©ISACA 2012)

COBIT 5 also contains a an additional four lower levels of process drilling down to activity level details on the best practice for the governance and management of enterprise IT. Associated with these processes are the IT-related goals and Enabler goals, and details such as inputs and outputs and RACI matrices.

Conclusion

Governance is a mechanism necessary to achieve and sustain an organization's objectives and strategy. It does this by ensuring efficient execution, guidance and oversight for continued business transformation and compliance activities.

Governance is achieved through the correct organizational structures, transparent processes and information management by defining the relevant controls, boundaries, authorities, responsibilities and tasks and should deliver support for:

- Provision of strategic direction

- Ensuring that objectives are achieved

- Ascertaining that risks are managed appropriately

- Verifying that the enterprise's resources are used responsibly

Adopting COBIT 5 into an organization can be a daunting task, with thousands of processes and goals, and many more performance measures prescribed as the best practice. The iServer IT Governance Solution, which contains the COBIT 5 base framework and the Enabling Process enabler guide, provides a support and collaboration platform for ensuring compliance with COBIT 5 best practice.

The solution provides a number of mechanisms and tools to benchmark and report on enterprise compliance and IT governance maturity.

Good governance is characterized by discipline, transparency, independence, accountability, responsibility, fairness and social responsibility. Governance helps organizations in evaluating options, direction setting and monitoring performance (COBIT 5). Established governance will help organizations address a wide range of business-related issues including regulatory compliance, risk and resource management and IT value management.

References

©ISACA 2012 "COBIT® 5: A Business Framework for the Governance and Management of IT" USA: ISACA

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