Understanding the value of ICT operations assurance

Good assurance supports government organisations in making risk-informed investment decisions, helps identify key risks to service delivery and enables better management of ICT risks before they start to impact on business outcomes.

The purpose of the All-of-Government (AoG) ICT Operations Assurance Framework is to support government organisations to implement a fit-for-purpose assurance approach for managing their ICT risks.

Our definition of assurance:

"An independent and objective assessment that provides credible information to support decision-making."

The key words in our definition are 'independent and objective'. There are varying degrees of independence and objectivity but assurance is most effective when it is integrated across all 'three lines of defence':

- The **first line of defence** is the day-to-day operational management processes and controls you have in place for identifying and managing ICT risks.
- The **second line of defence** is the governance and oversight arrangements that exist for ongoing monitoring of ICT risks.
- The **third line of defence** is the independent assurance you get from Internal Audit and third party assurance providers, including External Audit, that ICT risks are effectively managed.

Government Chief Digital Officer System Assurance Team

New Zealand Government

Ministers want more, not less assurance…

The Minister for Government Digital Services, the Hon Dr Megan Woods, states:

"As a Minster, I'm looking for joined up and timely advice.

I'm looking for confidence that the Government's digital investment portfolio is balanced to deliver the right things at the right time for New Zealand and its citizens.

I know that digital transformation is complex and inherently risky. I want to know that we have the right skills, the right delivery approaches, and credible, accurate and objective information that enables us to govern effectively.

And I want to know that Government officials are working together; that there's a consistent and shared understanding of risk and that we're collectively doing all we can to deliver the best we can for New Zealanders safely and securely.

A joined up, integrated approach to assurance is key to providing confidence that digital investment outcomes will be achieved not only for individual projects and programmes, but also at a system level.

So while there hasn't been another Novopay in the last five years, the challenges of the digital era mean that Ministers want more, not less assurance."[1]

1. Extract from keynote speech by the Minster for Digital Government Services at the briefing to Chief Executives and Senior Leaders on Understanding the Value of Assurance held on 26 November 2018.

Improving ICT portfolio management

Strategic risk management and assurance are critical components of ICT portfolio management enabling government organisations to make risk-informed investment decisions.

Often there is a disconnect between the business and ICT which means that executives and ICT governance bodies don't understand the business impacts of ICT risks or the opportunities they might present to improve business performance.

Lifting the conversation to a strategic, portfolio view of ICT investment can help the business and ICT to develop a shared view of ICT risk with a focus on business outcomes.

Case study – Ministry of Business, Innovation and Employment (MBIE)

MBIE plays a central role in shaping and delivering a strong New Zealand economy. Its diverse business units are supported by a complex ICT landscape, including legacy systems.

The ICT leadership team faced the challenge of a large number of low-level risk statements that added to the confusion between issues and risks. To help support better risk conversations at leadership/management levels, the team adopted a portfolio approach to risk management that focused on risk expressed as a 'top event' rather than numerous risk causes with the same result. Control assurance considers control effectiveness creating opportunities for improved management insight.

Mark Brown – Acting CIO

"Risk management is viewed as a management activity no different from budgeting, recruiting or communicating. We plan an annual programme of risk reviews and assurance activity that drives better risk conversations and managerial decisions. Risk informs our activity choices and frequently provides the rationale for prioritisation."

Improving service delivery

Assurance can help improve service delivery by identifying opportunities for improvement.

It is easy to get caught up in the day-to-day activity of providing services to customers. Assurance provides an objective and evidenced-based view of the likelihood of key ICT risks occurring and their potential impact on service delivery. In this way, assurance can help identify the areas of greatest risk to service delivery and ensure adequate arrangements are in place should they arise.

Assurance can also help identify the root causes of key ICT risks and ensure that actions appropriately address these. For example, opportunities for improvement may include lifting capabilities in people and processes, the lack of which are often at the heart of ICT risk failures.

Improving risk ownership

Assurance can help improve business ownership of key ICT risks by clarifying goals and objectives for how ICT supports business outcomes. Every ICT system should have a Business Owner who is accountable for ensuring that ICT systems are fit-for-purpose based on the business outcomes they support. This includes obtaining assurance over the effective operation of ICT systems.

Engaging with Business Owners to understand their key ICT risks, potential business impacts and assurance needs, enables better management of ICT risks and improves business performance. Improving risk ownership also enables better management of changes to ICT systems, as Business Owners engage early to assess the likelihood and impact of future changes on business outcomes.

Case study – Ministry of Social Development

The MSD ICT environment is complex with more than 440 different applications/tools/technologies in various stages of their lifecycles that deliver business services to more than 1 million MSD Clients, partners and NGOs and 10,000 internal users. Gaining and maintaining assurance over ICT risks is key to ensuring that services are available and up to standard throughout the product and technology lifecycles.

Paul Weyers – Manager IT Performance & Risk

"Recording our ICT operational risks in a single authoritative repository enables a clear view of MSD's ICT risk landscape. This also enables us to assign clear accountability and ownership for control over technical risk back into the business. This supports more informed decision making and investment decisions."

More efficient use of resources

Assurance can help with resource prioritisation by identifying areas that are overcontrolled and redirecting resources to those areas of greatest risk and value.

For example, developing an integrated risk-based assurance plan can help government organisations to gain a better understanding of the roles and scope of work undertaken by assurance providers both internal and external. In this way, an assurance plan may identify overlaps in assurance activities which could be combined or better coordinated to improve the overall efficiency and effectiveness of the assurance process.

It also helps to reduce the compliance burden on delivery teams and maximise value for money. This is becoming increasingly important as government organisations are expected to do more with less resources.

Case study – Department of Internal Affairs

In 2017/18 Government Information Services (GIS) adopted a coordinated approach to complete security assessments across the GIS portfolio, which provides products for All-of-Government. In the past each product was managed independently. The team started by identifying which products required certification in the current year. They then consolidated these products into a single certification exercise, preparing a pack of refreshed artefacts for Certification team (vendor).

Christine Bennett – General Manager

"While the process took a little longer than initially planned, GIS was able to significantly reduce the cost of certification. Now that we better understand the process, we plan to make the upkeep of all related artefacts across the entire portfolio a priority, further reducing the time and cost involved. These artefacts also feed into continuity planning helping us to further reduce our risk footprint."

Contact us

The System Assurance team can be contacted for queries, advice and guidance at systemassurance@dia.govt.nz

Additional guidance and templates can be found on the GCDO's website: bit.ly/2ZQCCbo